

# Public Document Pack



To: Councillor John Stewart, Convener; Councillor Noble, Vice Convener; and Councillors Corall, Crockett, Dean, Dunbar, Farquharson, Graham, Kiddie, Laing, Leslie, Malone, McCaig, John West and Yuill.

Town House,  
ABERDEEN 21 September, 2011

## **FINANCE AND RESOURCES COMMITTEE**

Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in Committee Room 2, Town House on **THURSDAY 29 SEPTEMBER 2011 at 2pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **BUSINESS**

**1 DETERMINATION OF EXEMPT ITEMS OF BUSINESS**

**2 DEPUTATION REQUESTS**

**3 MINUTES, COMMITTEE BUSINESS STATEMENT AND MOTIONS LIST**

3.1 Minute of Previous Meeting of 17 June, 2011 - for approval (Pages 1 - 24)

3.2 Committee Business Statement (Pages 25 - 40)

3.3 Motions List (Pages 41 - 44)

## 4 MOTIONS

- 4.1 Motion by Councillor Wisely - referred from the meeting of Council of 29 June, 2011 (Pages 45 - 46)

**'That the Council review its decision CGL DS22 of 15.12.10 and consider reinstating the delivery service albeit on a reduced basis for those members who request it. The modest costs of approximately £5,000 to be met from reserves'.**

- 4.2 Motion by Councillor West

**'Committee instructs officers to copy the scheme of charging for business permits in city centre controlled parking zones and apply the same charges to elected members' spaces in the Town House Extension car park. Any future changes to charges for business permits should be automatically applied to elected members parking at the Town House Extension. For clarity, the current charge for central zones is £200 per annum'.**

- 4.3 0845 Numbers (Pages 47 - 56)

**Members: Please note that this report relates to item 3 of the motions list (Motion by Councillor Reynolds 'With the ever increasing number of Aberdeen citizens who use a mobile telephone as against a land line, officers be instructed to bring forward a report as a matter of urgency, to the next appropriate committee, identifying ways in which 0845 numbers used by our services can be replaced with a local number, which will reduce the cost to our citizens'.**

## 5 REFERRALS

- 5.1 Review of Income and Expenditure for Allotments - referred from the meeting of the Housing and Environment Committee of 25 August, 2011 (Pages 57 - 64)

- 5.2 Furniture Scheme - referred from the meeting of the Housing and Environment Committee of 25 August, 2011 (Pages 65 - 70)

- 5.3 Housing Service Car Parking Charges - referred from the meeting of the Housing and Environment Committee of 25 August, 2011 (Pages 71 - 82)

- 5.4 Newhills Primary School - Land Requirement - referred from the meeting of the Housing and Environment Committee of 25 August, 2011 and the meeting of the Education, Culture and Sport Committee of 15 September, 2011 (Pages 83 - 90)

5.5 Formation of a Local Authority Trading Company - Implementation Costs - referred from the meeting of the Social Care and Wellbeing Committee of 1 September, 2011 (Pages 91 - 96)

5.6 Flood Risk Management (Scotland) Act Implementation Progress Report - referred from the meeting of the Enterprise, Planning and Infrastructure Committee of 13 September, 2011 (Pages 97 - 106)

**Members: Please note that the recommendations contained within this report were approved at the meeting of the Enterprise, Planning and Infrastructure Committee.**

5.7 Disposal of Operational Properties - referred from the meeting of the Education, Culture and Sport Committee of 15 September, 2011 (Pages 107 - 114)

## **6 CORPORATE GOVERNANCE SERVICE ISSUES**

6.1 Revenue Budget Monitoring Report - Corporate Governance Service (Pages 115 - 118)

6.2 Non Housing Capital Monitoring Report - Corporate Governance Service (Pages 119 - 124)

## **7 FINANCE**

7.1 Revenue Budget - Monitoring Report (Pages 125 - 130)

7.2 Non Housing Capital Programme - Monitoring Report (Pages 131 - 152)

7.3 Common Good Budget - Monitoring Report (Pages 153 - 158)

7.4 Priority Based Budgeting - Update (Pages 159 - 166)

7.5 Removal of Internal Recharges (Pages 167 - 172)

7.6 Annual Housing and Council Tax Benefit Report (Pages 173 - 192)

7.7 Unrecoverable Debt (Pages 193 - 202)

**Members: Please note that appendix 6 to this report is contained within the exempt section of the agenda, at item 10.1.**

7.8 Applications for Financial Assistance (Pages 203 - 208)

- 7.9 Youth Activities Small Grants Fund (Pages 209 - 214)
- 7.10 Housing Revenue Account Budget Savings (Pages 215 - 220)
- 7.11 Forestry Consultant - Update (Pages 221 - 224)

## **8 PROPERTY**

- 8.1 Process for Considering Requests to Acquire Property at Less than Market Value (Pages 225 - 242)
- 8.2 Surplus Property Procedure (Pages 243 - 254)
- 8.3 Property Asset Management Plan - Update (Pages 255 - 312)
- 8.4 Review of Corporate Office Accommodation (Pages 313 - 320)  
**Members: Please note that an appendix to this report is located in the exempt section of the agenda, at item 11.1.**
- 8.5 Whitemyres Stores – Future Use (Pages 321 - 328)
- 8.6 National Housing Trust Phase 2 (Pages 329 - 334)

## **9 GENERAL**

- 9.1 Accord Card: Citizen Roll Out Update (Pages 335 - 338)

### **ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE**

## **10 FINANCE**

- 10.1 Unrecoverable Debt - Appendix 6 (Pages 339 - 340)
- 10.2 Trading Services - Monitoring Report (Pages 341 - 352)
- 10.3 CAB - Service Level Agreement (Pages 353 - 356)
- 10.4 Performance Related Pay - Chief Executive (Pages 357 - 366)

## 11 PROPERTY

- 11.1 Review of Corporate Office Accommodation - Appendix (Pages 367 - 370)
- 11.2 20A Loirston Road - Outcome of Marketing (Pages 371 - 376)
- 11.3 29 Redmoss Avenue - Outcome of Marketing (Pages 377 - 382)
- 11.4 30 Springfield Avenue - Outcome of Marketing (Pages 383 - 386)
- 11.5 105 to 107 Urquhart Road - Outcome of Marketing (Pages 387 - 394)
- 11.6 Retail Portfolio Investment Sale - Outcome of Marketing (Pages 395 - 400)
- 11.7 Former Mile End School - Outcome of Marketing (Pages 401 - 416)
- 11.8 25 Westfield Terrace - Cornerstone (Pages 417 - 424)
- 11.9 Broadhill Bar - Future Use (Pages 425 - 432)
- 11.10 Frederick Street Development Site (Pages 433 - 442)
- 11.11 Tullos Primary School - Former Janitor's House (Pages 443 - 458)
- 11.12 St Nicholas House (Pages 459 - 472)
- 11.13 Pitmedden Road, Dyce (Pages 473 - 482)
- 11.14 Earns Heugh Road - Renunciation of Lease (Pages 483 - 488)

## 12 GENERAL

- 12.1 Procurement of Consultancy Service (Social Care) - verbal report by the Chief Executive

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If you require any further information about this agenda, please contact Rebecka Coull (tel. 522869 or email [rcoull@aberdeencity.gov.uk](mailto:rcoull@aberdeencity.gov.uk))

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## FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 17 June, 2011 – minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present: Councillor Kevin Stewart MSP, Convener; Councillor Yuill, Vice Convener; and Councillors Allan (as substitute for Councillor Laing), Corall (as substitute for Councillor McCaig from article 33), Crockett (articles 1 – 51), Dean, Farquharson, Fletcher (articles 1 – 51), Graham, Leslie, May (as substitute for Councillor Kiddie), McCaig (articles 1 – 32), Reynolds (as substitute for Councillor Cormack), Kirsty West (as substitute for Councillor Dunbar), and John West.

The agenda and reports associated with this minute can be located at the following link:

<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=146&MId=1927&Ver=4>

## VALEDICTORY

1. As it was the Convener's final meeting as Convener of this Committee, he took the opportunity to thank staff and members for their efforts in getting the Council back to a sound financial position. He continued by stating that he had enjoyed his time in this role, and in his previous role as Convener of the former Resources Management Committee, and felt that members had in the main worked well together, particularly in scrutinising the finances of the Council.

The Vice Convener and Councillors Crockett, Farquharson and McCaig all paid tribute to the Convener on behalf of their political parties, and congratulated him on his recent victory in the Scottish Parliamentary elections, whereby he was appointed as the MSP for the constituency of Aberdeen Central.

## DETERMINATION OF EXEMPT ITEMS OF BUSINESS

2. The Convener proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded.

### The Committee resolved:

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 9.1 of the agenda (article 33 of this minute) onwards so as to avoid disclosure of information of the class described in the following paragraphs of Schedule 7(A) to the Act: article 33 (paragraphs 4 and 6), article 34 (paragraph 6), article 35 (paragraph 6 and 10), article 36 (paragraph 2), article 37 (paragraphs 6 and 9), article 38 (paragraphs 6 and 9), article 39 (paragraphs 6 and 9), article 40 (paragraphs 6 and 9), article 41 (paragraphs 6 and 9), article 42 (paragraphs 6 and 9), article 43 (paragraphs 6 and 9), article 44 (paragraphs 6 and 9); article 45 (paragraphs 6 and 9), article 46

(paragraph 6), article 47 (paragraphs 6 and 9), article 48 (paragraphs 6 and 9), article 49 (paragraph 9), article 50 (paragraphs 6 and 9), article 51 (paragraphs 6 and 9), and article 52 (paragraphs 6 and 9).

### **MINUTE OF PREVIOUS MEETING**

3. The Committee had before it the minute of its previous meeting of 21 April, 2011.

**The Committee resolved:**

to approve the minute as a correct record.

### **MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE**

4. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 16 December, 2011.

**The Committee resolved:**

to note the minute.

### **MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE**

5. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 3 February, 2011.

**The Committee resolved:**

to note the minute.

### **MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE**

6. The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 1 December, 2011.

**The Committee resolved:**

to note the minute.



## **COMMITTEE BUSINESS STATEMENT**

7. The Committee had before it a statement of pending and outstanding committee business, as prepared by the Head of Legal and Democratic Services.

In relation to item 2 (Leaking of Report on St Nicholas House Site), the clerk to the Committee advised that the Head of Legal and Democratic Services had not had any recent correspondence in this regard, but had been in verbal communication with the Standards Commission regarding the direction to be taken.

In relation to item 39 (Corporate Governance Business Case), the Director of Corporate Governance advised that the project was on track, with the Official Journal of the European Union (OJEU) notice having been issued three weeks ago. He advised that there had been a lot of interest, and that a Project Manager had taken up post and was working with his team to keep the project on schedule.

### **The Committee resolved:**

- (i) to remove items 5 (Altens Community Centre and Dyce (Carnegie Hall) Community Centre, 10 (Corporate Asset Management System – Progress), 11 (Grove Lodge), 16 (Future Funding of AECC), 17 (TIF for the City Garden Project), 20 (Pinewood/Hazledene), 22 (Aberdeen Local Development Plan), 32 (Extension of Contracts – Staff Training), and 37 (General Fund Budget) from the Business Statement;
- (ii) in relation to item 14 (Annual Housing and Council Tax Benefit Report), to agree that reports be presented each September, rather than each June, as previously agreed;
- (iii) to note the verbal updates provided on items 2 (Leaking of Report on St Nicholas House Site) and 39 (Corporate Governance Business Case); and
- (iv) to otherwise note the updates as contained within the Business Statement.

## **MOTIONS LIST**

8. The Committee had before it the outstanding motions list, as prepared by the Head of Legal and Democratic Services.

### **The Committee resolved:**

- (i) to note that a report would be presented next cycle on item 1 (Motion by Councillor Jennifer Stewart – Defensible Garden Areas);
- (ii) to note that a report was on the agenda in relation to item 3 (Motion by Councillor McCaig – Community Fund) (article 10 of this minute refers), and to therefore remove this item from the list; and
- (iii) to otherwise note the updates as contained within the list.

## **0845 NUMBERS – MOTION BY COUNCILLOR REYNOLDS**

9. With reference to article 15 of the minute of meeting of Council of 27 April, 2011, the Committee had before it a motion in the following terms by Councillor Reynolds:

‘With the ever increasing number of Aberdeen citizens who use a mobile telephone as against a land line, officers be instructed to bring forward a report as a matter of urgency, to the next appropriate committee, identifying ways in which 0845 numbers used by our services can be replaced with a local number, which will reduce the cost to our citizens’.

### **The Committee resolved:**

to instruct that a report be presented to a future meeting of this Committee addressing the terms of Councillor Reynolds’ motion.

## **COMMUNITY FUND – MOTION BY COUNCILLOR McCAIG (CG/11/071)**

10. With reference to article 6 of the minute of its meeting of 28 September, 2010, the Committee had before it a report by the Director of Corporate Governance which responded to the following motion by Councillor McCaig:

‘Council recognises the benefits that can be gained from small scale investment in local areas and agrees to investigate the establishment of a city wide ‘community fund’ from which community groups, including community councils, can bid for money from to fund specific projects in their local area; and requests that officers report back on potential funding levels and streams with consideration given to this proposal as an alternative to ward budgets’.

### **The Committee resolved:**

to agree that consideration be given as part of the budget setting process for 2012/13 to establishing a ‘city wide community fund’ from which community groups, including community councils, can apply for funding for specific projects for their area.

## **HOUSING REVENUE ACCOUNT BUDGET SAVINGS (H&E/11/053)**

11. Reference was made to article 15 of the minute of meeting of the Housing and Environment Committee of 10 May, 2011 at which time members agreed £413,000 of savings (subject to the approval of this Committee), in the place of the decision taken at the budget meeting of Council of 10 February, 2011 (article 2 refers) to make £600,000 of efficiency savings from within the management and administration budget. The Committee had before it on this day the report as presented to the aforementioned meeting of the Housing and Environment Committee, and the relevant minute extract.

The Committee intimated its disappointment that the Director of Housing and Environment was not available to speak to the report.

**The Committee resolved:**

- (i) to concur with the recommendations of the Housing and Environment Committee and to note the financial implications accordingly;
- (ii) to instruct that a report be presented to this Committee at its next meeting of 27 September, 2011 detailing progress made with all changes that have been implemented since the budget meeting of Council, and further any financial implications that the changes to the welfare reform system would have on the Service; and
- (iii) to instruct that the Director of Housing and Environment attend the next meeting of this Committee to speak to his report.

**COMMUNITY TOILET SCHEME (H&E/11/053)**

12. Reference was made to article 30 of the minute of meeting of the Housing and Environment Committee of 10 May, 2011 at which time members requested that a further £30,000 of funding be added to the revenue budget for the Service in order for a community toilet scheme to be established. The Committee had before it on this day, the report as presented to the Housing and Environment Committee, and the relevant minute extract from the aforementioned meeting.

**The Committee resolved:**

to instruct (1) that the Housing and Environment Service look to fund the £30,000 required from within its own budget, and (2) that a report be presented to the next meeting of this Committee of 29 September, 2011, setting out how officers would achieve this.

**ADDITIONAL CHARGES FOR STREET OCCUPATIONS (EPI/11/105)**

13. Reference was made to article 33 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 24 May, 2011 whereby members agreed charges for street occupations, subject to the approval of this Committee. Members had before them on this day, the report as approved by the Enterprise, Planning and Infrastructure Committee.

**The Committee resolved:**

to concur with the recommendations of the Enterprise, Planning and Infrastructure Committee, and to note the financial implications accordingly.

**SCHOOL CATERING SERVICES – MEAL PRICE INCREASES (EPI/11/165)**

14. Reference was made to article 15 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 24 May, 2011 at which time members had (1) agreed an increase in the price of a school meal by ten pence per meal from August, 2011; and (2) delegated power to the Head of Asset Management and Operations to determine and apply increases in future years as necessary, to reflect budget decisions, increased costs etc, subject to the charges being benchmarked with other comparable authorities. It was noted that the approval of

this Committee was required prior to the implementation of these decisions. The Committee had before it on this day, the report as approved by the Enterprise, Planning and Infrastructure Committee.

**The Committee resolved:**

to concur with the recommendations of the Enterprise, Planning and Infrastructure Committee, and to note the financial implication accordingly.

**26 NETHERHILLS AVENUE – FUTURE USE (SCW/11/039)**

15. Reference was made to article 13 of the minute of meeting of the Social Care and Wellbeing Committee of 17 May, 2011 at which time members had declared 26 Netherhills Avenue surplus to the requirements of the Service. The Committee now had before it the report as approved at the aforementioned meeting of the Social Care and Wellbeing Committee, and the relevant minute extract.

Councillor Crockett advised that he was aware of an organisation that may be interested in obtaining this property for community use. Councillor Crockett undertook to contact the appropriate officers to provide further details in this regard.

**The Committee resolved:**

- (i) to declare the property surplus to the requirements of the Council;
- (ii) to instruct the Head of Asset Management and Operations to commence disposal of the property on the open market;
- (iii) to instruct officers to submit a further report to a future meeting of this Committee detailing any offers received.

**UPDATE ON IMPLEMENTATION OF BUDGET DECISIONS – REDUCE COMMUNITIES TEAM (ECS/11/035)**

16. Reference was made to article 10 of the minute of meeting of the Education, Culture and Sport Committee of 2 June, 2011 at which time that Committee agreed, amongst other things, to provide management committees with a transition grant for 2011/12. This decision had been referred to this Committee for consideration of funding for the transition grants. The Committee had before it on this day the report as presented to the Education, Culture and Sport Committee, and the relevant minute extract from the aforementioned meeting.

Members queried as to whether training would be provided to management committees, and officers advised that a comprehensive programme was being rolled out to existing and new centres which was funded through the Education, Culture and Sport Service. Members requested that information in this regard be disseminated to all relevant persons at an early date.

**The Committee resolved:**

to note that the Director of Education, Culture and Sport had agreed that the funding for the transition grant would come from the Education, Culture and Sport Service budget.

## **CORPORATE GOVERNANCE SERVICE PERFORMANCE REPORT (CG/11/066)**

17. With reference to article 18 of the minute of meeting of this Committee of 1 February, 2011, the Committee had before it a report by the Director of Corporate Governance which presented information on the progress and performance associated with the Service's implementation of the Corporate Governance Business Plan.

### **The Committee resolved:**

to note the content of the report.

## **BUSINESS PLAN UPDATE – CORPORATE GOVERNANCE SERVICE (CG/11/046)**

18. The Committee had before it a report by the Director of Corporate Governance which requested approval for the Corporate Governance Service Business Plan 2011 – 2016.

### **The Committee resolved:**

- (i) to congratulate staff within the Corporate Governance Service for their efforts in reducing the budget by 12%;
- (ii) to approve the Corporate Governance Service Business Plan 2011 – 2016; and
- (iii) to instruct that quarterly progress reports be presented to this Committee as part of the Corporate Governance performance reporting framework.

## **UPDATE ON PRIORITY BASED BUDGETING OPTIONS – CORPORATE GOVERNANCE SERVICE (CG/11/074)**

19. Reference was made to article 2 of the minute of the budget meeting of Council of 10 February, 2011, whereby officers were instructed to report back on progress made in delivering the transformation options for each Service. The Committee had before it on this day a report by the Director of Corporate Governance Service which provided an update on the implementation of the options pertaining to his Service.

### **The Committee resolved:**

- (i) to request that officers share information regarding the cooperation (or otherwise) of partners in relation to progressing shared services, with the Scottish Parliament's Local Government and Regeneration Committee, and to request that any findings by this committee be relayed back to members in due course; and
- (ii) to note the position to date on the implementation of the Corporate Governance service options.

## **CAPITAL BUDGET PROGRESS REPORT – CORPORATE GOVERNANCE SERVICE (CG/11/065)**

**20.** With reference to article 15 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which provided an update on progress made in relation to various projects within the Non Housing Capital Programme, previously approved by Council, which were aligned to the Corporate Governance Service.

### **The Committee resolved:**

- (i) to note the content of the report in relation to the projects outlined at appendix A; and
- (ii) to instruct the relevant officers to work closely with the Corporate Asset Group, and in particular, the Head of Asset Management and Operations and the Head of Finance to ensure effective monitoring of the programme going forward.

## **REVENUE BUDGET 2010/11 – MONITORING REPORT – CORPORATE GOVERNANCE SERVICE (CG/11/063)**

**21.** With reference to article 16 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which provided information on the current year's revenue budget to date for the Corporate Governance Service, and advised of any areas of risk and management action being taken in this regard.

### **The Committee resolved:**

- (i) to note the information on management action and risks contained within the report; and
- (ii) to instruct that officers continue to review budget performance and report on Service strategies.

## **REVENUE BUDGET – MONITORING REPORT – YEAR END (CG/11/069)**

**22.** With reference to article 18 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which presented the revenue position for the Council since the end of the 2010/11 financial year.

### **The report recommended:**

that the Committee –

- (a) note the positive year end position for the financial year 2010/11;
- (b) note that the draft financial statements for 2010/11 would be presented to the meeting of Council of 29 June, 2011;
- (c) note that the audited financial statements would be presented to the meeting of the Audit and Risk Committee of 20 September, 2011, and thereafter would be presented to Council; and
- (d) instruct that £4,000,000 be returned to corporate contingencies from the Social Care and Wellbeing budget for 2011/12, and that £1,000,000 of this

be earmarked for the use of the Social Care and Wellbeing Service if required.

The Convener, seconded by the Vice Convener, moved:

that the report's recommendations be approved; and that in view of the positive outturn as described within the report, officers report back to the appropriate Committee detailing the impact that a one off investment in roads, pavements and lighting of £1,000,000 would have.

Councillor Graham, seconded by Councillor Allan, moved as an amendment:

that the Committee approve recommendations (a), (b) and (c); instruct that £4,000,000 be returned to corporate contingencies from the Social Care and Wellbeing budget for 2011/12, and that £2,000,000 of this be earmarked for the use of the Social Care and Wellbeing Service if required; and that, that officers report back to the appropriate Committee detailing the impact that a one off investment in roads, pavements and lighting of £1,000,000 would have.

On a division, there voted: for the motion (11) – the Convener; the Vice Convener; and Councillors Dean, Farquharson, Fletcher, Leslie, May, McCaig, Reynolds, Kirsty West and John West; for the amendment (3) – Councillors Allan, Crockett and Graham.

**The Committee resolved:**

to approve the successful motion.

**NON HOUSING CAPITAL PROGRAMME – MONITORING REPORT (CG/11/068)**

**23.** With reference to article 17 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which provided an update on the progress across all Services on projects within the 2010/11 Non Housing Capital Programme, as at 31 March, 2011.

**The Committee resolved:**

- (i) to note the pre audit year end position of the Non Housing Capital Programme for 2010/11;
- (ii) to instruct the Head of Finance to report in due course on the audited outturn following completion of the 2010/11 external audit process;
- (iii) to instruct that a continued commitment of £183,000 be held against the capital fund in relation to 'investment in cleaning', in order to complete the project; and
- (iv) to note that the monitoring for the 2011/12 Non Housing Capital Programme will be managed by the Corporate Asset Group and officers from the Enterprise, Planning and Infrastructure Service.

## **NON HOUSING CAPITAL PROGRAMME – MONITORING REPORT (MONITORING REPORTING PROCESS) (EPI/11/169)**

**24.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the new monitoring process for the Non Housing Capital Programme, and requested that a number of carry forwards and budget adjustments be approved.

### **The Committee resolved:**

- (i) to approve the recommended carry forward from 2010/11 as per appendix A;
- (ii) to note the revised Capital budget monitoring process, as per appendix B; and
- (iii) to note that current position of the Non Housing Capital Programme for 2011/12.

## **COMMON GOOD BUDGET 2010/11 – MONITORING REPORT (CG/11/034)**

**25.** With reference to article 19 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which presented information on the income and expenditure of the Common Good budget as at 31 March 2011, and outlined the forecast status of the cash balances.

### **The Committee resolved:**

- (i) to note the near actual income and expenditure position as at 31 March, 2011; and
- (ii) to note the estimated cash balances as at 31 March, 2011 of £5,900,000 based on current forecasts.

## **TREASURY MANAGEMENT POLICY AND STRATEGY (CG/11/067)**

**26.** With reference to article 20 of the minute of its previous meeting, the Committee had before it a report by the Head of Finance which provided an update on the treasury management activities undertaken during the financial year 2010/11.

### **The Committee resolved:**

- (i) to note the content of the report; and
- (ii) to recommend to Council that it notes the treasury management activities undertaken in 2010/11.

## **YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 – APPLICATIONS FOR ROUND TWO FUNDING (ECS/11/041)**

**27.** With reference to article 22 of the minute of its previous meeting of 21 April, 2011 the Committee had before it a report by the Director of Education, Culture and Sport which presented the recommendations of the Youth Activities Grant Funding



Group for the second round of funding for the financial year 2011/12, which had a closing date of 28 April, 2011.

**The Committee resolved:**

(i) to approve funding to the following organisations:

<b>Group Name</b>	<b>Summary of Application</b>	<b>Decision</b>
African Women's Group	To purchase equipment to set up a film making group.	to award £1,500
Aberdeen (Cults) Scout Group	To help fund a return trip to Gomel to help develop English teaching methods.	to award £350
Granite City School of Darts	To fund travel, entry fees, new boards and shirts for young people to take part in competitions in other areas of Scotland.	to award £1,485
Oldmachar Vikings Visit Orkney	To fund a trip to Orkney.	to award £825
Granite City Explorer Scout Unit	To help fund a trip to Poland to help local communities improve their English.	to award £1,500
The Scottish Romanian Society	To help fund a celebration of International Children's Day in Aberdeen.	to award £1,375
Cults Bowling Club – Junior Section	To purchase equipment to start up a junior bowling club.	to award £1,096.93
Foyer Lifeskills	To purchase equipment to enable group to mix, record and design a CD.	to award £950
3 <sup>rd</sup> Aberdeen Girls' Brigade	To cover the cost of three girls to attend a national residential leadership training course.	to award £240
Girl Guiding Aberdeen	To help fund a national camp in the Netherlands.	to award £1,500
Castlegate Seniors	To help fund a stage production of 'The Revenge of Sherlock Holmes'.	to award £1,500
Deeside Explorer Scout Unit	To help fund a two week cross country hike across Poland for five Deeside Explorers.	to award £1,458
Girls Allowed	To cover the costs of participation in the Braemar Highland Safari.	to award £375
Guarana	To cover the cost of a trip to Luton Samba Drumming Workshop weekend.	to award £1,500
Youth Outreach Bus	To purchase games and films for the bus.	to award £600
Stoneywood Scout Group	To help fund a stay at a residential activity centre.	to award £1,500
Hazlewood Art Attack	To purchase materials to design and produce a large textile work of art.	to award £600
Inspire's Holiday Activity Scheme	To fund snowboarding at the dry slopes at Kaimhill for young people who attend the holiday Activity Scheme.	to award £270
ACT 2 – Devising Skills for the 21 <sup>st</sup> Century	To provide training, advice and support for tutors.	to award £1,440

Music 4 U	To purchase music equipment and educational software.	to award £1,264
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- (ii) to instruct the Director of Education, Culture and Sport to arrange for the funds to be distributed accordingly;
- (iii) to request that the Youth Activities Funding Group reconsider the application from Station House Media Unit (SHMU) (reference YAG/11/07);
- (iv) to note that the application from Granite City Explorer Scout Unit had been withdrawn, and therefore that the funding of £1,500 would not be granted; and
- (v) to instruct that details of the criteria which the applications are set against be circulated to members of this Committee for information.

### **CITY COMPOSTING PROJECT FUNDING (EPI/11/157)**

28. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested that retrospective funding be granted for the second year of the city composting project, managed by Aberdeen Forward.

**The Committee resolved:**

to approve funding of £7,500 for the Aberdeen Forward city composting project for the financial year 2010/11.

### **MARRIAGE AND CIVIL PARTNERSHIP FEES (CG/11/076)**

29. The Committee had before it a report by the Director of Corporate Governance which presented proposed increases to the marriage and civil partnership fees charged by the Council.

**The Committee resolved:**

to approve the revised Schedule of fees as follows, commencing on 1 August, 2011:

<b>Grant Room – Marischal College</b>	
<b>Monday – Friday</b>	
Private ceremony (4 people in total)	£125
Ceremony (10 people in total)	£175
Ceremony (54 people in total)	£250
<b>Saturday</b>	
Ceremony (up to a maximum of 54 people)	£350

<b>Town House</b>	
<b>Friday only</b>	
Private ceremony (8 people in total)	£200
Ceremony (up to a maximum of room used)	£300
<b>Saturday</b>	
St Nicholas Room only (up to a maximum of 60 people)	£400

<b>Within approved licensed premises</b>	
Monday – Friday	£370
Saturday	£450
Sunday	£550

### **POLICIES UPDATE (RETIREMENT POLICY AND PROCEDURE AND PATERNITY LEAVE SCHEME) (CG/11/073)**

**30.** The Committee had before it a report by the Director of Corporate Governance which presented (1) a Retirement Policy and Procedure (which would replace the current Age Neutral Policy); and (2) a replacement Paternity Leave Scheme (which had been rewritten further to new Regulations being introduced).

Members suggested that officers make contact with the Grampian Pre Retirement Group to see if it could offer any assistance.

#### **The Committee resolved:**

- (i) to approve the introduction of the Retirement Policy and Procedure as appended to the report; and
- (ii) to approve the introduction of the new Paternity Leave Scheme as appended to the report.

### **WHITEMYRES CENTRE (CG/11/070)**

**31.** The Committee had before it a report by the Director of Corporate Governance which provided a synopsis of the current situation at Whitemyres Centre (central stores), and proposed that the current operations cease to ensure that the Council did not encounter any financial loss.

#### **The Committee resolved:**

- (i) to instruct that current operations at the Whitemyres Centre cease as of 30 September, 2011;
- (ii) to instruct that the nine members of staff affected by this closure be supported in accordance with Council policies relating to redeployment and voluntary severance;
- (iii) to approve the migration to national contracts for the particular product ranges where applicable; and

- (iv) to instruct the appropriate officers to consider the future of this facility, and to report back to this Committee at the meeting of 6 December, 2011 in this regard.

### **KAIMHILL COMMUNITY FACILITIES (ECS/11/046)**

**32.** With reference to article 23 of the minute of its previous meeting of 21 April, 2011, the Committee had before it a report by the Director of Education, Culture and Sport which provided an update on progress officers were making in relation to developing a management agreement for Inchgarth Community Centre to manage the programme for the community rooms at the Kaimhill 3Rs school.

#### **The report recommended:**

that the Committee –

- (a) confirm that it will be a requirement for Inchgarth Management Committee to fully meet the requirements of the Council's Following the Public Pound code of practice;
- (b) instruct officers to facilitate the necessary actions to support an after school club for the pupils of Kaimhill Primary School (the programming of which would be developed in consultation with Inchgarth Management Committee); and
- (c) agree that the model management agreement being developed should include a requirement for management committees to ensure that there will be no charge levied for the provision of out of school care by non profit making registered childcare and pre school providers (as per the Council's Out of School Care policy).

Members queried as to the difference between audited accounts and independently verified accounts, and the Corporate Accounting Manager advised that to produce audited accounts, a clear process had to be followed and accounts would be produced to a professional standard; to produce independently verified accounts would be less onerous on organisations, but an appropriately qualified person would have to undertake this task. It was suggested that as part of the Following the Public Pound review that would be reported to a future meeting of the Audit and Risk Committee, an 'appropriately qualified person' should be defined. At this point the Director of Corporate Governance advised that as part the aforementioned review, officers would look at whether the Council would have the capacity to undertaken an internal audit in cases such as this.

The Convener confirmed at this stage that Inchgarth Management Committee would not be required to produce what officers had referred to as a 'business plan', but that a full programme of activities would have to be set out.

#### **The Committee resolved:**

- (i) to confirm that it will be a requirement for Inchgarth Management Committee to agree the following:
  - to provide the Council with monthly accounts
  - to provide minutes of its meetings to the Council Liaison Officer
  - to provide quarterly attendance figures

- to provide an annual independently verified copy of its accounts as per the terms of its new constitution
  - that the Council Liaison Officer may attend any management committee meeting of his or her choice;
- (ii) that this provides the basis for negotiations with management committees for other 3Rs buildings;
- (iii) to approve recommendation (b) as contained within the report; and
- (iv) to instruct officers to report back on establishing a community development fund of £50,000 per annum that can be bid for by community groups to provide not for profit registered childcare and pre school provision.

**In accordance with the decision taken at article 2 of this minute, the following articles were considered with the press and public excluded.**

### **SATROSPHERE LIMITED (ECS/11/039)**

**33.** With reference to article 38 of the minute of its meeting of 11 May, 2010 the Committee had before it a report by the Director of Education, Sport and Culture which provided an update on the financial status of Satrosphere Limited.

#### **The Committee resolved:**

- (i) to note the financial and performance update as contained within the report; and
- (ii) to approve the renewal of the current bank guarantee arrangement until 31 March, 2012, based on the company's 2011/12 business plan and commitment to work towards a reduction in the overdraft requirement by 10% by this date.

### **3Rs PROJECT – HEDGING ARRANGEMENTS (EPI/11/184)**

**34.** With reference to article 41 of the minute of its meeting of 28 September, 2010, the Committee had before it a joint report by the Director of Enterprise, Planning and Infrastructure and the Director of Corporate Governance which presented proposed hedging arrangements, and outlined the commercial implications to the Council of approving such arrangements.

#### **The Committee resolved:**

- (i) to note the report regarding the hedging arrangements and restoration amount for the 3Rs project;
- (ii) to grant consent under clause 7.2 of the project agreement, in order to allow NYOP Education (Aberdeen) Limited to enter into the proposed hedging arrangements with Barclays Bank plc;
- (iii) to delegate authority to the Director of Corporate Governance, the Director of Enterprise, Planning and Infrastructure and the Head of Legal and Democratic Services (or each of their nominated representatives), to undertake the final negotiation, completion and approval, on behalf of the Council, of the hedging and restoration amount documents (the third project

- agreement supplementary agreement and the certificate to be issued under Section 3 of the Local Government (Contracts) Act 1997), along with other contracts, letters or documents which require to be signed, including assignments, waivers, acknowledgements and releases in relation to the existing financial documents; and
- (iv) to authorise the signing of the above hedging and restoration amount documents (the third project agreement supplementary agreement and the certificate to be issued under Section 3 of the Local Government (Contracts) Act 1997) in accordance with the Standing Orders of Council.

### **PROCUREMENT OF CONSULTANCY SERVICE – DEVELOPMENT OF NEW DELIVERY MODEL FOR SOCIAL CARE (SCW/11/056)**

**35.** The Committee had before it a report by the Director of Social Care and Wellbeing which requested that Standing Order 1(6)(a) (Contracts and Procurement) be invoked retrospectively in order to homologate a contract with Ernst and Young for the preparation of an options appraisal and business case for establishing a local authority trading company for services for older people.

The Committee intimated its disappointment and anger at the circumstances as detailed within the report.

#### **The Committee resolved:**

- (i) to instruct that a report be submitted by the Chief Executive at the next meeting of this Committee, advising as to the outcome of her investigations into this matter;
- (ii) to agree to invoke Standing Order 1(6)(a) (Contracts and Procurement), thereby exempting the contract between the Council and Ernst and Young from the provisions of Part A of the Council's Standing Orders relating to Contracts and Procurement on the grounds that the exemption is justified by special circumstances, as detailed in the report;
- (iii) to approve the disapplication of Standing Orders (Contracts and Procurement) 1(12), 3(2)(a), 4 or 5 as appropriate, 8(1), 11(1), 13(1), 20(1) as they apply to the said contract, as detailed in the report;
- (iv) to approve the committed expenditure for the retention of consultants Ernst and Young in order to progress the proposal approved by Council in February, 2011 under priority based budgeting, for the presentation of a business case for the establishment of a Local Authority Trading Company, to be considered by Council at its meeting of 29 June, 2011; and
- (v) to suspend Standing Order 44 of the Council's Standing Orders, thereafter homologating the signature of the contract between the Council and Ernst and Young by the Director of Social Care and Wellbeing.

### **AREA OFFICES AT BUCKSBURN AND PETERCULTER – FUTURE USE (EPI/11/161)**

**36.** The Committee had before it a report by the Director of Corporate Governance which requested that the Bucksburn area office and staff flat (19 – 25

Inverurie Road) and the Peterculter area office (102 North Deeside Road) be declared surplus to the requirements of the Council, and advertised for sale.

**The Committee resolved:**

- (i) to declare the properties surplus to the requirements of the Corporate Governance Service, and of the Council;
- (ii) to instruct the Head of Asset Management and Operations to market the properties for sale on the open market at an appropriate time; and
- (iii) to instruct that a report be submitted to a future meeting of this Committee detailing any offers received.

**1 SEAVIEW ROAD, BRIDGE OF DON – OUTCOME OF MARKETING (EPI/11/163)**

37. Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010, whereby officers were instructed to advertise the property, 1 Seaview Road, Bridge of Don, on the open market, and to report back to this Committee with any offers received. Members had before them on this day, a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

**The Committee resolved:**

- (i) to instruct that the highest offer, submitted by Alex Hutcheon and Company on behalf of Mr Alan Clyne, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.

**SURPLUS SCHOOL LODGES – OUTCOME OF MARKETING (EPI/11/162)**

38. Reference was made to article 40 of the minute of meeting of this Committee of 2 December, 2010 at which time members had declared the following properties surplus to the requirements of Council:

- Aberdeen Grammar School Gate Lodge, Skene Street
- Cornhill Primary School Lodge, 8 Beechwood Road
- Skene Square Primary School Lodge, 61 Skene Square
- Ashley Road Primary School Lodge, 45 Ashley Road

The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise which the Head of Asset Management and Operations had undertaken.

**The Committee resolved:**

- (i) to instruct that the highest offers in all cases be accepted as follows:
  - Aberdeen Grammar School Gate Lodge, Skene Street – offer submitted by Peterkins on behalf of Mr Jamie McMillan

- Cornhill Primary School Lodge, 8 Beechwood Road – offer submitted by Plenderleath Runcie on behalf of Ms Natalie Hulse
  - Skene Square Primary School Lodge, 61 Skene Square – offer submitted by Bruton Miller on behalf of Ms Megan Victoria McLachlan
  - Ashley Road Primary School Lodge, 45 Ashley Road – offer submitted by Hamilton Watt and Company on behalf of Mr and Mrs Thomas Skinner;
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of these properties, incorporating various qualifications as are necessary to protect the Council's interests; and
- (iii) to request that officers contact Councillor Allan to clarify as to whether Victoria School and Lodge were being sold as one lot.

### **GROVE LODGE, MUGIEMOSS – OUTCOME OF MARKETING (EPI/11/164)**

**39.** Reference was made to article 28 of the minute of meeting of this Committee of 11 March, 2010 at which time officers had been instructed to market the property Grove Lodge, Mugiemoos, and to report back thereafter. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

#### **The Committee resolved:**

- (i) to instruct that the highest offer, submitted by Peterkins, on behalf of @SIPP (Pension Trustees) Limited, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.

### **GLAMIS COTTAGE, 30 MERKLAND ROAD – OUTCOME OF MARKETING (EPI/11/167)**

**40.** Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010 at which time officers had been instructed to market the property Glamis Cottage, 30 Merkland Road. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

#### **The Committee resolved:**

- (i) to instruct that the highest offer submitted by Warners Commercial, on behalf of Glencairn Properties (Scotland) Limited, be accepted; and
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests.



### **3 DOMINIES ROAD – OUTCOME OF MARKETING (EPI/11/168)**

**41.** Reference was made to article 11 of the minute of meeting of this Committee of 2 December, 2010 at which time officers had been instructed to market the property 3 Dominies Road, and to report back thereafter. The Committee had before it on this day a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of the marketing exercise.

#### **The report recommended:**

- (a) that the highest offer submitted by The Commercial Law Practice, on behalf of Bon Accord Land Ltd, be accepted;
- (b) that the Head of Legal and Democratic Services be instructed to conclude missives for the sale of the property, incorporating various qualifications as are necessary to protect the Council's interests; and
- (c) that should this highest offer not achieve the required planning permission for 17 residential units, the Head of Asset Management and Operations be authorised to (1) enter into negotiations on any proposed amendment to the sale price as per the formula detailed in the offer; and (2) if necessary, to readvertise the combined property on the open market, subject to reporting further to this Committee on the actions taken following any readvertising.

#### **The Committee resolved:**

- (i) to approve recommendations (a) and (b); and
- (ii) to instruct that officers report back to this Committee if the preferred bidder does not gain the required planning permission.

### **MAINS OF DYCE STEADING – OUTCOME OF MARKETING (EPI/11/175)**

**42.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised as to the outcome of a marketing exercise that had been undertaken in relation to the Mains of Dyce Steading.

#### **The Committee resolved:**

- (i) to instruct that the highest offer, submitted by Paull and Williamsons on behalf of Malcolm Allan Housebuilders Limited, be accepted;
- (ii) to instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as are necessary to protect the Council's interests; and
- (iii) in the event that the required planning permission is not granted, to instruct the Head of Asset Management and Operations to (1) enter into negotiations on any proposed amendment to the sale price; and (2) if necessary, to readvertise the property on the open market, subject to reporting further to this Committee on the actions taken following any readvertising.

### **MAINS OF DYCE – SALE OF GRAZING GROUND (EPI/11/176)**

**43.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which recommended that grazing ground at Mains of Dyce be declared surplus to the requirements of the Council, and sold.

**The Committee resolved:**

- (i) to declare the ground surplus to the requirements of the Council;
- (ii) to agree to the proposed transaction with Mr G Ross; and
- (iii) to instruct that the site be disposed of at the price detailed within the report, and to instruct the Head of Legal and Democratic Services to conclude missives for the sale and renounce the existing lease, incorporating various qualifications as are necessary to protect the Council's interests.

**DECLARATION OF INTEREST**

**Councillor Dean declared an interest in the subject matter of the following article by virtue of her position as a Board member of NHS Grampian, but chose to remain in the meeting as NHS Grampian was a devolved public body (as set out in paragraph 5.18(2)(i)(a) of the Councillors' Code of Conduct).**

**HILTON CENTRE – EARLY SURRENDER OF NHS GRAMPIAN LEASE (EPI/11/170)**

**44.** Reference was made to article 9 of the minute of meeting of this Committee of 2 December, 2010 at which time officers were instructed to market the former Hilton nursery and community centre as a residential development opportunity further to negotiations with the NHS and District Valuer to surrender the NHS lease interest in part of this building. The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure which updated members on negotiations that had taken place with NHS Grampian in relation to the surrender of its lease.

**The Committee resolved:**

to instruct the Head of Legal and Democratic Services to investigate the query raised at the meeting regarding the use of the site; and thereafter to delegate power to the Head of Legal and Democratic Services, the Director of Corporate Governance and the Head of Asset Management and Operations (in consultation with the Convener and Vice Convener of this Committee), to surrender the lease on terms as they deem appropriate.

**APPROACH TO PURCHASE – SPRINGFIELD ROAD (EPI/11/172)**

**45.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised of an unsolicited approach by a Council tenant for an area of ground currently used as a car park at Springfield Road.

**The Committee resolved:**

to not accept the offer.

## **CASTLE STREET BUS PRIORITY MEASURES CONSTRUCTION CONTRACT (EPI/11/166)**

**46.** With reference to article 22 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 7 September, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval to award a contract in relation to the Bus Punctuality Improvement Partnership project.

### **The Committee resolved:**

- (i) to note that tenders had been received for a Castle Street Bus Priority Measures construction contract, which was part of the Bus Punctuality Improvement Partnership: Buchan – King Street corridor project; and
- (ii) to award the contract to the lowest tenderer (Leiths (Scotland) Limited) for the sum of £99,983 to enable the construction to proceed during the school holiday period in July and August, 2011.

## **COMMERCIAL PROPERTY – REVIEW OF FARMLAND AND GRAZING (EPI/11/174)**

**47.** With reference to article 25 of the minute of its meeting of 28 September, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented information pertaining to a review undertaken by officers on the farmland and grazing land held on the property and Housing and Environment Service account.

### **The Committee resolved:**

- (i) to instruct that the farmland be retained in Council ownership;
- (ii) to instruct officers to continue to manage the leased properties proactively to try to maximise rental income;
- (iii) to instruct officers to assess properties as and when they fall vacant, and recommend to this Committee as to whether they believe whether the sale or lease of the property would be in the best financial interests of the Council; and
- (iv) to instruct officers to continue to monitor the planning designations of the properties and be ready to take advantage of any development opportunities as and when they arise.

## **DECLARATION OF INTEREST**

**Councillor Graham declared an interest in the subject matter of the following article by virtue of his position as Secretary of Auchmill Golf Club. Councillor Graham withdrew from the meeting.**

## **ABERDEEN LOCAL DEVELOPMENT PLAN – COMMON GOOD SITES (EPI/11/173)**

**48.** With reference to article 26 of the minute of meeting of the Finance and Resources Committee of 2 December, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which outlined potential development sites held on the Common Good account, and provided an officer recommendation as to the way forward.

Members were very clear that they were only dealing with the financial issues on this day, and in no way taking a view on planning, or potential planning, issues.

### **The Committee resolved:**

- (i) to instruct the Head of Legal and Democratic Services to make an application to the Lands Tribunal to resume the area OP35 from the tenants of Bucksburn Farm for the reconfiguration of Auchmill Golf Course;
- (ii) to note the position in relation to the discussions officers had with the tenants of Bucksburn Farm regarding the resumption of their entire tenancy;
- (iii) to note the requirement to have a planning application in principle in place prior to being able to resume the Bucksburn Farm tenancy; and to instruct the Head of Asset Management and Operations to procure the relevant professional support to achieve this and make the necessary formal application, including all required community consultation, on the condition that this can be delivered for less than £100,000;
- (iv) to instruct the Head of Legal and Democratic Services to take steps to resume the Bucksburn Farm tenancy at the appropriate time on the understanding that a compensation figure of up to £250,000 may be due to the tenant;
- (v) to note the situation in relation to the lease of Greenferns Farm and the status of negotiations with the tenant; and to instruct that a further reports be presented to this Committee at an appropriate time;
- (vi) to (1) instruct the Head of Legal and Democratic Services to take steps to service the appropriate notice to resolve the partnership at Holmhead Farm, with a view to being able to resume the tenancy; (2) note that officers would meet with the tenant prior to such notice being given; and (3) note that this would result in a compensation payment being triggered;
- (vii) to instruct the Head of Asset Management and Operations to procure all necessary works to achieve a Development Framework for the Greenferns Landward site up to a budget of £150,000.

## **CORPORATE OFFICE ACCOMMODATION – UPDATE (EPI/11/178)**

**49.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update in relation to Council corporate accommodation, and outlined the financial implications of acquiring the vacant properties adjacent to the new corporate headquarters.

### **The Committee resolved:**

to instruct that no further action be taken in relation to the Council immediately acquiring either of the properties adjacent to Marischal College, but for officers to continue to work with the owners to identify uses, users, options and financial

solutions which would complement the refurbishment of Marischal College, and be within the context of implementing the City Centre Framework.

## **PARK HOUSE – POSSIBLE AMENDMENTS TO LEASE (EPI/11/183)**

**50.** With reference to article 19 of the minute of its meeting of 11 May, 2010 the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which updated members on progress being made by Cancer Link Aberdeen and North (CLAN) in relation to the redevelopment of Park House, and provided an officer recommendation as to the way forward.

### **The Committee resolved:**

to delegate authority to the Head of Asset Management and Operations and the Head of Legal and Democratic Services (in consultation with the Convener and Vice Convener of this Committee) to approve a further rent free period of up to one year to CLAN, subject to CLAN absolving the Council of any future liability in relation to all outstanding lease conditions.

## **DECLARATION OF INTEREST**

**Councillor Dean declared an interest in the subject matter of the following article by virtue of her position as a Board member of NHS Grampian, but chose to remain in the meeting as NHS Grampian was a devolved public body (as set out in paragraph 5.18(2)(i)(a) of the Councillors' Code of Conduct).**

## **FUNDING OPPORTUNITIES FOR DELIVERING PROJECTS – VERBAL UPDATE**

**51.** With reference to article 51 of the minute of its previous meeting of 21 April, 2011, the Committee heard Mike Duncan (General Manager – Asset Management), who provided an update to the Committee on recent discussions that had taken place with Hub Co. Mr Duncan advised that further to Hub Co producing projected revenue implications, he had asked Services to undertake further work in order to ascertain as to whether it would be viable to proceed. In particular he raised concern about the potential revenue implications on the Education, Culture and Sport Service. Mr Duncan concluded that officers had challenged Hub Co in relation to the potential costs and charges they had outlined, and this was currently being progressed.

### **The Committee resolved:**

to note verbal update provided.

## DECLARATIONS OF INTEREST

**Councillor Yuill declared a financial interest in the subject matter of the following article by virtue of his ownership of a neighbouring property, and a non financial interest as a Governor of Robert Gordon's College. Councillor Yuill withdrew from the meeting.**

**During the course of discussion Councillor Kirsty West declared a financial interest by virtue of her partner being employed by Robert Gordon's College. Councillor West withdrew from the meeting at this point.**

## **PINEWOOD/HAZLEDENE (EPI/11/179)**

**52.** With reference to article 33 of the minute of its meeting of 1 February, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update in respect of the Pinewood and Hazledene sites, set out the financial implications associated with various options, and provided an officer recommendation as to the way forward.

It was made clear that this Committee would take the final decision as to whether to sell the sites or otherwise.

### **The Committee resolved:**

- (i) to note that the application from Duthie Holdings for a partial assignation of the lease to Carlton Rock, with a lease back to Duthie Holdings (ACC) in part was rejected by officers under Delegated Powers (in the normal manner);
- (ii) to note the following documents, as appended to the report:
  - market commentary by Ryden (May, 2011)
  - tender evaluation document by Ryden (May, 2011)
  - commentary by Robert Gordon's College
  - proposed Heads of Agreement with Duthie Holdings (ACC)/ Carlton Rock
  - financial appraisals; and
- (iii) to instruct the Head of Asset Management and Operations, in consultation with the Head of Legal and Democratic Services, to take forward a legal agreement with other stakeholders to allow the marketing strategy of the site to be advanced in late summer 2011 (as per option 1 in the report), without this prejudicing the Council's interest and the reporting back to this Committee on the outcome of the marketing exercise in due course.

**- COUNCILLOR KEVIN STEWART MSP, Convener**

**FINANCE AND RESOURCES COMMITTEE**

**COMMITTEE BUSINESS**

**SEPTEMBER, 2011**

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
1.	Area Central 23/09/08 article 14; and 01/04/09 article 12. Finance and Resources Committee 24/04/11 article 50	<u>Frederick Street Development Site</u> At its meeting of 21/04/11, the Committee resolved: (i) to note the current progress in relation to the development; (ii) to approve the receipt of a capital grant from NHG Grampian to allow the Council to construct a multi storey car park, subject to the full cost of the grant being determined; and (iii) to instruct the Head of Legal and Democratic Services to include a clawback provision in the conditions of sale.	<b>A report is on the agenda at item 11.10.</b>	Head of Asset Management and Operations	<b>07/01/09</b>	27/09/11
2.	Finance and Resources Committee 12/11/09 article 35, 11/03/10 article 34, 11/05/10 article 48, 17/06/10 article 41, 28/08/10 article 4; 01/02/11 article 8	<u>Leaking of Report - St Nicholas House Site</u> At its meeting of 01/02/11 the Committee resolved: to note the update provided by the Head of Legal and Democratic Services, and to therefore refer the relevant Councillors to the Standards Commission on the grounds of disrespect by members towards the Monitoring Officer.	<b>A verbal update will be provided at the meeting by the Head of Legal and Democratic Services.</b>	Head of Legal and Democratic Services	16/06/11	

Agenda Item 3.2

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
3.	Finance and Resources Committee 10/12/09 article 42	<b><u>8 Alford Place</u></b> The Committee resolved: to instruct the Head of Resources Development and Delivery to advertise the property at 8 Alford Place for sub-lease from 1 April, 2010 until the termination date under the Council's head lease, and report further.	Ryden advise that property market for offices is currently flat with no interest currently expressed in leasing this property. Without prejudice discussions have taken place with the Council's landlord on possible alternative courses of action, but no agreement was reached. The marketing strategy is urgently being reviewed.  <b>An update is available in the Information Bulletin.</b>	Head of Asset Management and Operations	<b>06/05/10</b>	27/09/11
4.	Finance and Resources Committee 28/01/10 article 2 & 11/03/10 article 31 & 11/05/10 article 34	<b><u>CAB – Debt Advice Service</u></b> At its meeting of 11/03/10 the Committee resolved: to request a report back at each meeting of this Committee on all matters detailed within the report and in particular until a Service Level Agreement is in place between the Council and the CAB.	A report will be considered at the next Social Care and Wellbeing Committee (November). Where recommendations involve other corporate services, these will be reported to the Service Committees and Corporate Committees as required.	Head of Adult Services	27/09/11	
5.	Finance and Resources Committee 28/01/10 article 25	<b><u>Capital Planning</u></b> The Committee resolved: to approve the amended Capital Prioritisation Process and instruct the Director of Enterprise, Planning and Infrastructure to commence its implementation for 2011/12, and to <b>instruct that regular reports be</b>	This information is included in the cyclical reports by the Head of Finance.  <b>Recommended for removal.</b>	Head of Asset Management and Operations	16/06/11	06/12/11



<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
6.	Finance and Resources Committee 28/01/10 article 26	<p>submitted back to this Committee.</p> <p><b><u>Status of Surplus Education and Other Properties</u></b></p> <p>The Committee resolved: to authorise the Head of Resources Development and Delivery to enter into negotiations with the landlord of the site of the former Woodlands Special School, with a view to agreeing an appropriate exit strategy for the Council <b>and to report back to this in due course on the outcome.</b></p>	<p><b>Update:</b> Discussions continue with the Council's Landlord in relation to a lease surrender. An initial offer has been made and rejected. It is envisaged that a Report will be brought to the next Committee meeting.</p>	Head of Asset Management and Operations	17/06/10	27/09/11
7.	Finance and Resources Committee 11/03/10 article 11	<p><b><u>Common Good Budget</u></b></p> <p>The Committee resolved:- to seek a review of Council funding for all trusts in order to assess Best Value.</p>	Internal Audit have prepared terms of reference for a review of the Common Good Fund which will be the subject of a report back to this committee after reporting to the Audit and Risk Committee following the recess.	Head of Finance	28/09/10	06/12/11
8.	Finance and Resources Committee 11/03/10 article 20	<p><b><u>Applications for Financial Assistance 2009/10</u></b></p> <p>The Committee resolved:- to instruct officers to bring forward a report detailing ways in which the grant application system can be streamlined especially with regard to reporting to Committee.</p>		Head of Finance	28/09/10	21/04/11
9.	Finance and Resources Committee	<p><b><u>Station House Media Unit</u></b></p> <p>The Committee resolved:</p>	<b>An update is available in the information bulletin.</b>	Head of Asset Management and Operations	02/12/10	27/09/11

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	11/05/10 article 42	that appropriate officers be instructed to report again to the Committee on the future management, maintenance and operation of the adjacent car parking area which is not to be included within the subjects leased.				
10.	Finance and Resources Committee 11/05/10 article 45	<b><u>Granitehill Site</u></b> The Committee resolved: to instruct the Head of Asset Management and Operations to (i) progress preliminary design and costing of the redevelopment of the site at Granitehill for Council purpose in anticipation of submitting a bid to the Non Housing Capital Plan appraisal process for 2011/12, and (ii) maintain a watching brief on market conditions and report back as and when exposure of the site to the market might yield a favourable outcome.	In terms of (i) the Heads of Environment Services and Regeneration and Housing Investment are working to progress on this remit.  In terms of (ii) there is no present evidence that market conditions have improved so as to justify exposing the site on the open market.  <b>An update is available in the information bulletin.</b>	Head of Asset Management and Operations	<b>02/12/10</b>	27/09/11
11.	Finance and Resources Committee 17/06/10 article 19	<b><u>Annual Housing and Council Tax Benefit Report</u></b> The Committee resolved: to instruct that an annual report be submitted to this Committee in June each year, which should detail the previous financial year's Housing and Council Tax Benefit Service.  It was agreed at the meeting of 16	<b>A report is on the agenda at item 7.6.</b>	Head of Finance	27/09/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		June, 2011 that this report would be presented to Committee in September each year.				
12.	Finance and Resources 28/09/10 article 24	<b><u>Access from the North Proposals (Third River Don Crossing) - Compulsory Purchase Order</u></b>  The Committee resolved: to note that officers would provide <b>regular updates</b> to Committee in relation to progress with land acquisition against budget.		Head of Asset Management and Operations	As and when required	
13.	Finance and Resources 28/09/10 article 25	<b><u>Property Asset Management Plan</u></b>  The Committee resolved: (d) that also in respect of the TNRP review, the Head of Asset Management and Operations be instructed, in conjunction with the Head of Finance, to prepare a schedule of property reviews with a view to completing within eighteen months and to report on those reviews, to appropriate meetings of this Committee.	Reports on farms, advertising hoarding sites and advance factories were the subject of reports at the previous meeting. All the other groups of properties are programmed to be the subject of reports before the spring of 2012.	Head of Asset Management and Operations	15/03/12	
14.	Finance and Resources 02/12/10 article 7	<b><u>Lease Request</u></b>  The Committee resolved: to instruct the Head of Asset Management and Operations (1) to carry out further investigations in	<b>A report is on the agenda at item 8.3.</b>	Head of Asset Management and Operations	27/09/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		relation to the transfer of assets to community groups, and the use of powers under 'The Disposal of Land by Local Authorities (Scotland) Regulations 2010'; and (2) to include his findings in the 2011 Property Asset Management Plan Update.				
15.	Finance and Resources 02/12/10 article 27	<b><u>Forestry Consultancy Services</u></b>  The Committee resolved: to instruct officers to report back at the meeting of this Committee of 21 April, 2011 with progress made.	<b>A report is on the agenda at item 7.11.  Recommended for removal.</b>	Head of Environment Services	21/04/11	16/06/11
16.	Finance and Resources 02/12/10 article 39	<b><u>Review of Shops</u></b>  The Committee resolved: that the shops and shop ground leases contained within appendix B be held for further investigation, with a report on the proposed future of these property leases to be submitted for the consideration of this Committee in due course.	<b>Update:</b> A report is on today's agenda relating to the outcome of the marketing of several groups of shops. The future of the "Appendix B" group of shops is still being considered, with a view to reporting on 06/12/11, possibly proposing further shop sales.	Head of Asset Management and Operations	16/06/11	06/12/11
17.	Finance and Resources 02/12/10 article 43	<b><u>Review of Business Centres</u></b>  The Committee resolved: to instruct officers to investigate local demand for a business centre, and identify an alternative site in the event of Granitehill closing.		Head of Asset Management and Operations	06/12/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
18.	Council 15/12/10 article 28	<b><u>Bon Accord Indoor Bowling Centre</u></b> Council resolved: to authorise the Head of Asset Management and Operations to investigate appropriate alternative uses for the property and report back to the Finance and Resources Committee at the <b>earliest opportunity</b> .	Discussions are ongoing with the Council's landlord on possible redevelopment options. The technical feasibility of these is currently being investigated.  <b>An update is available in the information bulletin.</b>	Head of Asset Management and Operations	27/09/11	
19.	Housing and Environment Committee 12/01/11 article 13	<b><u>Former Cairnfield Community Centre – Future Use</u></b> The Committee resolved: to instruct that a report be submitted to the appropriate meeting of the Finance and Resources Committee detailing any offers received, and for this report to be referred to the Housing and Environment Committee for its information.	An application has been made to the Scottish Government, asking for approval to sell an HRA asset. Marketing unable to commence until this authority received.	Head of Asset Management and Operations	27/09/11	
20.	Enterprise, Planning and Infrastructure 19/01/11 article 12	<b><u>Internal Recharges</u></b> The Committee resolved: to instruct officers to submit a report advising of areas where the Council remained the client and the contractor and the recharge method was still utilised, to the Finance and Resources Committee.	<b>A report is on the agenda at item 7.5.</b>  <b>Recommended for removal.</b>	Head of Finance	<b>21/04/11</b>	27/09/11
21.	Finance and Resources 01/02/11	<b><u>105 – 107 Urquhart Road</u></b> The Committee resolved:	<b>A report is on the agenda at item 11.5.</b>	Head of Asset Management and Operations	27/09/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	article 28	to instruct that a report be submitted to this Committee in <b>due course</b> , detailing the outcome of the marketing exercise.	<b>Recommended for removal.</b>			
22.	Finance and Resources 01/02/11 article 29	<b><u>Causewayend School and Lodge</u></b>  The Committee resolved: (i) to instruct the Head of Asset Management and Operations to market the whole site for sale on the open market after the future approval of the Planning Brief by the Development Management Sub Committee has been obtained; and (ii) to instruct that a report be submitted to this Committee in <b>due course</b> , detailing the outcome of the marketing exercise.	<b>Update:</b> This property is being actively marketed. A closing date and future report will not be advanced until officers are confident 'best value' can be obtained.	Head of Asset Management and Operations	27/09/11	
23.	Finance and Resources 01/02/11 article 41	<b><u>Disposing of Council Properties</u></b>  The Committee resolved: to instruct officers to investigate ways of improving the process for declaring properties surplus to Service requirements and disposing of them, and to report back on this in due course.	<b>A report is on the agenda at item 8.2.</b>  <b>Recommended for removal.</b>	Head of Asset Management and Operations		27/09/11
24.	Finance and Resources 01/02/11 article 32 & Budget Meeting	<b><u>Accord Card – Citizen Roll Out</u></b>  The Committee resolved: to instruct that a progress report be submitted to this Committee <b>every</b>	<b>A report is on the agenda at item 9.1.</b>	Head of Customer Service and Performance	<b>16/06/11</b>	29/09/11

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
	of Council 10/02/11 article 2.	<b>second cycle.</b> At the budget meeting of Council of 10/02/11, members resolved: to support the roll out of the Accord card as a citizen pass and to instruct that the Finance and Resources Committee receive reports on implementation of discounted pricing for Accord card holders for Council services, and in consultation with partners who deliver services on behalf of the Council to offer a similar benefit, where appropriate.				
25.	Finance and Resources 01/02/11 article 34; 21/04/11 article 39	<b><u>Land at Pitmedden Road, Dyce</u></b>  The Committee resolved: to defer consideration of this report to allow local members, members of this Committee, and appropriate officers to meet at a date after the Dyce/Bucksburn/Danestone ward by-election on 19 May, 2011, to discuss innovative ways to deliver this project.	<b>A report is on the agenda at item 11.3.</b>  <b>Recommended for removal.</b>	Head of Asset Management and Operations	27/09/11	
26.	Finance and Resources 01/02/11 article 39	<b><u>Joint Customer Contract Centre</u></b>  The Committee resolved: to instruct that the joint project team report back to this Committee on 16 June, 2011 with a recommendation as to whether to proceed with the development of the Joint Customer Contact Centre.	A report was included in the information bulletin at the last meeting. A further update will be provided next cycle.	Head of Customer Service and Performance	16/06/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
27.	Budget Meeting of Council 10/02/11 article 2	<u>General Fund Budget</u> Council resolved: to instruct the Director of Enterprise, Planning and Infrastructure, through CMT and the Corporate Asset Group, to provide details on a capital modernisation plan.	<b>Update:</b> CAG are currently in process of reviewing possible in year and future year bids for capital spend. The proposed approach is to longer term programme of projects set out over up to a ten year period which will reflect not only supported borrowing but also likely capital receipts. This will allow a longer term view to be taken of likely spend and resource demands but also opportunities for alternative delivery models and use of planning gain etc.	Director of Enterprise, Planning and Infrastructure	16/06/11	
28.	Audit and Risk 29/03/11 article 12	<u>Internal Audit - Summary of Audit Findings - Report by Pricewaterhouse Coopers</u>  The Committee resolved: to instruct officers to report on the following bodies to their relative Service Committee explaining why no Service Level Agreement was currently in place and to instruct the Service to establish a Service Level Agreement within a strict timeframe: <ul style="list-style-type: none"> <li>• Citizens' Advice Bureau.</li> </ul>	<b>A report is on the agenda at item 10.3.</b>  <b>Recommended for removal.</b>	Head of Finance	27/09/11	
29.	Finance and Resources 21/04/11 article 4	<u>3Rs Project Working Group</u>  The Committee resolved: to instruct that progress reports on the 3Rs Project be brought back to <b>appropriate</b> meetings of this		Head of Asset Management and Operations	As appropriate	



<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		Committee.				
30.	Finance and Resources 21/04/11 article 28	<b><u>Conditions and Suitability Programme</u></b> The Committee resolved: to instruct that progress reports be submitted at every second meeting of this Committee.	<b>Update:</b> Information on progress of expenditure relating to the Condition and Suitability Programme is incorporated as an Appendix in the Non Housing Capital Monitoring Report ref. EPI/11/247.	Head of Asset Management and Operations	27/09/11	
31.	Finance and Resources 21/04/11 article 30	<b><u>Review of Advance Factories</u></b> The Committee resolved: to instruct that in order to prevent further deterioration, and to optimise rental income, that further investigations be undertaken by the Head of Asset Management and Operations (including a costed programme of repairs) and that this be reported back to this Committee in due course.	<b>Update:</b> This remit is being actioned. Officers have selected several advance factories, each typical of their type and will have a repair programme identified and costed for only those properties. This exercise should produce a broad estimate of the likely cost of repairing all the advance factories.	Head of Asset Management and Operations	06/12/11	
32.	Finance and Resources 21/04/11 article 35	<b><u>Cotton Street Site – SCARF</u></b> The Committee resolved: to agree that the offer of purchase should be reconsidered in one year, at the appropriate meeting of this Committee at a value prevalent at that time.		Head of Asset Management and Operations	19/06/12	
33.	Finance and Resources 21/04/11 article 42	<b><u>Four Former Group Homes – Marketing</u></b> The Committee resolved:	<b>Update:</b> Three of the properties are on today's agenda. The other property will be reported to the	Head of Asset Management and Operations		

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		to instruct that a further report be submitted to the appropriate meeting of this Committee in due course, detailing the outcome of the marketing exercise.	next appropriate Committee meeting.			
34.	Finance and Resources 21/04/11 article 47	<b><u>Wallace Tower</u></b>  The Committee resolved: to instruct that officers report back on the outcome of the advertising exercise to a future meeting.		Head of Asset Management and Operations	15/03/12	
35.	Finance and Resources 21/04/11 article 48	<b><u>Former Victoria Road Primary School</u></b>  The Committee resolved: instruct that a further report be submitted to the appropriate meeting of this Committee, in due course, detailing the outcome of the marketing.		Head of Asset Management and Operations	06/12/11	
36.	Finance and Resources 21/04/11 article 51	<b><u>Funding Opportunities for Delivering Projects</u></b>  The Committee resolved: (i) to instruct the Head of Asset Management and Operations to continue discussions with Hub Co along with the completion of detailed business cases by all appropriate Services, to determine the financial viability of this proposal; (iii) to instruct officers to continue to consider other funding arrangements;	A report on the current position is included within the report on today's agenda in relation to the Capital Plan.	Head of Asset Management and Operations		

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		(iv) to instruct that a full report be submitted to the next meeting of this Committee on the outcome of the above instructions.				
37.	Council 27/04/11 article 17	<p><b><u>Estate Management Contracts Legionella Preventative Maintenance</u></b></p> <p>Council resolved: to not proceed with the recommendation contained within the report, and instruct officers to report back to the Finance and Resources Committee on other available options, whilst putting in place the necessary short term measures.</p>	<p><b>Update:</b> Officers identified the opportunity to use current provisions within the service contract for housing properties to undertake sampling, testing etc for non-housing assets in the short term. This has been put in place. In the interim staff are being trained within the Building Services team to undertake this work in-house at equivalent cost to that being paid under the original contract terms.</p> <p><b>Recommended for removal.</b></p>	Head of Asset Management and Operations	27/09/11	
38.	Education, Culture and Sport 24/03/11 article 5	<p><b><u>2010/11 Budget Monitoring</u></b></p> <p>The Education, Culture and Sport Committee resolved: in relation to the issue of property rates, (a) to request that a letter be sent to the Scottish Government highlighting the anomaly in the public sector taxing another part of the public sector; calling for a review of the situation; and asking for a continuation of the tapering relief; and (b) to request that a report be submitted to a future meeting of the Finance and Resources Committee</p>	<p><b>This item is being progressed by the Finance team.</b></p>	Head of Finance	27/09/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		on the matter.				
39.	Social Care and Wellbeing 17/05/11 article 23	<b><u>25 Westfield Terrace</u></b> The Social Care and Wellbeing Committee resolved: to instruct officers to report to Finance and Resource Committee to agree renunciation of the lease, if the building is vacated before 28 January 2014.	<b>A report is on the agenda at item 11.8. Recommended for removal.</b>	Head of Asset Management and Operations		
40.	Finance and Resources 17/06/11 article 11	<b><u>Housing Revenue Account</u></b> <b><u>Budget Savings</u></b> The Committee resolved: to instruct that a report be presented to this Committee at its next meeting of 27 September, 2011 detailing progress made with all changes that have been implemented since the budget meeting of Council, and further any financial implications that the changes to the welfare reform system would have on the Service.	<b>A report is on the agenda at item 7.10. Recommended for removal.</b>	Director of Housing and Environment	29/09/11	
41.	Finance and Resources 17/06/11 article 12	<b><u>Community Toilet Scheme</u></b> The Committee resolved: to instruct (1) that the Housing and Environment Service look to fund the £30,000 required from within its own budget, and (2) that a report be presented to the next meeting of this Committee on how officers will	<b>A report will be presented next cycle.</b>	Head of Environment Services	29/09/11	06/12/11

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		achieve this.				
42.	Finance and Resources 17/06/11 article 15	<b><u>26 Netherhills Avenue</u></b> The Committee resolved: to instruct officer to submit a further report to a future meeting of this Committee detailing any offers received.	<b>Update:</b> The property is currently on the market.	Head of Asset Management and Operations		
43.	Finance and Resources 17/06/11 article 31	<b><u>Whitemyres Centre</u></b> The Committee resolved: to instruct the appropriate officers to consider the future of this facility, and to report back to this Committee at the meeting of 6 December, 2011 in this regard.	<b>A report is on the agenda at item 8.5.</b> <b>Recommended for removal.</b>	Head of Procurement	06/12/11	
44.	Finance and Resources 17/06/11 article 32	<b><u>Kaimhill Community Facilities</u></b> The Committee resolved: to instruct officers to report back on establishing a community development fund of £50,000 per annum that can be bid for by community groups to provide not for profit registered childcare and pre school provision.		Head of Communities, Culture and Sport		
45.	Finance and Resources 17/06/11 article 35	<b><u>Procurement of Consultancy Service (Social Care)</u></b> The Committee resolved: to instruct that a report be submitted by the Chief Executive at the next meeting of this Committee, advising	<b>A verbal report will be provided by the Chief Executive at item 12.1 of the agenda.</b>	Head of Office of Chief Executive	29/09/11	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		as to the outcome of her investigations into this matter.				
46.	Finance and Resources 17/06/11 article 36	<b><u>Area Offices at Bucksburn and Peterculter</u></b>  The Committee resolved: to instruct that a report be submitted to a future meeting of this Committee detailing any offers received.	<b>Update:</b> The Bucksburn property is being marketed.  The Peterculter site will be advanced when outstanding issues have been resolved.	Head of Asset Management and Operations		
47.	Finance and Resources 17/06/11 article 52	<b><u>Pinewood/Hazledene</u></b>  The Committee resolved: to instruct the Head of Asset Management and Operations, in consultation with the Head of Legal and Democratic Services, to take forward a legal agreement with other stakeholders to allow the marketing strategy of the site to be advanced in late summer 2011 (as per option 1 in the report), without this prejudicing the Council's interest and the reporting back to this Committee on the outcome of the marketing exercise in due course.	<b>Update:</b> Discussions are ongoing in relation to finalising a legal agreement with the tenant prior to marketing.	Head of Asset Management and Operations		

**Members: Please note that five items have transferred to the Corporate Policy and Performance Committee Business Statement, namely (1) Trade Union Facility Time; (2) Social Care and Wellbeing Performance; (3) External Support to Deliver the Business Plan; (4) Corporate Governance Business Case; and (5) Kinship Care Service – Business Case.**

**FINANCE AND RESOURCES COMMITTEE  
MOTIONS LIST  
SEPTEMBER, 2011**

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
1.	<p><u>Motion by Councillor Jennifer Stewart</u>            "That this Council consults with occupiers in the terraced dwellings in Hazlehead Road, Hazlehead Gardens, Hazlehead Terrace, Hazlehead Crescent, Hazlehead Place and Provost Graham Avenue to find out if they can acquire or lease appropriate proportions of the adjacent Council-owned land as individual defensible garden areas and that officers then report back on their findings".</p>	09/04/08	<p>At its meeting of 11 March, 2010, the Committee resolved to agree to an initial survey being conducted by the Housing and Environmental Service with the local residents by means of an explanatory letter and questionnaire in order to gauge the level of interest in the scheme and that a further report be submitted to the this Committee in due course containing the results of the survey and any other detail on the financing of such a scheme.</p> <p>At its meeting of 21/04/11 the Committee resolved: to instruct that a further report on progress made in relation to Councillor Jennifer Stewart's motion be presented to the meeting of this Committee of 27 September, 2011.</p>	<p>At its meeting of 2 December, 2010, the Finance and Resources Committee resolved: to instruct officers to contact Councillor Jennifer Stewart in order to ascertain as to whether she would agree to this motion being removed from the list</p> <p>At the meeting of 1 February, 2011, the Head of Asset Management and Operations advised that his team has collated all relevant information and has passed this on to colleagues in the Housing and Environment Service who are now progressing the issue.</p> <p><b>Update:</b>            Proposals have now been developed regarding the potential to transfer land to residents who wish to</p>	Head of Housing and Community Safety	29/09/11	No

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
				<p>acquire land adjacent to their houses. A consultation exercise will be conducted over the next few weeks with residents. The change of use will require planning consent and the residents will be required to meet all costs associated with the transfer.</p> <p>Costs involved to owners are as follows:</p> <ul style="list-style-type: none"> <li>• Planning consent would be required to take open-amenity areas into use as garden ground. This requires change of use to residential use.</li> <li>• Fee = £319 – could cover multiple areas as long as they are adjoining properties.</li> <li>• Property enquiry fee of £90 per owner which is the current property enquiry fee</li> <li>• Re-conveyance of title deeds would cost each owner approx £1000 as long as it was only their titles and the Council's that needed to be changed to reflect</li> </ul>			



<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
2.	<p><u>Motion by Councillor Donnelly</u></p> <p>"This Council welcomes the Government's move to honour and celebrate The Queen's Diamond Jubilee in 2012 with a public holiday and weekend event, and calls on this Council to follow suit with a celebration in Aberdeen in recognition of The Queen's service to the people of the United Kingdom and Commonwealth and her 60 year leadership role within the international community of the free world".</p>	10/02/10	<p>The Committee resolved to request that a report on this motion be submitted to the Lord Provost Sub Committee, and for a further report detailing any financial implications to be brought back to this Committee or the relevant Service Committee thereafter.</p>	<p>changes of ground ownership. This would not include the Property enquiry fee of £90.</p> <ul style="list-style-type: none"> <li>• Minimum cost of any land purchase is £500.</li> </ul> <p>At its meeting of 29 April, 2010, the Lord Provost Sub Committee resolved to request that officers provide further reports on proposed activities and events for Aberdeen once the details of the Government's proposed arrangements for the Diamond Jubilee celebrations are known.</p> <p>A report was presented to the Lord Provost Sub Committee of 28/04/10, and it was agreed: to note the content of the report and to request officers to provide a further report to its meeting on 13 October, 2011 on the Council's proposed programme of events to mark the Queen's Diamond Jubilee in 2012.</p>	Head of Office of Chief Executive	06/12/11	No

<u>No.</u>	<u>Motion</u>	<u>Date of Council Meeting</u>	<u>Committee Motion referred to / date/ decision of Committee</u>	<u>Action taken / Proposed Future Action</u>	<u>Responsible Head(s) of Service</u>	<u>Due Date</u>	<u>Is authority sought to remove motion from list?</u>
3.	<p><u>Motion</u> by <u>Councillor Reynolds</u></p> <p>'With the ever increasing number of Aberdeen citizens who use a mobile telephone as against a land line, officers be instructed to bring forward a report as a matter of urgency, to the next appropriate committee, identifying ways in which 0845 numbers used by our services can be replaced with a local number, which will reduce the cost to our citizens'.</p>	27/04/11	At its meeting of 17/06/11, the Committee resolved to instruct that a report be presented to a future meeting of this Committee addressing the terms of the motion.	<b>A report is on the agenda. Recommended for removal.</b>	Head of Customer Service and Performance	06/12/11	Yes

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September, 2011
REPORT	Background Report by Head of Corporate Governance
TITLE	Motion by Councillor Wisely on Delivery of Members Mail and Papers
REPORT NO.	CG/11/112

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### 1. PURPOSE OF REPORT

- 1.1 To set the background to Councillor Wisely's Notice of Motion below.

### 2. BACKGROUND

- 2.1 The Council on 29<sup>th</sup> June, 2011, referred the following motion by Councillor Wisely to this Committee for consideration:-

“That the Council review its decision CG\_LDS22 of 15.12.10 and consider reinstating the delivery service albeit on a reduced basis for those Members who request it. The modest costs of approximately £5,000 to be met from reserves.”

- 2.2 The savings option to which Councillor Wisely's motion refers was implemented from 1<sup>st</sup> April, 2011, and provided an annual saving of £11,000 by ceasing the delivery of mail to Councillors' homes by courier.
- 2.3 Subsequent to the decision being taken, it was drawn to officers' attention that, in terms of the Local Government (Scotland) Act 1973, summons to attend meetings were required to be delivered to Members' homes or to such other address as a Member may specify. On taking advice, this interpretation was supported and, as a result, seven Members receive paper summons (ie the yellow notices only) delivered by First Class post. This costs a total of approximately £5 a week.
- 2.4 In addition, some Members have indicated that they are receiving items of mail late if they do not come into the Town House to collect it frequently and that this sometimes has implications for delays in responding to constituents or accepting invitations to meetings.

Following the referral of Councillor Wisely's motion to this Committee, some Members have made informal suggestions as to how an amended service could be reinstated and the three options which have been proposed are:-

- (a) the reinstatement of a reduced delivery service by courier of possibly two deliveries a week, which based on the previous contract (used by approximately 20 Members) could be estimated at costing approximately £5,000 a year. If Members were to pursue this as an option, it will be recommended that a new tendering exercise be undertaken;
- (b) the sending of Councillors' mail to their homes by First Class post, again on the basis of possibly two deliveries a week depending upon the amount of mail which Members receive. It is likely that this would be more expensive than a courier service (for 20 Members receiving 2kg of mail a week, approximately £10,000) and, if a package is too large for Members' letterboxes, a Member may be required to attend a delivery centre to obtain their mail (the former Grampian Regional Council addressed this difficulty by fitting each Councillor's front door with a large letterbox sufficient to take a bulky envelope); and
- (c) that the Town Sergeants deliver mail to those Members who wish it, again on a twice-weekly basis, using one of the pool cars. This would have no direct additional cost.

- 2.5 When considering Councillor Wisely's motion, Members may wish to ask for further information on any of the three options, or indeed any other option, in taking this matter forward.

### 3. REPORT AUTHOR DETAILS

Roderick MacBeath  
Senior Democratic Services Manager  
Email [macbeath@aberdeencity.gov.uk](mailto:macbeath@aberdeencity.gov.uk)  
Tel (01224) 523054

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29/9/2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Use of 0845 numbers
REPORT NUMBER:	CG/11/128

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### 1. PURPOSE OF REPORT

This report has been prepared in response to the following motion by Councillor Reynolds - referred from the meeting of Council of 27 April, 201.

**‘With the ever increasing number of Aberdeen citizens who use a mobile telephone as against a land line, officers be instructed to bring forward a report as a matter of urgency, to the next appropriate committee, identifying ways in which 0845 numbers used by our services can be replaced with a local number, which will reduce the cost to our citizens’.**

The report outlines the background and current thinking on the use of 0845 numbers by public sector organisations and makes recommendations on the steps Aberdeen City Council should take going forward.

### 2. RECOMMENDATION(S)

That the committee:

Approves the recommendation to publish local (01224) numbers in addition to the 0845 numbers currently in use by Aberdeen City Council pending the outcomes of the Ofcom review of non-geographic numbers and the completion of the Alternative Delivery Model project for Corporate Governance.

Instructs officers to take the necessary steps to publicize the availability of (01224) numbers to ensure citizens are informed of their choices when calling for Aberdeen City Council services.

Further instructs officers to report back to this committee when the outcomes of the Ofcom review and ADM project are known to enable a decision to be made on whether or not to continue the use of 0845 numbers for the related services included in this report.

### 3. FINANCIAL IMPLICATIONS

There are varying costs applied by telephone line suppliers for the usage of Non Geographic and Geographic numbers, these can include monthly rental, charges for inbound calls outside of any inclusive minutes and cost for additional lines.

To provide some indication the Table 3 highlights the charges that BT levy for incoming calls on Non Geographic numbers.

Table 3: BT Tariffs to receive calls

Basic Call Charges			
Description	Pence Per Minute Rate		
	Day	Eve	W/E
0800/0808 rate	4.98	4.98	4.98
0845 rate	0.00 - 3.48	0.00 - 3.48	0.00 - 3.48
0870 rate	4.50	4.50	4.50
030 rate <i>(Only available for public services and not-for profit organisations)</i>	1.50- 3.48	1.50- 3.48	1.50- 3.48

(Source: <http://business.bt.com/phone-services/08-and-09-numbers>)

Under our current contract with BT, Aberdeen City Council pays a £13,900 flat rate for 24 months and there are no per-minute charges.

Under our current contract with BT, a decision to move to 03 numbers would incur a charge of .5p per minute chargeable to the Council for all incoming calls to this number series.

Although difficult to quantify financially, the Council's use of 0845 numbers may be driving customers to use the face to face customer service centre in Marishcal College instead of using the phone. This is supported by recent Ofcom research. As face to face customer service is more expensive than telephone service, any shift towards the telephone channel will drive down transaction costs and contribute to delivering the Channel Shift strategy in the Council's 5 year business plan.

#### **Cost to Customer**

Results from the resident's survey in 2009 indicated that approximately 70% of those who responded preferred to contact the council by phone. The council has received feedback from customers about the cost of calling the 0845 numbers. Customers have also enquired whether the council generates revenue from 0845 numbers. Although businesses

can generate revenue using a 0845 number, Aberdeen City Council does not use 0845 numbers for this purpose.

To gain a better understanding of the cost to our customers when using geographic and non geographic numbers, tariffs of some telecommunication service providers have been explored and compiled in Table 2: Telecommunication Services Tariffs. This is a very dynamic and competitive market and tariffs are constantly liable to change but there is a clear tendency for calls from mobiles to cost more when dialing a 0845 number than a geographic 01/02 number. The comparison of tariffs indicates that the cost to the customer calling a 03 (government-only) number from a landline or mobile would incur the same charge as calling a geographic 01/02 number.

Table 2: Telecommunication Services Tariffs

Telecoms Service Provider	Calls to non geographic number 0845		Calls to geographic numbers (01/02) & Non Geographic number 03		Calls to 0800
	Package	Standard Charge	Package	Standard Charge	
<b>BT</b> (from 1 <sup>st</sup> April 2010) <i>£11.94 line rental Call packages vary from £4.99 - £20 per month plus line rental.</i>	Free on some packages only.	5.9ppm	Free	5.9ppm	Free
<b>Virgin</b> (from 1 <sup>st</sup> April 2010) <i>£11.99 Line Rental Call packages vary from £3.25 to £29 per month plus line rental.</i>	Free on Talk Anywhere packages only.	10ppm + Connection 11p	Free	Between 1ppm and 8ppm	Free
<b>Talk Talk</b> (from 1 <sup>st</sup> June 2010)	N/A	Evening 1.5ppm Daytime 5.8ppm Connection 9.9p	Free on some packages	Between 1ppm and 8ppm	Free
<b>O2 Home</b>	N/A	4ppm + Connection 9p.	Free on some packages	Between 1ppm and 8ppm	Free
<b>Mobile</b>	Pay Monthly	Pay as you Go	Pay monthly	Pay as you go	
<b>O2</b>	25ppm	25ppm	25ppm	25ppm	15ppm
<b>T Mobile</b>	35ppm	40ppm	35ppm/ free depending on package	40ppm	Up to 40ppm
<b>Vodafone</b>	35ppm	25ppm	Free for inclusive minutes. 5ppm standard charge	20ppm	20ppm

(Source: information sourced from telecom service provider websites)

#### 4. OTHER IMPLICATIONS

None

#### 5. BACKGROUND/MAIN ISSUES

Aberdeen City Council implemented 0845 numbers in 2006 as part of a rationalisation strategy. The main driver was the streamlining of services with many different contact telephone numbers into a few 0845 numbers, creating a smaller selection of memorable numbers for the customer. The main services using 0845 numbers are listed below.

Service	Telephone number	Details
Housing Repairs – Council House repairs (including Homecheck)	08456 080929	Service requests for housing repairs to council houses
Environmental services including Roads & Street Lighting	08456 080919	Service requests for environmental services, roads and street lighting.
Council Tax, Housing Benefits & Council Tax Benefits	08456 080921	Service requests for Council Tax & Benefits.
Waste Aware Grampian (for Aberdeenshire & Moray Councils)	08456 005333	Similar to environmental services above but specifically relates to waste in the Grampian area. Service requests for Waste Aware Grampian are logged in the Council's CRM system.

### **Capability of Geographic and Non Geographic numbers**

The Customer Contact Centre has resulted in a wider range of services being delivered through a telephone based contact channel, The focus of this section is to explore the capabilities and the limitations linked to Geographical numbers and Non Geographical numbers.

#### **Non Geographic Numbers 0845 and 03**

Non Geographic numbers help an organisation to establish a strong national presence, as the usage of these numbers is not determined by where the organisation is located.

0845 numbers assist in creating flexibility when managing call flows during periods of high demand, and for business continuity purposes. For example, during high call volume periods an agreed percentage of calls can be redirected to ensure a higher rate of call handling using resources in the optimum way. Using 0845 numbers enables the council to retrieve statistical information relating to caller volume, duration of calls, and also identifies repeat callers, all of which assist



with the ongoing development of the Customer Contact Centre, as well as enhancing the council's ability to monitor service provision and make sound business decisions using quality information. The statistical and performance functionality are provided as part of the number package from the number supplier, and reduces the need for additional investment in supporting technology.

The 03 numbers present the same capabilities as identified above however with the addition that these numbers are available exclusively to public and charity sectors, allowing the organisation to be recognised as a public sector, charity or non profit organisation as well as creating a strong national presence.

In addition to the above, non geographic numbers (03 and 0845) also offer a degree of flexibility for the organisation and continuity for the customer. The numbers can operate over multiple sites and if the Contact Centre or service teams who are using non geographic numbers relocate the numbers can be easily transported. Consequently customers would not be required to look up or memorise new numbers, reducing the need for re- publishing leaflets, service booklets or other marketing/ corporate materials.

### **Geographic Numbers 01 & 02**

Using 01 and 02 geographic numbers helps the organisation to portray a local image. By using a local number service users are able to identify with the organisation.

The transportability of these numbers during periods of relocation is possible at an additional cost and is not necessarily seamless. Quick transportability for business continuity and disaster recovery is restrictive and would not necessarily contribute to the Council offering a seamless and resilient service.

The statistical information relating to caller volume, duration of calls, and identifying repeat callers is not readily available as part of the package from the telephone number provider, but can be retrieved by using the technology that supports routing of calls in the contact centre.

### **Options Considered**

4 options were considered in the preparation of this report as follows:

1. Continue using 0845 non-geographic numbers for major services as per current practice.
2. Retain 0845 numbers but offer an alternative local (01224) number for callers using mobile phones.
3. Introduce the 03 (non-geographic) number series for use by government organisations. Callers pay no more for calling 03 numbers than they do for calling a geographic number (01 or 02)

according to the call package they have and the line they are calling from.

4. Switch from 0845 numbers to 01224 numbers for all main services.

Following detailed analysis of the options, officers have recommended option 2 namely publishing local (01224) numbers alongside the current 0845 number series. Further details are provided in the options appraisal below.

Option 1 provides the advantage of greater portability of numbers to allow calls to be directed to alternative locations for business continuity purposes or to multiple sites. However, with proper planning it will be possible to develop a suitable alternative using 01224 numbers. Many of the other benefits of 0845 numbers such as national presence and enhanced reporting do not apply to Aberdeen City Council as we are a local rather than national service. The technology used in the contact centre provides us with adequate reporting for our needs.

By relying exclusively on 0845 numbers, the Council imposes potential additional costs on the most vulnerable members of the community who disproportionately rely on mobile phones as their only or primary means of telephone contact. This is evidenced in research and findings conducted by the Cabinet Office and Ofcom who have stated

*'Low income households are more likely to rely solely on a mobile phone, which tend to be more expensive to call NGCs than fixed lines. 26% of lower income (socioeconomic groups D and E) households were mobile only in Q1 of 2010, compared to 9% of ABC1 homes.<sup>65</sup> Low income householders are less likely to have access to alternatives such as contacting the SP via the internet. Only 54% of socio-economic groups D and E reported having a broadband connection at home in 2010, compared to 88% of ABs.<sup>66</sup>*

*It is, thus, more difficult for these households to access socially important services affordably. For example, these callers can end up paying high prices for calls to essential public services such as some doctors' surgeries. HM Revenue & Customs also use 0845 numbers. Calls to these numbers can be priced between 25ppm and 40ppm from pre-pay mobile phones.<sup>67</sup> Citizens Advice also highlighted important private sector services such as helplines for gas suppliers which have numbers which would be low rate from a BT landline but are considerably more expensive for mobile customers*

*Thus, low income mobile only households are more likely to pay high prices to access important public services, which have a proportionately higher effect relative to their income. Alternatively they may take onerous actions to avoid making*

*such calls such as seeking out public payphones or calling from a Citizens' Advice Bureau.<sup>1</sup>*

\*\*\*\*

*'It is inappropriate for public bodies to use NTS numbers exclusively when dealing with people on low incomes or other vulnerable groups.'<sup>2</sup>*

The continued use of 0845 numbers exclusively runs counter to Ofcom and Cabinet Office guidance on best practice for government services

Option 2 provides the most flexibility and balance for both the caller and the Council by giving callers a choice on which number is best for their needs whilst maintaining the benefits of improved business continuity and disaster recovery options. This option presents callers with the immediate opportunity to lower the cost of doing business with Aberdeen City Council and provides continuity whilst awaiting the outcome of the Ofcom consultation and the Council's ADM project.

Option 3 would incur additional per-minute charges to the council for all incoming calls and could still cause confusion for callers in relation to charges. Although the use of 03 numbers would deliver the same benefits in relation to business continuity as 0845s, it is considered that the additional per-minute costs do not deliver adequate benefits and the risk can be mitigated in other ways.

Regarding option 4, the use of 0845 numbers confers business and technical benefits particularly in the flexibility to move and transfer calls seamlessly either as part of normal operations or disaster recovery. The main obstacle is currently the additional cost to some customers using mobile phones. Pending the outcome of the Ofcom investigation into charging for non-geographic numbers it may be possible at a future date to achieve the benefits of 0845 numbers at no additional cost to callers using mobiles. It is therefore recommended that Aberdeen City Council delays its decision on discontinuing 0845 numbers entirely until the outcome of the Ofcom work is known.

Option 2 is therefore the recommended approach with a further evaluation in 18 month's time on the future use of 0845s.

## 6. IMPACT

Corporate – The recommended option will make it less expensive for callers using mobile phones to contact the Council for services,

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<sup>1</sup> Simplifying Non-Geographic Numbers  
Improving consumer confidence in 03, 08, 09, 118 and other non-geographic numbers

<sup>2</sup> Clarification Statement on Telephone Number Ranges – Cabinet Office First published May 2009 and updated February 2010

incentivising citizens to choose telephone contact over face to face contact through the Customer Service Centre. This will lower the overall cost of contact for Aberdeen City Council. The provision of both 01224 and 0845 numbers will also mitigate risks associated with technical or business outages requiring the Council to re-route calls to a backup facility.

Public – Members of the public will find it easier and in some cases cheaper to contact the Council by their preferred method. This will protect our most vulnerable citizens and enhance the image of the council.

## 7. BACKGROUND PAPERS

### Simplifying Non-Geographic Numbers

Improving consumer confidence in 03, 08, 09, 118 and other non-geographic numbers (Ofcom, March 2010)

Clarification Statement on Telephone Number Ranges – Cabinet Office First published May 2009 and updated February 2010

## 8.

## REPORT AUTHOR DETAILS

Paul Fleming  
Head of Customer Service & Performance  
[pfleming@aberdeencity.gov.uk](mailto:pfleming@aberdeencity.gov.uk)  
01224 523366

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HOUSING AND ENVIRONMENT COMMITTEE

25 August, 2011

**REVIEW OF INCOME AND EXPENDITURE FOR ALLOTMENTS (H&E/11/049)**

The Committee had before it a report by the Director of Housing and Environment which detailed the income and expenditure associated with the allotments service, and suggested that a 10% increase in annual fees be implemented.

**The Committee resolved:**

- (i) to note the content of the report;
- (ii) **to agree, for the financial year 2011/12, the annual rental charges for allotments will increase by 10%, subject to the approval of the Finance and Resources Committee;**
- (iii) to instruct that from financial year 2012/13, an annual increase in rental charges for allotment plots will be subject to review and consultation as part of the revenue budget review process.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Housing and Environment
DATE	25 August 2011
DIRECTOR	Pete Leonard
TITLE OF REPORT	Review of Income and Expenditure for Allotments
REPORT NUMBER	H&E/11/0 49

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### 1. PURPOSE OF REPORT

To detail the income and expenditure associated with the allotments service in the city and to seek approval for a 10% increase in the annual fees charged for allotments.

### 2. RECOMMENDATION(S)

That the Committee:

- (i) Note the content of the report;
- (ii) Agree that, for the financial year 2011/12, the annual rental charges will increase by 10%
- (iii) Agree that, from the financial year 2012/13, an annual increase in rental charges for allotment plots will be subject to review as part of the revenue budget review process.
- (iv) Refer report to Finance & Resources Committee of 27 September 2011.

### 3. FINANCIAL IMPLICATIONS

It is proposed to increase the annual rental for allotments with effect from November 2011. The proposed 10% increase in charges could generate up to £1,737.03 of additional income for the Council.

The proposed 2011/12 increase equates to a rise of 13.5p per week from the current charges set for a full plot and 6.7p per week from the current charges set for a half plot (see Appendix 2)

There were no increases to allotment fees from 2000 to 2007. Fees were then significantly increased in 2008 (80.2%), and again in November 2009 (40%), which was part of the wider budget setting process relating to revising Council service budgets and was not applied for the purpose of service development.

### 4. SERVICE & COMMUNITY IMPACT

The report is linked to the Aberdeen City Council's Single Outcome Agreement and the Community Plan, in terms of land use and the environment generally.

The Equalities Impact assessment for this particular budget savings proposal could identify an impact upon people's ability to pay the increase in fee and points towards actions to mitigate that effect.

The report is also linked to the Allotments Management Policy and Action Plan (AMPAP) and the impact this proposal will have with implementing the AMPAP with the Allotments Representative Network (ARN). The proposal may affect meaningful relationships with allotment holders and representatives who have taken considerable effort to develop and build over the last few years.

## 5. OTHER IMPLICATIONS

This report in part details and compares with other authorities the current level of income and expenditure to the Council (see Appendices 2 & 3).

## 6. REPORT

### 6.1 Role of Councils/Legislative Background

Within the Allotments (Scotland) Act 1892, Section 2 and as amended by the Land Settlement (Scotland) Act 1919 and the Allotment (Scotland) Acts of 1922 and 1950, a local authority has a statutory duty to provide allotments.

The majority of allotment sites in Aberdeen are owned by Aberdeen City Council, the "Allotments Authority".

Allotments are used for recreational purposes, and can be compared to the charges set, and increases imposed, on other sorts of leisure facilities, as set out also in Appendix 1.

### 6.2 Background Information (Service Revenue Budget)

Budgeted Routine contract maintenance works - £17,827(see Appendix 3)

Additional Non-Routine works - £24,751 (see Appendix 3)

*(Non-Routine works cover issues such as fly tipping removal, fence repairs and other remedial works during the financial year.)*

Income generated through allotment rents - £18.359 (see Appendix 3)

The water service fee has been included within the overall allotments fee since 2009/10. (see Appendices 2 & 3)

### 6.3 Benchmarking

A structured initial benchmarking (see Appendix 3) exercise has recently taken place with Edinburgh City Council (ECC) and Glasgow City Council (GCC). The benchmarking examined each Authority's management of the following issues;

- Management arrangements;
- Plot sizes and costs;
- Concessions;
- Services;
- Budget allocation, and
- Waiting lists.

The investigation clearly shows that there is a fundamental difference in plot sizes with Aberdeen's average plot size considerably larger than Edinburgh City Council's and Glasgow City Council's.

## 7. REPORT AUTHOR DETAILS

Alexander Scott,  
Area Officer  
Email: [ALSCOTT@aberdeencity.gov.uk](mailto:ALSCOTT@aberdeencity.gov.uk)  
Tel: 01224 489409

## 8. BACKGROUND PAPERS

Allotment (Scotland) Acts of 1922 and 1950  
S.A.G.S. A Scottish plot holders guide  
Allotments Management Policy and Action Plan October 2008

		Other Leisure Charges				
	2011-12	2010-11	2009-10	2008-09	2007-08	
<b>Gym (not BLC)</b>	£	£5.35	£5.20	£4.40	£4.00	
<b>Gym LBC</b>	£	£5.80	£5.65	£4.80	£4.35	
<b>Swim BLC Adult</b>	£	£4.10	£4.00	£3.40	£3.10	
<b>Swim BLC Junior</b>	£	£2.10	£2.05	£1.80	£1.65	
<b>Swim (not BLC) Adult</b>	£	£3.35	£3.20	£2.70	£2.45	
<b>Swim (not BLC) Junior</b>	£	£1.70	£1.65	£1.40	£1.30	
<b>Aerobics</b>	£	£5.20	£5.10	£4.30	£3.90	
<b>1 yr ACE membership</b>	£	£369.70	£361.80	£305.75	£277.95	
<b>1 yr Splash card</b>	£	£203.60	£199.25	£168.40	£153.10	
<b>Sports Hall hire(Adult)</b>	£	£51.60	£50.60	£42.75	£38.85	
<b>I court hire</b>	£	£12.95	£12.90	£10.90	£9.90	
<b>Skating Adult</b>	£	£5.50	closed	closed	£4.90	
<b>Skating Junior</b>	£	£3.50	closed	closed	£3.25	
<b>Tennis court Adult</b>	£	£18.15	£17.75	£15.30	£13.90	
<b>Tennis court Junior</b>	£	£9.24	£9.05	£7.80	£7.10	
<b>Golf 18 hole ticket(Adult)</b>	£	£22.95	£22.45	£19.40	£17.65	
<b>Golf 18 hole ticket(Junior)</b>	£	£9.75	£9.50	£8.20	£7.45	

	Aberdeen				Edinburgh				Glasgow			
<b>Management</b>												
Dedicated Officer	N				Y				Y			
Allot. Associations Federation / Forum	N (In Progress)				Y				Y			
Association Fee	N				£2.50 Collected by Council				£2 - £10 Collected by Associations			
<b>Plots</b>	<b>Size*</b>	<b>Full fee</b>	<b>£/m2</b>	<b>Concession</b>	<b>Size</b>	<b>Full fee</b>	<b>£/m2</b>	<b>Concession</b>	<b>Size**</b>	<b>Full fee</b>	<b>£/m2</b>	<b>Concession</b>
Full	300 m2	£70.00	£0.23	£35.00	180 m2	£60.00	£0.33	£30.00	160 m2	£32.50	£0.20	£25.00
Three Quarter	225 m2	£52.50	£0.23	£28.25	-	-	-	-	-	-	-	-
Half	150 m2	£35.00	£0.23	£17.50	90 m2	£30.00	£0.33	£15.00	80 m2	£16.25	£0.20	£12.50
Micro	50 m2	£10.00	£0.20	N/A	-	-	-	-	-	-	-	-
* Aberdeen City Council plot sizes are approximate and are significantly bigger than allotments in other major Scottish cities. Per m2 our fees are significantly cheaper than those charged for at Edinburgh City Council allotment sites												
** Glasgow City Council do not have standard plot sizes. The sizes used in this table are the SAGS standard size for an allotment												
Edinburgh and Glasgow raised allotments fees by £6.00 and £1.00 respectively in 2009 and 2010												
<b>Concessions</b>	50%				50%				25%			
60+ (F) : 65 + (M)	Y				Y				Y			
Student	N				Y				Y			
Disabled	Y				Y				Y			
Unemployed	N				Y				Y			
Costs for all concessions are absorbed by the services themselves												
<b>Services</b>												
Water	Y	Included in fee			Y	Included in fee			Y	Included in fee		
Waste	N				Y	Included in fee			Y	Included in fee		
Sheds / Storage	Y	£5.65	Additional fee at one site only		Y	Included in fee			Y	Included in fee		
Toilets, parking and Ad Hoc services are provided by all authorities in a non consistent manner												
<b>Plot Nos.</b>	439				1233				1320			
<b>Waiting Lists</b>	289				2367 (Sept 2010)				1000			
<b>Information obtained from Allotments Officers at both Edinburgh City Council and Glasgow City Council</b>												

	Aberdeen	Edinburgh	Glasgow
<b>Budget</b>			
Annual revenue*	Income from rent £18.4K (See below)	Income from rent £46K	Income from rent £15.5K
Capital	Expenditure £42.6K (scheduled and ad-hoc work) £0	Expenditure £50K (mostly on new site & revenue costs) See above	Expenditure £24K part of wider budget of See above

\* Not including staff & admin costs

### Allotment Site Income

Site	Plots				Facilities		Income £
	½	¾	Full	Micro	Water	Sheds	
Anderson Road		5			n/a	n/a	236.25
Bankhead	17	7			n/a	n/a	761.25
Bedford Avenue		1	3		✓	n/a	192.50
Cattofield	5				✓	n/a	157.50
Cults	8			2	✓	n/a	248.75
Deeside Railway			1		n/a	n/a	70.00
Garthdee Field	30	1	65	10	✓	n/a	4947.50
Gray Street	2		19		✓	✓	1203.65
Greyhope Road	16		22		✓	n/a	1802.50
Hilton Drive	1	1	8		n/a	n/a	577.50
Holburn Street	2		8		✓	n/a	525.00
King Street	2		6		n/a	n/a	402.50
Mastrick 4			1		n/a	n/a	35.00
Nellfield 1			6		✓	n/a	315.00
Nellfield 2	5				n/a	n/a	122.50
Niggfield	3	2	26		✓	n/a	1618.75
Pitmedden Cres.	3		8		✓	n/a	665.00
Redmoss	14		3		✓	n/a	455.00
Sclattie Quarry	12	6	1	3	✓	n/a	756.25
Slopedfield	84		1	3	✓	n/a	2427.50
Smithfield Lane	1	1	5		✓	n/a	437.50
Tullos Crescent	5		4		✓	n/a	402.50
					Total Income =		£18,359.90

**DRAFT**

**HOUSING AND ENVIRONMENT COMMITTEE**

**25 August, 2011**

**FURNITURE SCHEME (H&E/11/196)**

With reference to article 8 of the minute of meeting of the Finance and Resources Committee of 28 September, 2011, the Committee had before it a report by the Director of Housing and Environment which presented a new furniture scheme for approval.

**The Committee resolved:**

- (i) **that a service charge of £1.50 per week per £100 of goods be implemented, subject to the approval of the Finance and Resources Committee;**
- (ii) that applicants to the scheme would be able to choose which items they would prefer, up to a maximum value of £600 for individuals, or £900 for families.

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## ABERDEEN CITY COUNCIL

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COMMITTEE: Housing & Environment      DATE: 25 August 2011

DIRECTOR: Pete Leonard

TITLE OF REPORT: Furniture Scheme

REPORT NUMBER: H&E/11/196

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### **1. PURPOSE OF REPORT**

- 1.1. The purpose of this report is to seek approval for changes to the Furniture Scheme that was approved by Committee on 24 August 2010 and ratified by the Finance & Resources Committee on 28 September 2010.

### **2. RECOMMENDATIONS**

- 2.1. It is recommended that Committee approve:
- A service charge for the Furniture Service of £1.50 per £100 of goods;
  - That applicants for the Service may choose which items they prefer up to a maximum of £600 for individuals or £900 for families, and,
  - To remit this to Finance & Resources Committee for approval.

### **3. FINANCIAL IMPLICATIONS**

- 3.1. Initial funding for the Furniture Scheme will come from the Homelessness Service budget.
- 3.2. Over several years the Scheme will become self financing.

### **4. SERVICE & COMMUNITY IMPACT**

- 4.1. The proposal links to the Single Outcome Agreement and Vibrant, Dynamic & Forward Looking to 'increase the number of temporary homes for homeless people across the City' and 'retain the 24 hours contact point for homeless people'. It also links to the National Indicator and Target 'All unintentionally homeless households will be entitled to settled accommodation by 2012'.
- 4.2. Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- 4.3. The proposals will assist the Council to deliver against, in particular, one of the five key areas of activity – the services we provide and secure for the most vulnerable members of our community.
- 4.4. There are direct links to the Housing Service Plan 2009 – 2012 –

Modernisation of Service, the Resettlement & Homelessness Strategy (2009 – 2013) and the Scottish Housing Regulator – Homelessness Improvement Plan 2011 – 2013.

## **5. OTHER IMPLICATIONS**

5.1. N/A

## **6. MAIN CONSIDERATIONS**

6.1. A Furniture Scheme was approved by Committee on 24 August 2010 and ratified by the Finance & Resources Committee on 28 September 2010.

6.2. The report to that Committee presented one option, which proposed the introduction of a furnishings service charge of £300 for a single person or couple, that would provide a bed, bedding and a cooker; and £700 for a family, that would provide a cooker, fridge, beds and bedding, and be repayable over a five year period. This was agreed.

6.3. The Scheme has not yet been established and was passed to the Homelessness Service to develop.

6.4. Initial funding for the Furniture Scheme will come from the Homelessness Service budget.

6.5. The Furniture Service is intended to help homeless households equip their secure tenancies with essential household items.

6.6. The underlying principle recognises that the provision of furniture/white goods will contribute to the sustainability of otherwise vulnerable tenancies, thus reducing the likelihood of recurring periods of homelessness.

6.7. The Service is therefore a preventative and sustainability measure. It should also be considered in conjunction with other options such as recycled furniture providers or Credit Union Services.

6.8. The Furniture Service will be available to statutory homeless applicants who have been allocated a permanent tenancy by Aberdeen City Council. Once the fund becomes self sustainable, it will be open to any tenant.

6.9. The fund for the provision of such goods is limited and priority will, therefore, go to those who have no other options for securing such items for their tenancy providing that funds are available.

6.10. It is now proposed that a wider range of goods are available and this reflects the difficulty in obtaining such goods through the DWP or charities.

6.11. The following goods would available through the Furniture Service: -

- Single Bed
- Double Bed
- Cooker
- Microwave
- Fridge
- Washing machine
- Carpets
- Sofa
- Armchair
- Curtains


- 6.12. Applicants for the Service may choose which items they prefer up to a maximum of £600 for individuals or £900 for families. See examples of packages.
- 6.13. A service charge will be applied to the applicant's rent account and on acceptance into the Service the tenant takes on responsibility for the general care of the goods supplied.
- 6.14. The service charge will apply for a period of five (5) years.
- 6.15. The applicable service charge will be explained to every eligible tenant prior to acceptance into the Furniture Service.
- 6.16. The service charge will be £1.50 per £100 of goods. For example – goods of £600 = service charge of £9.00 per week; goods of £900 = service charge of £13.50 per week.
- 6.17. Items for the Furniture Service will be procured through the Council's current furnishings framework agreement.

## 7. **AUTHORISED SIGNATURE**

Donald Urquhart, Head of Housing & Community Safety

## 8. **REPORT AUTHOR DETAILS**

Paul Hannan, Homelessness Manager

 (52)3128

 [phannan@aberdeencity.gov.uk](mailto:phannan@aberdeencity.gov.uk)

## EXAMPLES OF PACKAGES

Item	Cost	Weekly charge per item	Item	Cost	Weekly charge per item
Single bed & mattress	£ 52.00	£ 0.78	Single bed & mattress	£ 52.00	£ 0.78
			Double bed & mattress	£ 84.00	£ 1.26
Cooker	£ 130.00	£ 1.95	Cooker	£ 130.00	£ 1.95
			Microwave		
Fridge	£ 95.00	£ 1.43	Fridge	£ 95.00	£ 1.43
Washing machine			Washing machine		
2 seater sofa	£ 210.00	£ 3.15	2 seater sofa	£ 210.00	£ 3.15
Armchair			Armchair	£ 120.00	£ 1.80
Curtains - living room			Curtains - living room	£ 45.00	£ 0.68
Curtains - bedroom			Curtains - bedroom		
Carpet (5m x 4m)			Carpet (5m x 4m)	£ 140.00	£ 2.10
		£ 0.78			£ 0.78
Total	£ 487.00	£ 7.31	Total	£ 876.00	£ 13.14
Weekly charge		£ 7.31	Weekly charge		£ 13.14

Single bed & mattress	£ 52.00	£ 0.78	
Cooker	£ 130.00	£ 1.95	
Microwave			
Fridge			
Washing machine			
2 seater sofa	£ 210.00	£ 3.15	
Armchair			
Curtains - living room	£ 45.00	£ 0.68	
Curtains - bedroom			
Carpet (5m x 4m)	£ 140.00	£ 2.10	
		£ 0.78	
Total	£ 577.00		
Weekly charge		£ 8.66	

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## HOUSING AND ENVIRONMENT COMMITTEE

25 August, 2011

### **HOUSING SERVICE CAR PARKING CHARGES (H&E/11/195)**

Reference was made to article 2 of the budget meeting of Council of 10 February, 2011 at which time officers were instructed to report on the pricing differential between customers for car parking charges. The Committee had before it on this day, a report by the Director of Housing and Environment which provided the information as requested at the aforementioned meeting of Council.

#### **The report recommended:**

that the Committee –

- (a) agrees the proposed increase car parking charges as per option A within the report, and that these charges be applied as soon as practicable, subject to the approval of the Finance and Resources Committee; and
- (b) instructs a review of Housing Service car parking waiting lists to identify any instances of local residents waiting for spaces where non local residents are renting spaces.

#### **The Committee resolved:**

- (i) to instruct a review of Housing Service car parking waiting lists to identify any instances of local residents waiting for spaces where non local residents are renting spaces;
- (ii) to instruct a report back on the differentiation between tenants and residents in the local areas, and undertake discussions with colleagues in the Enterprise, Planning and Infrastructure Service on the impact this will have on on-street parking;
- (iii) **that commercial and all other non local charges will be increased to £35 per week, subject to the approval of the Finance and Resources Committee;**
- (iv) to instruct officers to (1) consult with users of Housing Service car parks (including Regent Walk) which form part of the city centre multis, regarding a permit and enforcement system, and (2) report back to the next meeting of 1 November, 2011 in this regard;
- (v) to instruct officers to ensure that the HRA asset management plan takes into account an investment plan to maintain and improve car park areas within the HRA;
- (vi) to request that officers in future review these charges as part of the budget process; and
- (vii) to instruct officers to undertake a long term review of the whole process associated with parking charges and permits, to address the issue of the piecemeal way in which it is currently dealt with.

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ABERDEEN CITY COUNCIL

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COMMITTEE        Housing and Environment  
DATE                25 August 2011  
DIRECTOR         Pete Leonard  
TITLE OF REPORT    Housing Service Car Parking Charges  
REPORT NUMBER:    H&E/11/195

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1.    PURPOSE OF REPORT

The report provides comparison of Housing service car parking space charges with relevant Car Parking service charges and makes recommendations to increase some charges for renting of Housing service spaces.

2.    RECOMMENDATIONS

It is recommended that the Committee:

- a) Agrees the proposed increased car parking charges at Option A within the report to be applied as soon as practicable.
- b) Refers recommendation (a) to the next meeting of the Finance and Resources Committee for approval
- c) Instructs a review of Housing service car parking waiting lists to identify any instances of local residents waiting for spaces where Non-Local Residents are renting spaces.

3    FINANCIAL IMPLICATIONS

Implementation of the recommendations to introduce revised car parking charges is projected to result in additional income to the Housing Revenue Account. Adoption of Option A could result in £135k per year additional income. Adoption of Option B could result in £210k per year additional income.

Anticipated user resistance due to the increased charges has been considered and income projections take account of potential reductions in customer demand. There is risk that due to increases applied that user demand reduces further than anticipated and therefore increased income projections may not be achieved.

#### 4. OTHER IMPLICATIONS

The addresses of all people renting Housing service car parking spaces will be required to be checked to assess the correct charge to be paid. Past experience of undertaking a similar type of exercise is that it will be problematic to check all details and take a substantial amount of housing assistant time to complete. It may be required to undertake this work incrementally with priority given to the most central car parks. Following the address checks written notice shall be given of increased charges when relevant.

Increased charges may encourage people to use more environmentally friendly modes of transport.

Increasing charges is likely to result in some complaints and negative publicity. However, the publicity should raise public awareness of the availability of Housing service car parking spaces and increase demand from local residents. More local residents using off-street car parking spaces is desirable because it would potentially create increased on-street parking availability in parking zones where demand is currently greater than availability.

#### 5. BACKGROUND/MAIN ISSUES

The Council budget setting meeting on 10 December 2010 instructed the Director of Housing and Environment to report on pricing differential in relation to car parking charges. This report also supports an instruction made at the Enterprise, Planning and Infrastructure Committee on 15 March 2011 requesting a review of all Council services parking charges. This report compares relevant charges applying in Housing service car parks with selected charges made by the Car Parking service.

##### **Housing Service Car Parking Provision**

The Housing service lets 898 parking spaces in the City. Appendix A details the locations, number of spaces in each car park, whether located within a controlled parking area and current charges. People wishing to rent a space may apply and allocation of spaces is prioritised in accordance with the approved scheme of allocations. Local tenants get highest priority. Individual agreements are signed giving an exclusive parking space for one specified vehicle. Residents of the City, regardless of whether they live nearby or are Council house tenants, are charged at £4.40 per week (£211.20 per year<sup>1</sup>) in Denburn and West North Street multistorey car parks and £3.40 (£163.20 per year) in all other surface car parks. People who rent spaces and live outside the City are charged £10.90 per week (£523.20 per year).

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<sup>1</sup> The housing service has 48 charging weeks per year.



## **Controlled Parking Areas**

Controlled parking areas have been introduced extensively mainly in the heart of the City to manage supply and demand of parking spaces. Parking charges are a critical factor supporting parking control in these areas.

Residents in controlled parking areas may purchase a maximum of one or two Residents Permits allowing parking on-street only in restricted areas in the controlled parking area where they reside. Residents do not get an exclusive parking space and parking is on a 'first come first served' type arrangement. A Fixed Permit which can only be used by the specific vehicle it was issued to is charged at £80 per year. A Flexible Permit is also available which may be used by any vehicle and the cost is £120 per year. Non-residents cannot obtain parking permits for on-street parking in controlled parking areas. Businesses in controlled parking areas may purchase a permit which costs £200 per year.

## **Local Residents**

The first comparison to be made relates to charges for people who rent a Housing service car parking space and live in the letting area or a letting area immediately adjacent to where their car parking space is located. This category of service users is defined as 'Local Residents'. Housing service charges made to Local Residents will be compared with Resident Permit charges.

Comparing the charges made by the Housing service to Local Residents with Resident Permit charges we can see that the Housing service charges are significantly greater. However, this differential is justified because the Housing service offers an exclusive parking space. It is recommended that no change is made to the charge for Local Residents renting Housing service parking spaces.

It should also be noted that Enterprise, Planning and Infrastructure colleagues are currently progressing a Committee instruction to allow Resident Permit holders to park in certain off-street car parks within their permit area at night.

There are currently 230 applicants on the waiting list for Housing service car parking spaces. Their addresses indicate that the majority would be Non-Local Residents. However, it is possible that a small number are seeking to rent spaces close to their homes. An exercise is required to ascertain if Local Residents are being denied spaces due to lets to Non-Local Residents. When this occurs, in accordance with existing policy, notice shall be given to Non-Local Residents to end agreements so that Local Resident demands can be met.

## **Non-Local Residents**

A further comparison can be between people renting Housing service car parking spaces who are not 'Local Residents'. The charges currently applying for them can be compared with Car Parking service off-street car parking charges.

Analysis of the home addresses of people renting Housing service car parking spaces indicates that approximately 22% are used by people who do not live nearby.

The Car Parking service offers monthly season tickets which allow parking in all off-street car parks in the City. These cost £200 per month (£2,400 per year), they do not give exclusive use spaces and there are no restrictions on who may apply and obtain these. The pay and display charge for 6 – 10 hours parking in a long stay off-street car park is £14.

While the parking options offered by respective services are not identical the charges made by the Housing service are comparatively very low and do not sufficiently support the objectives of controlled parking areas. It is therefore recommended that people renting Housing service spaces who are not Local Residents (i.e. they do not reside in the housing letting area where the car park is situated or in an adjacent letting area) pay an increased charge.

Option A: Increase charges for Non-Local Residents to £25 per week (£1,200 per year). Based on a 30% reduction in Non-Local Resident patronage due to the price increase it is projected that £135k increased income would be received for the housing revenue account. This income would be increased further should more Local Residents rent spaces vacated by Non-Local Residents.

A charge of £25 per week is substantially lower than the monthly season ticket charge and daily pay and display rates. It may be justified to charge a lower rate because the monthly season ticket and pay and display charges are far more flexible in terms of enabling parking in various car parks rather than being restricted to one.

Option B: Increase charges for Non-Local Residents to £50 per week (£2,400 per year). Based on a 50% reduction in Non-Local Resident patronage due to the price increase it is projected that £210k increased income would be received for the housing revenue account. This income would be increased further should more Local Residents rent spaces vacated by Non-Local Residents.

A £50 per charge aligns with the monthly season ticket charge however there are significant risks that custom would be drastically reduced even greater than the 50% indicative figure used in the above calculation. It is also

considered that the monthly season tickets should cost more given their flexibility of use.

It is being recommended that Option A is applied. In addition, it is being recommended that for surface car parks outwith controlled parking zones people renting spaces who do not live in the letting area or a letting area adjacent to where the car park is situated be charged the same rate as people who reside outside the City. This would affect a relatively low number of people whose weekly rent charge would increase from £3.40 to £10.90.

In addition to the traffic, environmental and financial objectives in proposing these charges consideration has also been given to keeping to a minimum the number of different charging bands.

Housing service car parking charges will be subject to further review in accordance with the instruction made at the Enterprise, Planning and Infrastructure Committee on 15 March 2011 and routinely each year.

Elected members also asked for information about unauthorised use of spaces in Housing service car parking spaces. Statistics on the number of complaints received about unauthorised parking in spaces rented by the Housing service is not collected. Housing officers confirm that complaints are received about this problem which usually arise due to gates/barriers being left open. When there is a recurring problem in a car park the usual course of action is writing to all people renting parking spaces reminding them to close the gates/barrier to prevent unauthorised use of parking spaces. In order for City Wardens to enforce unauthorised parking in Housing service spaces it would be necessary to introduce a traffic order supported by a permit system. Such a system would end exclusive use spaces and it is anticipated that this would be undesirable to current service users. It is considered that the work involved exploring such fundamental changes to the Housing service managed car parks would be disproportionate to the problem that it would be setting out to resolve.

## 6. IMPACT

These proposal accord with National Outcomes 12 and 14 and especially the local outcome to minimise the global impact of transport within the Single Outcome Agreement 2009/10.

The pertinent policies within the Local Transport Strategy are as follows:

MAN CP1 ACC is committed to implementing a more comprehensive parking policy and charging regimes aimed at discouraging parking for non-priority users and providing an adequate supply of short stay parking to satisfy the needs of business, shoppers and visitors.

MAN CP2 ACC will undertake a review of parking policy, charges and systems. This will include reviewing charges with respect to both inflation and

comparison with bus fares. On-street parking which reduces network capacity along major corridors will also be reviewed.

This report is likely to attract interest from the public and media.

## 7. BACKGROUND PAPERS

Enterprise, Planning and Infrastructure Committee Minute 15 March 2011

## 8. REPORT AUTHOR DETAILS

Neil Carnegie  
Community Safety Manager

[ncarnegie@aberdeencity.gov.uk](mailto:ncarnegie@aberdeencity.gov.uk)

01224 523945



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**APPENDIX B**

**CAR PARKING SERVICE CHARGES**

<b>CURRENT CHARGES</b>	<b>Per Year</b>	<b>Per Week</b>
<u>Residents Permits</u>		
Fixed	80.00	1.67
Flexible	120.00	2.50
Business Permit	200.00	4.17
Car Parks Season Ticket	2,400.00	50.00

**Note**

The per week figure is based on 48 charging weeks in a year.

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## DRAFT

### EDUCATION, CULTURE AND SPORT COMMITTEE 15 SEPTEMBER 2011

#### **NEWHILLS PRIMARY SCHOOL – LAND TRANSFER – ECS/11/037**

The Committee had before it a report by the Director of Education, Culture and Sport outlining the requirement to build a new school on the Newhills School site to accommodate an amalgamation of Newhills and Bucksburn schools and to transfer land, owned by the Council and held on the Housing Revenue Account, to this end.

**The report recommended:-**  
that the Committee –

- (a) note the decision of the Housing and Environment Committee to declare the land surplus to their requirements and to apply to the Scottish Government for approval to transfer the site to the General Services Account, subject to the approval of the Finance and Resources Committee on 29 September, 2011;
- (b) **request the Finance and Resources Committee on 29 September 2011 to agree to earmark the land within the General Services Account for potential future educational use, subject to the agreement of the Scottish Government;** and
- (c) receive a further report on the long-term use, date of transfer and transfer value of the site once a business case and funding is approved for a new school at Newhills.

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**DRAFT**

**HOUSING AND ENVIRONMENT COMMITTEE**

**25 August, 2011**

**NEWHILLS PRIMARY SCHOOL – LAND REQUIREMENT (EPI/11/186)**

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested that this Committee declare a site adjacent to the Newhills School Campus (identified within the report) surplus to the requirements of the Service.

**The Committee resolved:**

- (i) to declare the land surplus to the requirements of the Housing and Environment Service, and to instruct the Head of Finance to apply to the Scottish Government for approval to transfer the site to the General Services Account; and
- (ii) **to refer this matter to the next meeting of the Finance and Resources Committee of 29 September, 2011, for information.**

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## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Education, Culture and Sport</b>
DATE	<b>15 September 2011</b>
DIRECTOR	<b>Annette Bruton</b>
TITLE OF REPORT:	<b>Newhills Primary School – Land Transfer</b>
REPORT NUMBER:	<b>ECS/11/037</b>

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### **1. PURPOSE OF REPORT**

This Report provides the background in relation to the requirement to build a new school on the Newhills School site to accommodate an amalgamation of Newhills and Bucksburn Schools. In order to facilitate this additional land is required. A site has been identified for this, which is owned by the Council, but held on the Housing Revenue Account. This Report seeks the appropriate approvals to transfer the land to the General Service Account to allow redevelopment to commence, without delay when all other issues have been resolved.

### **2. RECOMMENDATIONS**

That the committee:

- a) notes the decision of the Housing and Environment Committee to declare the land surplus to their requirements and to apply to the Scottish Government for approval to transfer the site to the General Services Account, subject to the approval of the Finance and Resources Committee on 29 September 2011.
- b) request the Finance and Resources Committee on 29 September 2011 to agree to earmark the land within the General Services Account for potential future educational use, subject to the agreement of the Scottish Government.
- c) receive a further report on the long-term use, date of transfer and transfer value of the site once a business case and funding is approved for a new school at Newhills.

### **3. FINANCIAL IMPLICATIONS**

There are at this time no significant revenue implications with regard to the transfer. The only ongoing costs relate to grass cutting etc. which will continue to be met by the Housing Revenue Account until such time as the site is transferred.

An independent Valuation of the site was reported by Ryden LLP on 14 December 2010 at £350,000. A revised valuation has not been instructed at this time. It is probable that a revised valuation will be required prior to the actual transfer and as such it is not cost effective to instruct a valuation for this report. The land value will require to be met from the overall project cost.

There are no state aid implications for the site.

#### **4. OTHER IMPLICATIONS**

There are no other significant implications in relation to this Report, other than Council officer's time.

#### **5. BACKGROUND/ MAIN ISSUES**

On 16 September 2010 a Report entitled 'Replacement School for Bucksburn and Newhills Schools– Stakeholder Engagement' (ECS/10/074). The Report recommended that the preferred site for the new school is the current Newhills School Campus and instructed officers to make all necessary arrangements to facilitate the establishment of the new school.

The project does not currently sit within the Council's Capital Plan for 2011/12 or 2012/13 although it is a priority project for the Service.

The proposed plans for the school show that an additional area of land is required. This area is roughly triangular in nature and extends to approximately 1.48 acres (0.59 Ha). A plan is attached. With the exception of some goal posts and play equipment, the site is completely undeveloped and is generally level in nature. Housing and Environment have no intention in taking forward any development on the site.

In order to facilitate the future development when funding becomes available, it is anticipated that the necessary approvals should be put in place at this stage. Significant delays can be experienced in gaining consent from the Scottish Government to sell sites held on the Housing Revenue Account, hence the reason Officers are proposing that permission is sought for the transfer of the land in advance of the full funding being in place.

At their meeting on 25 August 2011, the Housing and Environment Committee agreed to declare the land surplus to their requirements and to authorise the Head of Finance to apply to the Scottish Government for approval to transfer the site to the General Services Account.

## 6. IMPACT

Corporate – The provision of ‘fit for purpose’ primary schools is a key priority for the Council.

Public – Any project involving significant changes to schools will be of interest to the public, as will any loss of what may be deemed public open space. Equality and Human Rights Impact Assessment will be undertaken as part of the formal process for the development.

## 7. BACKGROUND PAPERS


Report and minute of Education, Culture and Sport Committee on 16 September 2010, entitled ‘Replacement School for Bucksburn and Newhills Schools – Stakeholder Engagement’ (ECS/10/074).

Report and decision sheet from Housing and Environment Committee on 25 August 2011, entitled ‘Newhills Primary School – Land Requirement’ (EPI/11/186).

## 8. REPORT AUTHOR DETAILS


Stephen Booth, Property Estates Manager

 [stbooth@aberdeencity.gov.uk](mailto:stbooth@aberdeencity.gov.uk)

 01224 52(2675)


Ian Perry, Housing Improvement Officer

 [iperry@aberdeencity.gov.uk](mailto:iperry@aberdeencity.gov.uk)

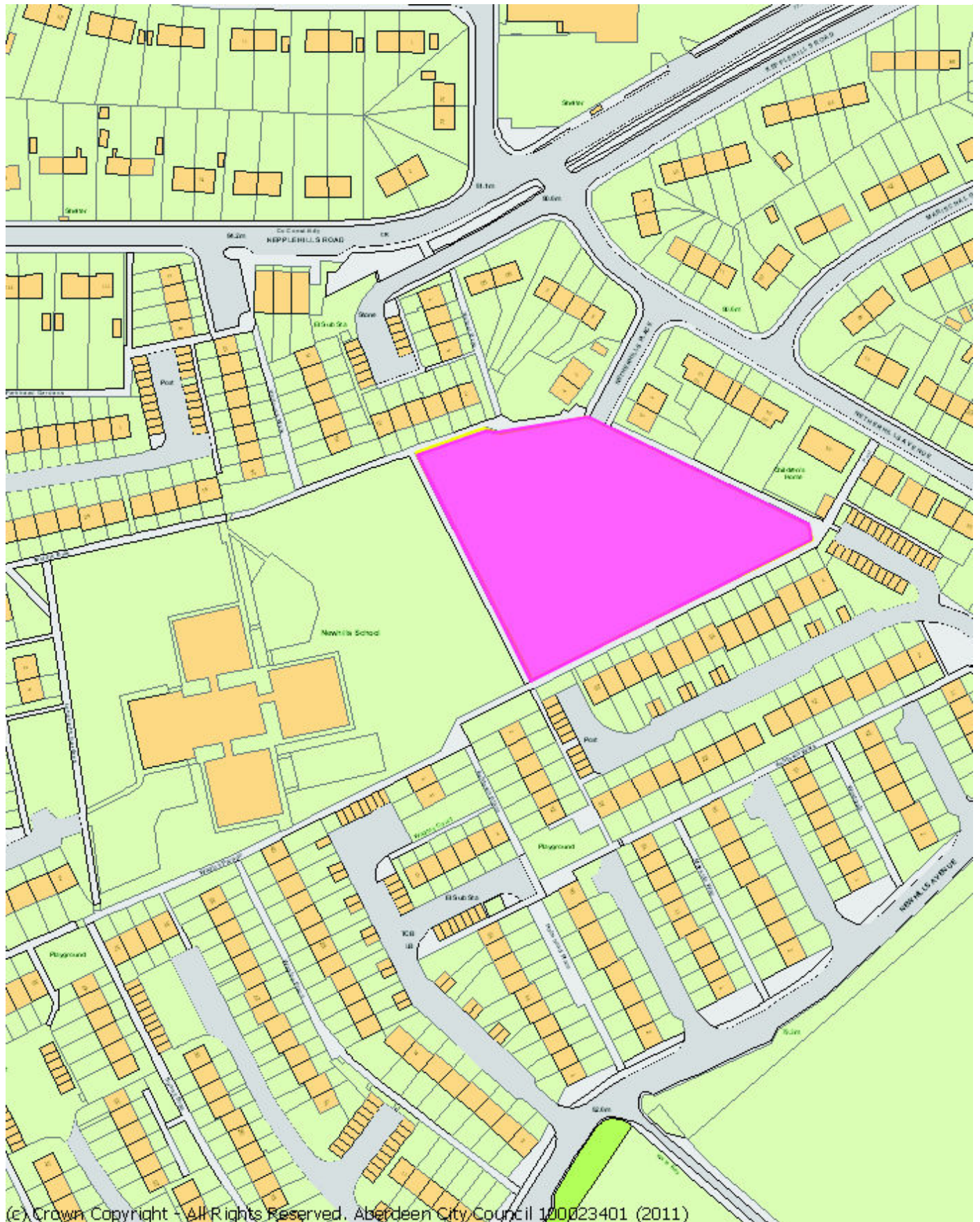
 01224 52(2345)

David Wright, Service Manager (Assets and Finance)

 [dwright@aberdeencity.gov.uk](mailto:dwright@aberdeencity.gov.uk)

 01224 52(3042)





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**DRAFT**

## **SOCIAL CARE AND WELLBEING COMMITTEE**

**1 September 2011**

### **FORMATION OF LOCAL AUTHORITY TRADING COMPANY – IMPLEMENTATION COSTS - SCW/11/059**

**12.** The Committee had before it a report by the Director of Social Care and Wellbeing which sought approval to the cost of external support for taking forward the preparation of a full business case and implementation plan for a Local Authority Trading Company to include older people's and rehabilitation services.

#### **The report recommended:-**

that the Committee note the information in the report and agree that external, expert support for implementation of a Local Authority Trading Company be engaged through an appropriate procurement process, with associated costs of up to £500,000 to be met from the Social Care and Wellbeing budget.

#### **The Committee resolved:-**

- (i) to approve the recommendations contained within the report; and
- (ii) that the report be referred to the next meeting of the Finance and Resources Committee for ratification of the associated costs;
- (iii) that a working group consisting of one Elected Member from each political group be established to monitor and scrutinise the progress of the business case and implementation plan for the project; and
- (iv) that a briefing session for all Elected Members on the details of this business case including any future similar corporate plans be arranged prior to the next meeting of the Committee.

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ABERDEEN CITY COUNCIL

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COMMITTEE: Social Care and Wellbeing

DATE: 1 September 2011

DIRECTOR: Fred McBride

TITLE OF REPORT Formation of a Local Authority Trading Company –  
Implementation Costs

REPORT NUMBER: SCW/11/059

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1. PURPOSE OF REPORT

The purpose of the report is to seek approval from Committee to the cost of external support for taking forward the preparation of a full business case and implementation plan for a Local Authority Trading Company (LATC), to include older people's and rehabilitation services.

2. RECOMMENDATION(S)

It is recommended that members note the information in this report and agree that external, expert support for implementation of an LATC be engaged through an appropriate procurement process, with associated costs of up to £500,000 to be met from the Social Care and Wellbeing budget

3. FINANCIAL IMPLICATIONS

3.1 The LATC would be a company with around £25 million turnover, based on the current service budget for the following services proposed for inclusion in the LATC:

- older people's resources;
- occupational therapy and rehabilitation resources;
- learning disability resources (one day centre and one supported accommodation complex); and
- learning and development.

3.2 The LATC will have powers to trade and, through this, the ability to generate income. The Outline Business Case presented to full Council on 29 June 2011 demonstrated that the LATC has the potential to generate a trading surplus that will provide a basis for investment in services for the future and/or redistribution back to the Council.

3.3 A Value for Money comparison has demonstrated that, at constant demand, the Council will be £3 million better off after 5 years compared

to continuing as at present with the services that would transfer to the LATC.

- 3.4 The costs of the second stage of implementing an LATC, estimated in the Outline Business Case to be £500,000, will met from the Social Care and wellbeing budget.
- 3.5 Aspects of the work to prepare the full business case for the LATC, will be undertaken through the corporate contract awarded at Urgent Business Committee on 19 July 2011 to KPMG/Pinsents, for support with the externalization of services. This will include areas of tax, VAT, pensions, TUPE, company structures and governance.

#### 4. OTHER IMPLICATIONS

- 4.1 The LATC will be wholly owned by the Council and the Council will exert influence through a contractual relationship that will define arrangements for robust performance management.
- 4.2 The LATC provides an opportunity for the Council to ensure that services are flexible and adaptable so that they remain sustainable for the future. The expected benefits of the LATC are:
  - improved value for money through a formal contractual relationship that incentivises services to improve;
  - efficiency savings, providing the Council with a reduction in costs or opportunity to invest to meet increasing demand;
  - opportunity for the workforce to secure a stake in their own future in an entrepreneurial culture that rewards performance;
  - services that are more flexible and adaptable so that they remain sustainable, respond to current and future demand and deliver improved outcomes;
  - promotion of choice and potential to generate income through trading; and
  - retention of the vital function for the Council of provider of “last resort”.
- 4.3 The LATC supports the policy agendas of shifting the balance of care towards community based services and reshaping care for older to meet growing demand through new ways of working.

#### 5. BACKGROUND/MAIN ISSUES

- 5.1 In February 2011, the Council approved a Priority Based Budget (PBB) proposal that Social Care & Wellbeing should prepare a business case for the establishment of a LATC.
- 5.2 Social Care & Wellbeing contracted with consultants Ernst & Young to assess the feasibility of establishing a LATC as a mechanism to enable the Council to achieve efficiencies while improving outcomes for vulnerable people. The result of this was an option appraisal and Outline Business Case for establishment of a LATC

- 5.3 On 29 June 2011, report was put to Council by the Director of Social Care and Wellbeing which sought approval to take forward the implementation of a LATC. Council approved the recommendations: that the Council –
- (a) note the content of the report;
  - (b) approve the request to progress to implementation of the LATC;
  - (c) accept the Outline Business Case as the basis for development of a full business case and a plan for the implementation of the LATC;
  - (d) agree that support be provided from within the Council's Corporate Governance directorate to ensure that the Council's requirements on financial, legal and HR matters are met;
  - (e) agree that external, expert support for implementation be engaged through an appropriate procurement process, with associated costs to be met from the Social Care and Wellbeing budget; and
  - (f) agree to accept a further report on the plan for implementation of the LATC
- 5.4 Colleagues in Legal Services have advised that the necessary expert external support can be procured via a framework agreement established by OGCbuying Solutions - Framework Agreement RM353 (Multi Disciplinary Consultancy). The Council cannot determine which of the Service Providers on that Framework Agreement are capable of delivering best value nor of delivering the precise requirements of Social Care and Wellbeing. As such, it is proposed that the Council carry out a Further Competition in accordance with the provisions of the Framework Agreement. This process is a quick and cost effective way of ensuring compliance with the Public Contracts (Scotland) Regulations 2006, as the timescale for responses to the Further Competition can be restricted to as little as 14 days. Template documentation for the Further Competition has been provided by Legal Services and will be completed following on from the Committee's decision.
6. IMPACT
- 6.1 The proposal supports the Single Outcome Agreement, Local Outcome 6: "Improve the overall health and wellbeing of the people of Aberdeen City in particular by supporting those most vulnerable; this outcome particularly focuses on improving the health and wellbeing of older people."
- 6.2 The proposal supports the following strategic priorities of the Council's Five Year Business Plan:
- provide for the needs of the most vulnerable people;
  - ensure efficient and effective delivery of services by the council and with its partners;
- and the plan for delivery:

- make best use of the financial resources available to us, ensuring best value for the public purse;
- have a flexible, skilled and motivated workforce; and
- listen to, and be responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed.

6.3 The joint Partnership Agreement for Reshaping Care For Older People in Aberdeen 2010-2013 states, "Optimising independence at home or in a homely setting will be a key success measure."

## 7. BACKGROUND PAPERS

In preparation of the report, reference has been made to the following documents:

Report to Council of 29 June 2011, Formation of a Local Authority Trading Company  
Options Appraisal and Outline Business Case - Establishing an Alternative Delivery Model for the Social Care and Wellbeing Directorate, Aberdeen City Council  
Aberdeen City Single Outcome Agreement  
Aberdeen City Council Five Year Business Plan 2011/12 to 2015/16  
Partnership Agreement for Reshaping Care for Older People in Aberdeen 2010-2013

## 8. REPORT AUTHOR DETAILS

Liz Taylor,  
Head of Older People's and Rehabilitation Services  
[litaylor@aberdeencity.gov.uk](mailto:litaylor@aberdeencity.gov.uk)  
Tel. 01224 522457

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Environment Planning and Infrastructure
<b>DATE</b>	13 September 2011
<b>DIRECTOR</b>	Gordon McIntosh
<b>TITLE OF REPORT</b>	Flood Risk Management (Scotland) Act Implementation Progress Report
<b>REPORT NUMBER:</b>	EPI/11/220

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### 1. PURPOSE OF REPORT

To update the Committee on recent developments requisite to implementation of the Act and in particular to outline the financial requirements necessary to ensure that the Council delivers on its statutory obligations as specified in the Act.

### 2. RECOMMENDATION(S)

That the Committee:

- i) Agree the recommendations of this report along with the Council's response (Appendix A) to the Scottish Environment Protection Agency's consultation in relation to the Flood Risk Management (Scotland) Act 2009, - "Flooding in Scotland: A Consultation on Potentially Vulnerable Areas and Local Plan Districts".
- ii) Instruct officers to agree with Scottish Water the scope of the integrated catchment model for Aberdeen including the Council's financial contribution to the cost of the project.
- iii) Instruct officers to notify SEPA that Aberdeen City Council is prepared to act as lead authority for the Aberdeenshire and Aberdeen City local plan district.
- iv) Refer this report to the next meeting of the Finance and Resources on 29 September with the recommendation that all identified revenue funding as per the Local Government Finance Settlement is made available for this and future years to fund Aberdeen City Council's duties under the FRM Act, including its contribution to the development of the integrated catchment model.

- v) Authorise the suspension of standing orders to allow officers to purchase the specialist software required to run the integrated catchment model. The software package will be predetermined by Scottish Water and SEPA and only available from a single supplier.

### 3. FINANCIAL IMPLICATIONS

£60,000 was included in the 2010/11 revenue grant to ACC for implementation of its duties under the FRM Act. This funding was only confirmed in February 2011 and therefore not spent but carried forward to 2011/12. It has not yet been made available to E P & I for FRM duties but is currently included in 'Reserves & Balances – Earmarked Sums'

An additional £150,000 has been added to the revenue grant for this financial year (2011/12) to cover FRM duties. There is therefore a maximum of £270,000 (includes £60,000 carry forward from 2010/11 discussed above) available for implementation of the Act this year. None of this funding is currently available to E P & I for FRM duties.

For future years (at least up to 2015/16) it is anticipated that revenue allocation from the Scottish Government will be similar but will increase if ACC is the lead authority. The revenue allocation may also require adjustment if the scale and scope of the integrated catchment model exceeds preliminary estimates.

### 4. OTHER IMPLICATIONS

The Council has a statutory duty to comply with the Act

There are no other staffing or property issues involved at present. However acting as lead authority will place some additional burdens on the Council beyond those of the Act generally.

### 5. BACKGROUND/MAIN ISSUES

#### 5.1 The Flood Risk Management (Scotland) Act

The Act came into force on 26 November 2009. It enables provision to be made for implementing the European Communities Floods Directive 1. The purpose of this Directive is to establish a framework for the assessment and management of flood risks, aiming at the reduction of the adverse consequences for human health, the environment, cultural heritage and economic activity associated with floods.

The Act makes provision in relation to five main areas:

- a) Coordination and cooperation within the domain of flood risk management



- b) Assessment of flood risk and preparation of flood risk maps and flood risk management plans, including implementing the EC Floods Directive.
- c) Amendments to local authority and SEPA functions for flood risk management
- d) A revised statutory process for flood protection schemes incorporating deemed planning consent within the Flood Order
- e) Amendments to the enforcement regime for the safe operation of reservoirs.

The statutory Organisations responsible for delivery of the new legislation are:

- a) Scottish Government
- b) Local Authorities
- c) SEPA
- d) Scottish Water
- e) National Parks

Appendix B lists the milestones for implementation of the Act..

The Council responded to a consultation “Delivering Sustainable Flood Risk Management” as approved by this committee on 18 March 2011.

SEPA have now published (June 2011) “Flooding in Scotland: A consultation on Potentially Vulnerable Areas and Local Plan Districts”. Responses were required by 15 August 2011. Aberdeen City Council’s response is included in appendix A.

This consultation document includes identification of “Potentially Vulnerable Areas” and “Local Plan Districts” as well as estimating the weighted annual average damages as a result of flooding for each PVA.

Potentially Vulnerable Areas (PVAs) are defined as –“Catchment units in which the National Flood Risk Assessment (nFRA) has identified significant impacts from flooding either now, or in the future as a result of climate change. They will be used as the basis for producing Flood Risk Management Strategies.

Local Plan Districts (LPDs) are defined as – “Geographical areas from which Local Flood Risk Management Plans will be produced.” Aberdeen City, Aberdeenshire and part of Moray will form the Aberdeenshire and Aberdeen City district. This district includes the catchments of the Dee, Don and Deveron.

Weighted Annual Average Damages is defined as – “A strategic level estimate of flood damages calculated using the Multi-Coloured Handbook. The Weighted Annual Average Damages figure gives an indicative estimate of direct costs to residential properties, non residential properties and agriculture. It includes the benefit offered to

residential and non-residential properties by flood protection schemes which protect to a 1 in 200 year flood event. The figure does not include the benefit from Flood Warning Areas. These figures are indicative and have been derived using nationally held datasets. Care should be taken when applying these figures locally. They will be subject to change following consultation and as a result of subsequent more detailed assessments. A revised set of figures will be published as part of the National Flood Risk assessment in December 2011. They will be further updated and refined as part of SEPA's Flood Risk Management Strategies in 2013.

The nFRA has identified 9 PVAs within Aberdeen City. The cumulative estimated weighted annual average damages from flooding for the 9 areas is £20,000,000. This exceeds the figure for Aberdeenshire and Moray both of which form part of the North East local plan district. Because Aberdeen City has been identified as potentially having the most to lose from the effects of flooding it is proposed that ACC should notify SEPA that it wishes to act as lead authority for the North East district. SEPA in consultation with the Scottish Government will have the final say on which authority acts as lead.

The lead authority will be responsible for preparing the local district plan that supplements the national plan. This will be partly a coordinating role, but it will include managing the statutory process including preparation, publishing a draft, considering consultation responses and finalising the plan for the approval of Scottish Ministers. This includes obtaining the agreement of all councils in the local plan district together with SEPA and Scottish Water, to commit to fund flood prevention measures included in the local district plan.

## 5.2 Integrated Catchment Model

The Act places a duty on Scottish Water to carry out an assessment of flooding from the sewerage system for each of the Potentially Vulnerable Areas and any other areas identified by SEPA. Scottish Water is funded to deliver 5 of these assessments by December 2012. The SAIFF (Scottish Advisory and Implementation Forum for Flooding) Q&S Group agreed that:

The computer models produced in this investment period should be integrated models capable of assessing the interactions between all sources of flooding to enable the implementation of sustainable flood risk management interventions.

The 5 areas identified are:

<b>Location</b>	<b>Local Authorities</b>		
Edinburgh	City of Edinburgh	East Lothian	Midlothian
Grangemouth	Falkirk		
<b>Aberdeen</b>	Aberdeen City	Aberdeenshire	
Irvine To Ayr	East Ayrshire	North Ayrshire	South Ayrshire
Dundee	Dundee City	Angus	Perth & Kinross

It was further agreed by SAIFF that the following additional aspects should be considered to be part of the prioritisation process:

The Local Authority's commitment (of financial and other resources) to:

- a) Work in partnership with Scottish Water to understand the flooding issue. This will in the first instance require the commitment of funding and resources to develop an integrated model and implement a LFRMP in the near future to enable Scottish Water and Local Authority investment to be coordinated thus achieving maximum benefit;
- b) Work in partnership with Scottish Water to develop a strategy to deliver sustainable and integrated solutions.
- c) Deliver the element of the solutions for which they are responsible (for example Scottish Water would deliver improvement on the sewer system while the Local Authority may have to fund river improvement projects). This can be facilitated by setting up a structure which would provide governance for the development of Surface Water Management Plans (SWMPs).

The integrated model will primarily deal with Aberdeen City but may include small areas of Aberdeenshire. Properly developed the model will go a long way to fulfill much of Aberdeen City Council's statutory duties with regard to preparation of the Local Flood Risk Management Plan. For example it will cover those areas of the city where there is a known risk of flooding like the Green and Harbour area and allow flood mitigation and drainage investment strategies to be developed for those areas.

Detailed discussions are required between ACC and Scottish Water to determine the scope of the work and share of costs. However it is not expected that ACC's share will be less than £100,000 and could easily rise to twice this figure. Financial contributions will be required from ACC in years 2011/12, 2012/13 and possibly into year 2013/14.

On completion of the exercise ACC will receive a copy of the integrated flood model for our own use and development. In order to use the

model it will be necessary to purchase specialist software which is likely to cost in the region of £40,000 and have an annual maintenance cost of £6,000. This should be funded from the revenue allocation identified for implementation of the Act.

## 6. IMPACT

Implementation of the Act is a statutory requirement and a national initiative.

The management and mitigation of flooding has already generated public interest and will continue to do so.

## 7. BACKGROUND PAPERS

Flood Risk Management (Scotland) Act 2009

Delivering Sustainable Flood Risk Management – a consultation – January 2011

Flooding in Scotland: A consultation on Potentially Vulnerable Areas and Local Plan Districts including Appendix 6 – June 2011

SAIFF discussion paper: Prioritisation of areas for integrated catchment modeling in Q&SIIB – April 2011

The Multi-coloured Handbook – Published by the Environment Agency and DEFRA.

## 8. REPORT AUTHOR DETAILS

Alan Robertson

Structures, Flooding and Coastal Engineering Manager

[alanr@aberdeencity.gov.uk](mailto:alanr@aberdeencity.gov.uk)

01224 (52)2419

# Appendices

*Appendix A:* Flood Risk Management (Scotland) Act 2009 Consultation  
'Flooding in Scotland: a Consultation on Potentially Vulnerable  
Areas and Local Plan Districts'  
Consultation Response from Aberdeen City Council

*Appendix B:* Milestones identified for implementation of the Act

## **Flood Risk Management (Scotland) Act Implementation Progress Report**

### **APPENDIX A**

#### **Flood Risk Management (Scotland) Act 2009 Consultation 'Flooding in Scotland: a Consultation on Potentially Vulnerable Areas and Local Plan Districts' Consultation Response from Aberdeen City Council**

*1. Do you support the setting of a significance threshold that will capture the majority of flood impacts and subsequent action in a comprehensive planning system (i.e., based around Medium risk levels)?*

Yes

*2. Are there areas identified as PVAs following this assessment that that you believe should not be designated as at significant risk of flooding*

No.

*3. Are there any areas NOT identified as PVAs following this assessment that you believe should be designated as at significant risk of flooding.*

No

*4. Do you agree that the amendments made to the boundaries of the local plan districts are an appropriate response to the consultation exercise held in 2010? If not what changes would you suggest and why.*

Regarding the proposed Aberdeenshire and Aberdeen City local plan district, the name is perhaps inappropriate because it contains a substantial part of Moray. Perhaps North East Local Plan District would be more appropriate.

*5. Do you agree with the broad remit, membership and procedure for Local advisory groups?*

Yes

*6. Do you support use of the Area Advisory Group Boundaries established under the Water Framework Directive as the basis for establishing local advisory groups as required in Section 50 of the Flood Act? If not, what alternative arrangements would you suggest and why.*

Yes

## Flood Risk Management (Scotland) Act Implementation Progress Report

### APPENDIX B

The milestones identified for implementation of the Act are as follows:

Deadline	Lead Authority	FRM Act requirement	Comments
18 March 2011	Responsible Authorities	Comments to Scot Gov on draft guidance on sustainable flood management.	Completed
May 2011	Scottish Government	Publish guidance on sustainable flood management	
January 2011	SEPA	Establish advisory groups	
<b>December 2011</b>	<b>SEPA</b>	<b>Produce an assessment of flood risks across Scotland leading to identification of areas most vulnerable to flooding</b>	<b>The draft nFRA has been published as a consultation document with 9 PVA's identified in Aberdeen. The nFRA has also identified that there are more properties at risk from flooding in Aberdeen City than in either Aberdeenshire or Moray.</b>
<b>December 2011</b>	<b>SEPA</b>	<b>Identify Local Plan Areas</b>	<b>These are included in the recent consultation document. It is proposed that Aberdeen City, Aberdeenshire and part of Moray form one district. Because Aberdeen has the greatest number of properties at risk and has been chosen as one of the five initial areas for development of an integrated catchment model it is possible that Aberdeen will be the lead authority.</b>
March 2012	SEPA	Establish local plan advisory groups	
No Statutory deadline	Local Authorities	Prepare a schedule of clearance and repair works	
Timescales to be set by Scottish Ministers	Local Authorities	Prepare maps of water bodies and Sustainable Urban Drainage Systems (SUDS)	
Timescales to be set by Scottish Ministers	SEPA	Prepare maps of artificial structures and natural features	

<b>Timescales to be set by Scottish Ministers</b>	<b>Scottish Water</b>	<b>Publish an assessment of flood risk from sewerage systems</b>	<b>Aberdeen along with 4 other urban areas in Scotland has been chosen for the initial development of integrated catchment models. The costs will be shared between Scottish Water and ACC. ACC's share could be £200,000 spread over this and next financial year.</b>
December 2013	SEPA	Publish an assessment of opportunities for restoration of natural features and characteristics to reduce flood risk	
	SEPA	Publish flood hazard maps and flood risk maps	
	SEPA	Publish a statement of consultation actions	
<b>December 2014</b>	<b>SEPA and lead authorities</b>	<b>Publish draft national and local flood risk management plans for consultation</b>	<b>ACC likely to be Lead Authority for this</b>
<b>December 2015</b>	<b>SEPA and lead authorities</b>	<b>Publish flood risk management plans</b>	<b>ACC likely to be Lead Authority for this</b>
<b>June 2016</b>	<b>Lead local authorities</b>	<b>Publish implementation parts of local flood risk management plans</b>	<b>ACC likely to be Lead Authority for this</b>
<b>Cycle to be repeated every 6 years thereafter</b>			<b>Lead Authority Role could transfer to Aberdeenshire.</b>



**DRAFT**

**EDUCATION, CULTURE AND SPORT COMMITTEE  
15 SEPTEMBER 2011**

**DISPOSAL OF OPERATIONAL PROPERTIES – ECS/11/057**

The Committee had before it a report by the Director of Education, Culture and Sport seeking approval to declare two properties surplus to the requirements of the service.

**The report recommended:-**

that the Committee –

- (a) Declare the following properties surplus to the requirements of the Education, Culture and Sport service:
  - Former Bankhead Academy (school site only)
  - Torry Community Learning Centre (formerly Torry Nursery)
- (b) Remit the properties to the Finance and Resources Committee on 29 September 2011 for a decision on whether they should be declared surplus to Aberdeen City Council, and if so, to authorise the Head of Asset Management and Operations to commence the disposal process of these properties on the open market

**The Committee resolved:-**

to approve the recommendations.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Education, Culture and Sport</b>
DATE	<b>15 September 2011</b>
DIRECTOR	<b>Annette Bruton</b>
TITLE OF REPORT:	<b>Disposal of operational properties</b>
REPORT NUMBER:	<b>ECS/11/ 057</b>

---

### 1. PURPOSE OF REPORT

The purpose of this report is to seek approval from the Committee to declare various operational properties surplus to the requirements of the service.

### 2. RECOMMENDATIONS

That the committee:

a) Declare the following properties surplus to the requirements of the Education, Culture & Sport service:

Former Bankhead Academy (school site only)  
Torry Community Learning Centre (formerly Torry Nursery)

b) Remit the properties to the Finance & Resources Committee on 29 September 2011 for a decision on whether they should be declared surplus to Aberdeen City Council, and if so, to authorise the Head of Asset Management & Operations to commence the disposal process of these properties on the open market.

### 3. FINANCIAL IMPLICATIONS

The disposal of these properties will generate future capital receipts for the Council. As the proposed sales will be at Market Value, there are no state aid implications.

The Finance and Resources Committee on 2 December 2010 agreed to the principle of ring-fencing any capital receipts resulting from the disposal of educational establishments in order to contribute to the implementation of the Learning Estates Strategy.

**The Bucksburn Academy site formed part of the 3Rs Affordability Case and this will release capital receipts in support of the significant investment already made in Education, Culture and Sport properties through the 3Rs project. (comment from Brian Dow)**

No detailed valuation work has been undertaken on these properties as yet.

There will be future costs associated with marketing and maintaining these properties until disposal process is complete.

#### **4. OTHER IMPLICATIONS**

There are no significant other implications in relation to the proposals, although ongoing property maintenance and legal resources will be required in the future to conclude the proposed sales.

#### **5. BACKGROUND/ MAIN ISSUES**

Education, Culture & Sport have identified that the following two properties are now surplus to the service's requirements and that their availability be referred to the Finance & Resources Committee to consider their future: (see Appendix 1 for plans of each property).

##### **Former Bankhead Academy**

Bankhead Avenue  
Bucksburn  
Aberdeen  
AB21 9ES

Site - 2.7 Hectares / 6.7 Acres

Buildings - 10,600 sq m/ 115,000 sq ft

This school was vacated for new 3R's Bucksburn Academy. The site comprises of a mixture of different building styles, including the original granite building, and a 1970s hexagonal extension. There are playing fields located separately from the site, which are not considered to be surplus to requirements, due to the need for public sports facilities within this expanding community. Within the proposed Aberdeen Local Development Plan the school is shown within OP15/ Residential Policy, with the site being suitable for residential development. However part of site is beneath Airport Public Safety Zone.

##### **Torry Community Learning Centre**

Oscar Road  
Torry  
Aberdeen  
AB11 8ER

Site - 0.43 Hectares / 1.06 Acres

Buildings - 1016 sq m / 10,944 sq ft

This building was the former Torry Nursery, into which Community Learning and Development have expanded over recent years. It is a single-storey, flat roofed 1950's style building, with metal windows and doors, which is no longer particularly 'fit for purpose'. Within the proposed Aberdeen Local Development Plan the site is located within Residential Area (H1) and therefore would be suitable for residential development.

The Education, Culture & Sport Committee on 2 June 2011, agreed “that officers seek to locate the current groups within Torry Community Learning Centre to other suitable local facilities, in order to facilitate the closure of that facility.” Groups have now been relocated, and the building was vacated in early August 2011. It is no longer required for Community Learning and Development purposes, and can therefore now be declared surplus to requirements.

In anticipation of a Report being submitted to Committee, the availability of each property has been circulated to all Council Services and the North East Property Group. To date there have been no specific expressions of interest in any of the properties.

Accordingly, the Committee is now invited to approve the recommendation to declare these properties surplus, and to remit these properties to the Finance & Resources Committee on 29 September 2011.

## **6. IMPACT**

Sales of these properties meet the single outcome agreement in relation to the efficient running of the Council and its property portfolio.

These potential disposals will assist in the redevelopment of vacant buildings/sites and will have wider economic benefits.

The subjects are due to be declared surplus, and, as such, there are no Equalities & Human Rights Impact Assessment factors.

## **7. BACKGROUND PAPERS**

None

## **8. REPORT AUTHOR DETAILS**

David Wright  
Service Manager (Assets & Finance)  
[dwright@aberdeencity.gov.uk](mailto:dwright@aberdeencity.gov.uk)  
01224 523042

Torry Nursery School / Community Learning Centre



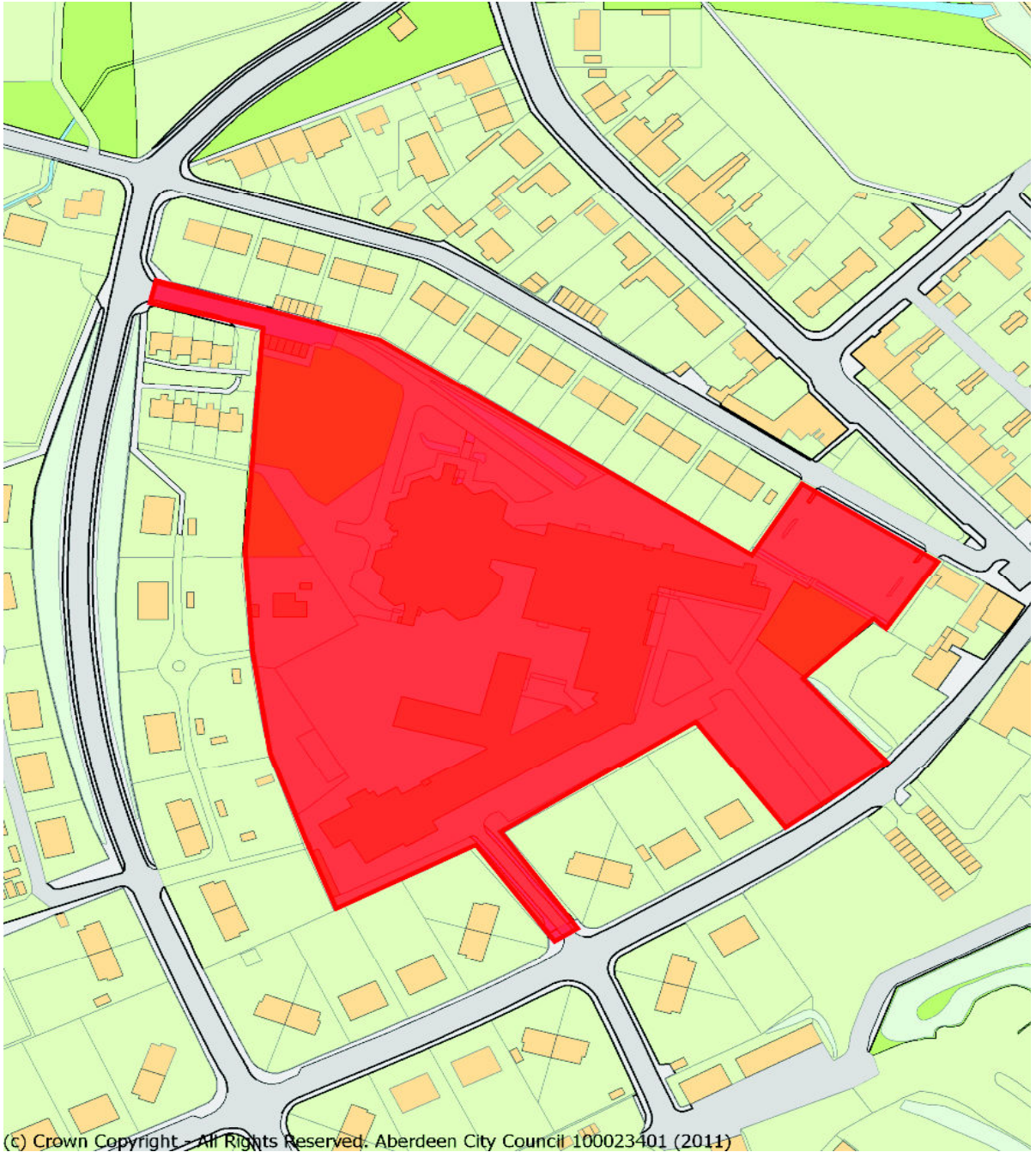
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Wednesday 10 August 2011

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Stewart Carruth, Director of Corporate Governance
TITLE OF REPORT	2011/12 FINANCIAL MONITORING
REPORT NUMBER:	CG/11/097

---

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) Bring to Committee members notice the current year revenue performance to date for the Services within Corporate Governance which relate to this Committee; and
  - ii) Advise on any areas of risk and management action.

### 2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee
- i) Note this report and the information on management action and risks that is contained herein; and
  - ii) Instruct that officers continue to review budget performance and report on Service strategies.

### 3. FINANCIAL IMPLICATIONS

Financial Implications are detailed in section 5 Background/Main Issues

### 4. OTHER IMPLICATIONS

None

## 5. BACKGROUND/MAIN ISSUES

- 5.1 This report provides a high level summary with accrued actual expenditure to period 4, July 2011. The forecast is based on Collaborative Planning input by budget holders to period 3, end of June 2011.

### **Financial Position and Risks Assessment**

- 5.2 The Service report is attached at Appendix A. There is a projected net reduction in costs of £510K (1.8%), across the overall current net budget of £27.3M.
- Savings of £880K have been identified across Corporate Governance from the non-filling of staff vacancies.
  - Due to revised accounting requirements and related issues Income relating to various areas including recharges to Capital and the Fairer Scotland Fund can no longer be recovered. While additional Income has been identified to offset this, overall Income is expected to be £330K below budget.

## 6. IMPACT

- 6.1 The issues referred to in this report impact on the overall financial position of the Council which are included in another report on the agenda.

## 7. BACKGROUND PAPERS

Financial ledger data extracted for the period 4(not attached).

## 8. REPORT AUTHOR DETAILS

Hugh Coleman, Finance Partner  
hcoleman@aberdeencity.gov.uk  
01224346354

## Appendix A

As at end of July 2011		Year to Date			Forecast to Year End		
Accounting Period 4	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
HEAD OF FINANCE - S.95 OFFICER	7,069	2,376	1,924	(452)	6,901	(169)	(2.4%)
HEAD OF LEGAL AND DEMOCRATIC SERVICES	2,088	694	552	(142)	1,988	(101)	(4.8%)
HEAD OF HUMAN RESOURCES AND ORG DEV	4,938	1,656	1,244	(411)	4,747	(192)	(3.9%)
HEAD OF PROCUREMENT	321	119	307	188	386	65	0.2
HEAD OF CUSTOMER SERVICE AND PERFORMANCE	13,703	4,391	4,125	(266)	13,589	(113)	(0.8%)
<b>TOTAL BUDGET</b>	<b>28,120</b>	<b>9,236</b>	<b>8,152</b>	<b>(1,084)</b>	<b>27,611</b>	<b>(510)</b>	<b>(1.8%)</b>
CORPORATE PROCUREMENT SAVINGS	(800)				(800)		
<b>TOTAL BUDGET</b>	<b>27,320</b>	<b>9,236</b>	<b>8,152</b>	<b>(1,084)</b>	<b>26,811</b>	<b>(510)</b>	<b>(1.8%)</b>

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Monitoring – Corporate Governance Projects
REPORT NUMBER:	EPI/11/282

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### 1. PURPOSE OF REPORT

To advise the Committee of the capital spend to date for the Corporate Governance projects included within the Non-Housing Capital Programme.

### 2. RECOMMENDATION

The Committee note the current position.

### 3. FINANCIAL IMPLICATIONS

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme.

As detailed further in this report, there is an over spend of £422,000 currently profiled for item 630 – Data Centre Move. The over spend of £60,000 profiled for Item 790 is now re – profiled as Item 790B - ICT Investment Programme - Fleet Management Software

There is an under spend of £746,000 profiled for item 657B - Customer First Programme - Frederick Street.

### 4. OTHER IMPLICATIONS

There are no other implications at this time but as projects progress or indeed fail to progress then other implications may arise and will be reported at an appropriate Committee.

### 5. BACKGROUND/MAIN ISSUES

As reported at the Finance & Resources Committee in June 2011 the overall responsibility for the monitoring/management of the Capital Programme lies with the Head of Asset Management & Operations. The Planning & Monitoring Officer within Asset Management & Operations is in regular contact with the Service Representative and the Capital Accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are always up to date and accurate.

Corporate Governance has a total of £4.667 million allocated to it from the Non-Housing Capital Programme. The projects included in the programme are:-

- 1) Data Centre Move
- 2) Customer First Programme - Frederick Street
- 3) Police - Capital Grant
- 4) ICT Investment Programme
- 5) ICT Investment Programme - Fleet Management Software

The total expenditure at the end of period 4 is £785,000 which is a spend so far of 16.8%. Appendix A provides a detailed breakdown of this spend.

Discussions so far have identified an over spend prediction on the following projects:

Item 630 - Data Centre Move. Projected overspend £422,000.

The Corporate Asset Group is aware of this projected overspend and it should be noted that the overall programme is still within budget. The Corporate Asset Group approved expenditure, subject to this Committee approval, for the purchase of Microsoft licences required for the Virtual Desktop Environment which is a contractual responsibility of the Council. The original whole life cost of this project was £4.4 million, however the expected out turn is now profiled at £3.9 million. This will complete the Data Centre Move project.

Item 790 - ICT Investment Programme. With a projected overspend of £60,000, this item has been given a new Capital code 790B, with the approval of the Corporate Asset Group, and is being used to fund fleet management software the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software. The spend falls within the 10% overspend threshold delegated to the Asset Management & Operations Head of Service and has been approved by the Corporate Asset

Group. An update on the Capital position will be reported to this Committee in November. dsa

6. IMPACT

Corporate - The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans and Vibrant, Dynamic & Forward Looking.

Public - This report will be of interest to the public as it outlines the Council's capital spending to date on Corporate Governance Projects.

7. BACKGROUND PAPERS

Non-Housing Capital Programme 2011/12 – Monitoring Report approved at Finance & Resources Committee on 17 June 2011.

8. REPORT AUTHOR DETAILS

David Marshall  
Planning & Monitoring Officer  
 [damarshall@aberdeencity.gov.uk](mailto:damarshall@aberdeencity.gov.uk)  
 01224 523191

### Appendix A - Non Housing Capital: Corporate Governance spend to Period 4 (July)

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
630	Data Centre Move	1,111	1,533	97	1,227	8.7%
<p><b>Notes</b> Project has anticipated £422,000 overspend.</p>						
657B	Customer First Programme - Frederick Street	920	174	0	0	2.2%
<p><b>Notes</b> A decision to fund £729,000 for the Joint Customer Contact Centre with Grampian Police has been deferred to next year. The remaining Capital for this project is identified as a saving this financial year and will be subjected to a new bid next year if required.</p>						
769	Police - Capital Grant	1,900	1,897	633	1,897	33.3%
<p><b>Notes</b> Capital spend on this project is divided into 12 equal instalments from the base budget. Monies not spent from this budget remaining at the end of the financial year are paid back to the Council in full.</p>						



**Appendix A continued - Non Housing Capital: Corporate Governance spend to Period 4 (July)**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
790	ICT Investment Programme	676	673	50	43	7.3%
<p><b>Notes</b> ICT Rolling Programme Currently profiling under spend of £3,000.</p>						
790B	ICT Investment Programme - Fleet Management Software	60	60	0	60	0%
<p><b>Notes</b> Item added to Capital Plan by agreement from Corporate Asset Group in June. This was the final part of a larger project and the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software.</p>						

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Finance and Resources
<b>DATE:</b>	29 September 2011
<b>DIRECTOR:</b>	Stewart Carruth
<b>TITLE OF REPORT:</b>	Revenue Budget 2011/12 Monitoring
<b>REPORT NUMBER:</b>	CG/11/131

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### 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to inform Members on the projected outturn and current financial position for the Council for financial year 2011/12 and to advise on areas of risk and management action that have been highlighted by directors.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

1. notes the content of the report;
2. agree to the procurement of vehicles in the current financial year and that the Head of Finance establish the most cost effective means by which to fund the replacements and to advise the Committee as part of a future report; and
3. instruct Directors to continue to take cost reduction opportunities during the remainder of the year to achieve a balanced budget position.

### 3. FINANCIAL IMPLICATIONS

- 3.1 While it is felt that a balanced budget position can be achieved in the current financial year, it is worth noting that should the projected outturn be reflected in the accounts at the end of the year there will be a reduction in the General Fund uncommitted balance by £2 million.
- 3.2 It is important to recognise that the budget has been set on with the intention of using one-off funding sources. The use of this funding is either set aside from the uncommitted reserves and balances available in the General Fund or expected as a one-off receipt in 2011/12. Risk remains as to the generation of £4 million from asset utilisation and as such the monitoring position has been adjusted to reflect non-recovery.

- 3.3 Uncommitted General Fund balances at year end would be £8.3 million and therefore below the recommended balance of £11.3 million that the Council has previously set, which is defined as 2.5% of the net revenue budget.

#### **4. SERVICE & COMMUNITY IMPACT**

- 4.1. As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore, Services are expected to work within a financial constraint as defined by their annual budgets.
- 4.2. Opportunities to balance the budget will be identified by each Director and reported as necessary through the relevant service committee.

#### **5. OTHER IMPLICATIONS**

- 5.1. Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

#### **6. REPORT**

- 6.1. This is the first opportunity for the Council to consider the overall financial position, with specific reference to the General Fund, for this financial year (2011/12). During the earlier months of the year the Corporate Management Team has received reports on the financial performance and is aware of the risks that exist.
- 6.2. This report considers the projected outturn for the Council as a whole and this builds upon information and analysis provided to the individual Service Committee reports that have been considered during the current cycle of meetings.
- 6.3. Information within this report provides a high level expenditure projection for the consideration of Members and presents actual financial figures to the end of July 2011 and the projections based thereon.
- 6.4. Appendix A includes a summary of the overall Council projected position.

## **Financial Position**

- 6.5 In overall terms the statement at Appendix A shows the Council is managing risk of £2 million in relation to the outturn position varying from budget. This represents less than 0.5% variance from budget and the Corporate Management Team believes that a balanced budget position can be achieved for this financial year, despite the challenges that are presented by the tight financial settlement.
- 6.6 The savings that were approved at a corporate level have all been allocated to the service budgets ensuring that there is greater clarity in relation to the availability of financial resources in each service.
- 6.7 The most significant risks and matters arising from the figures that are presented include the following:
- 6.8 Social Care & Wellbeing reports that following the decision by the Finance and Resources Committee on 24 June 2011 to reduce the total budget by £4 million, a balanced budget position is achievable. Reduced expenditure on commissioned services, staff cost savings and other miscellaneous running expenses will all contribute to this outturn. Pressure is being experienced in the level of income that is anticipated to be collected however much of this is directly related to reduced expenditure on residential services. Within corporate contingencies £1 million is retained to assist the Service with in year pressures associated with service redesign.
- 6.9 Within the Education, Culture and Sport budget there are a number of areas of risk the Service is currently trying to manage. This includes grant funding that will no longer be received from the Scottish Government, out of authority placements, school transport and cleaning. Positive movement since the last management report has been influence by confirmed allocation of 'Determined to Succeed' funding coming from the Scottish Government and a reduction in the commitments to out of authority placements.
- 6.10 Enterprise, Planning and Infrastructure reversed the favourable variance projections shown in management reports for period 3, with additional cost pressures coming from the architecture design service (£1.9 million), challenged by the income projections that they face on the basis of a reduced capital programme. While in part this is offset by staff savings and a reduction in budget requirement for costs associated with the carbon reduction commitment scheme, these are insufficient to deliver a balanced budget as yet.

- 6.11 Housing and Environment forecast a slightly increased overspend at present. While savings are anticipated on waste disposal in the region of £1 million, cost pressures of £1.2 million are being experienced in relation to horticultural services (a review is being undertaken of this area at present) and cleansing services are also under pressure due to vehicle expenditure and skip hires.
- 6.12 Corporate Governance shows an increased cost forecast to that contained in the report to management last month. A projected underspend is still maintained, but reduced by £0.2 million. The main area of saving against budget is staff costs due to vacancies, with the variance since last month being accounted for by reduced income collection.
- 6.13 The Corporate budgets which are made up of funding to Joint Boards, Council Expenses and funding set aside for contingencies and to pay for service redesign / workforce reduction costs are generally forecast to be in line with budget.
- 6.14 The contingencies are in addition to the sums that are earmarked against the General Fund balance and provide a degree of protection against unexpected or unplanned expenditure being incurred.
- 6.15 The replacement of vehicles is a current matter that includes a degree of risk, but is one that the council needs to address. An aging fleet and increasing maintenance costs with vehicles off the road means that service delivery can be affected and unnecessary costs are being incurred. To address the situation making a substantial investment in vehicle replacement is important and the council is looking to procure £4 million of vehicles in the current year.
- 6.16 The funding for this must be carefully considered and in delivering the most cost effective and economical solution the council is looking at the various options that are available. It is recommended that once this has been evaluated that the Committee is provided with details of the funding mechanism in order to fund the replacement.
- 6.17 The figures outlined reflect progress on achieving approved budget savings of approx. £22 million which were incorporated into the budget and also assumes that a proportion of the contingencies will require to be used during the year.

### **Management Actions**

- 6.18 As the financial year progresses it is imperative that Services continue to deliver the Priority Based Budgeting options that are included within Service budgets. Early indications are that while there are a number of areas of risk Services are generally working towards full delivery of the options. This positive momentum also needs to be delivered within the context of the Council's 5 year business plan.
- 6.19 Services should be looking ahead with planning and implementation activity being in place to continue to provide robust financial forecasts and to improve the utilisation of the Collaborative Planning, the financial reporting system that is available to budget holders across the council.
- 6.20 At the time of writing the Council is in the process of moving into its new corporate headquarters. Within the budget it is assumed that St Nicholas House will be vacated by September 2011. Any delay in this will result in additional financial pressures for the running costs of the building for items such as Non Domestic Rates.
- 6.21 Further progress reports will be provided to the Committee throughout the year on both the financial position, the risks that exist for the council and the action being taken by management.

## **7. REPORT AUTHOR DETAILS**

Jonathan Belford  
Corporate Accounting Manager  
[jbelford@aberdeencity.gov.uk](mailto:jbelford@aberdeencity.gov.uk)  
01224 522573

## **8. BACKGROUND PAPERS**

Financial ledger data extracted for the period, and service committee reports on financial monitoring;

**ABERDEEN CITY COUNCIL  
2011/12**

**FINANCIAL MONITORING**

As at end of July 2011 Accounting Period 4	Full Year Revised Budget £'000	Year to Date			Forecast to Year End		
		Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent %
<b>Services</b>							
Office of Chief Executive	771	251	257	6	812	41	5.32%
Corporate Governance	27,320	9,236	7,993	(1,243)	26,811	(509)	(1.88%)
Enterprise Planning and Infrastructure	31,479	7,696	7,465	(231)	33,369	1,890	5.94%
Housing and Environment	44,195	13,505	12,626	(879)	44,695	500	1.13%
Education Culture and Sport	180,551	59,700	57,082	(2,618)	181,200	649	0.36%
Social Care and Wellbeing	121,810	41,557	39,116	(2,441)	121,810	0	0.00%
<b>Total Service Budgets</b>	<b>406,126</b>	<b>131,945</b>	<b>124,539</b>	<b>(7,406)</b>	<b>408,697</b>	<b>2,571</b>	<b>0.63%</b>
<b>Total Corporate Budgets</b>	<b>37,708</b>	<b>9,686</b>	<b>11,735</b>	<b>2,049</b>	<b>37,153</b>	<b>(555)</b>	<b>(1.65%)</b>
<b>Total Net Expenditure</b>	<b>443,834</b>	<b>141,631</b>	<b>136,274</b>	<b>(5,357)</b>	<b>445,850</b>	<b>2,016</b>	<b>0.45%</b>
<b>Funding:</b>							
<u>Government Support-</u>							
General Revenue Grant & Non-Domestic Rates	(337,199)	(112,400)	(110,238)	2,162	(337,199)	0	0.00%
<u>Local Taxation-</u>							
Council Tax & Community Charge Arrears	(106,635)	(35,545)	(37,874)	(2,329)	(106,650)	(15)	0.01%
<b>Total Funding</b>	<b>(443,834)</b>	<b>(147,945)</b>	<b>(148,112)</b>	<b>(167)</b>	<b>(443,849)</b>	<b>(15)</b>	<b>0.00%</b>
<b>Net Impact on General Fund</b>	<b>0</b>	<b>(6,314)</b>	<b>(11,838)</b>	<b>(5,524)</b>	<b>2,001</b>	<b>2,001</b>	



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 11/12
REPORT NUMBER:	EPI/11/247

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### 1. PURPOSE OF REPORT

To advise the Committee of the capital spend to date for the projects included within the Non-Housing Capital Programme and to advise of the ongoing work in relation to future years' programmes.

### 2. RECOMMENDATIONS

- 1) The Committee note the current position.
- 2) The Committee approves, in principle, the implementation of "in year" bids of up to £250,000, supervised by the Corporate Asset Group after consultation with the Convenor & Vice Convenor.
- 3) The Committee notes the action of delegated authority from the Head of Service – Asset Management & Operations.
- 4) The Committee approves the inclusion of the additional projects in the Capital Plan:  
Item 666 – Corporate Asset Management  
Item 784 - Vehicle Replacement  
Item 790B - ICT Investment Programme - Fleet Management Software

### 3. FINANCIAL IMPLICATIONS

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme. At present, there is a projected overspend of £422,000 on Item 630 – Data Centre Move.

### 4. OTHER IMPLICATIONS

There are no other implications at this time but as projects progress or indeed fail to progress then other implications may arise and these will be reported to an appropriate Committee.

## 5. BACKGROUND/MAIN ISSUES

### 5.1 Introduction

As reported at the Finance & Resources Committee on 17 June 2011 the overall responsibility for the monitoring/management of the Capital Programme lies with the Head of Asset Management & Operations. The Planning & Monitoring Officer within Asset Management & Operations is in regular contact with the Service Representatives and the Capital Accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are accurately updated on a monthly basis.

### 5.2 Current Overall Position

The original funded position for the Non Housing Capital Programme in 11/12 was £40 million. Taking into account adjustments for confirmed additional Capital funding, the total budget is £41.474 million. Adjustments that account for additional funding are:

- Funding obtained from the Heritage Lottery Fund towards Duthie Park Improvements (Item 244) , totalling £483,000
- Capital Grants supporting the Clinterty Travelling Persons Site (Item 775) totalling £120,000
- A bequeathment to fund replacement greenhouses at Duthie Park, totalling £297,000 (Item 792)
- A capital contribution of £65,000 from AECC towards the provision of a storage area at the AECC Pavilion (Item 791)
- A contribution of £45,087 from the sale of vehicles, required to complete the funding for vehicle replacements (Item 784)

The total expenditure at the end of period 4 is £15.753 million. This represents a 37.9% spend of the total budget. Appendix A provides a summary of this spend.

Discussions so far have not identified any over spend predictions in the overall Capital Programme. Variances in monthly spend compared to predicted spend have been identified in some cases, which has resulted in spend profiles being amended.

Indications are that Item 663 - Corporate Office Accommodation project, is currently profiled to be under spent by a further £2.188 million.

The Regional Sports Centre - 50m Pool project, as approved by Education, Culture & Sport committee on June 2, was added to the

Capital Plan in Period 3. The £1 million Council contribution for this year is accommodated within the original £40 million budget. Current profiles indicate that the project will not create an overall overspend, due to the saving indicated by the under spend from the Corporate Office Accommodation project.

Item 784 - Vehicle Replacement was added to the Capital plan with the approval of the Corporate Asset Group. The project budget is the additional funding that was required to purchase 3 electric vans and a hybrid Transit van in April. The Scottish Government provided £127,475 of grant money to fund energy efficient vehicles, however the overall cost of the vehicles was £172,562, leaving a funding gap of £45,087. The sale of vehicles this financial year will cover the funding gap. At present there is £8,000 required to complete the cost of this additional item.

The Committee should note that the following two projects are currently profiled to exceed the approved budgets:

Item 630 - Data Centre Move. Projected overspend £422,000.

The Corporate Asset Group is aware of this projected overspend and it should be noted that the overall programme is still within budget. The Corporate Asset Group approved expenditure, subject to this Committee approval, for the purchase of Microsoft licences required for the Virtual Desktop Environment which is a contractual responsibility of the Council. The original whole life cost of this project was £4.4 million, however the expected out turn is now profiled at £3.9 million. This will complete the Data Centre Move project.

Item 790 - ICT Investment Programme. With a projected overspend of £60,000, this item has been given a new Capital code 790B, with the approval of the Corporate Asset Group, and is being used to fund fleet management software the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software. The spend falls within the 10% overspend threshold delegated to the Asset Management & Operations Head of Service and has been approved by the Corporate Asset Group.

The following project was not in the original approved Capital Programme and was added for the reasons detailed:

Item 666 – Corporate Asset Management System was included in last years Capital Plan and was not identified as a required carry forward. Discussions had taken place between the budget holder and Finance in March, before the new mechanism for Financial Monitoring was put in place, to provide a carry forward of £30,000. As a result, spending of £7,000 has occurred on this item, expected to rise to £30,000. Spend has been on training for the Council's CONFIRM system, which is part

of the Corporate Asset Management system. This additional item can be accommodated within the current Capital Programme.

### 5.3 Capital Receipts

The projected target for Capital Receipts for this Financial Year is £6.735 million. At the end of the current reporting period, a total of £416,000 in Capital Receipts has been confirmed. It should be noted that an additional £590,000 was subsequently received in August. There is one significant Receipt that accounts for almost 50% of the projected £6.735 million total. The timing of the conclusion of this receipt has a significant impact on the overall Capital Programme and will require to be carefully monitored and managed. The current advice from the prospective purchaser is for the receipt to be concluded in February 2012. Without assurances that this date is fixed, there is a significant risk to the programme as a result of the uncertainty of funding. This may require Officers to propose mitigating measures to the next meeting of the Committee.

### 5.4 In Year Bids

At the end of July the reported profiles from budget holders projected an anticipated final outturn of £40.143 million, representing a saving of £822,000. If it can be established that the Capital Plan can support it, the Corporate Asset Group have suggested that in-year bids could, in consultation with the Convenor and the Vice Convenor be considered to help alleviate budget pressure in future years.

It is suggested that bids up to a maximum of £250,000 each would be considered; each bid would have a supporting Business Case. The Corporate Asset Group will be reviewing this matter at its meeting on 26 September and today's Committee will be advised of its views.

### 5.5 Condition & Suitability Programme

A Capital budget of £6,245,000 has been allocated to allow the continued condition and suitability work to be progressed. This work is specifically aimed at increasing the expected useful life of the buildings on which work is to be carried out. At its meeting on 21 April 2011, the Committee requested an update of progress on this programme of work be reported to every second meeting of this Committee.

The approved programme comprises 60 projects in total. Based on figures to the end of August, a total of 16 projects with a value of £1.654 million have now been completed. A further 10 projects totalling £1.384 million are now legally committed. The total spend to date, including professional fees and consultants fees, is £1.861 million which represents 29.79% of the total budget. A detailed breakdown of the progress on individual projects is shown in Appendix B.

## 6. PREPARATION FOR FUTURE FINANCIAL YEARS

The Corporate Asset Group at its meeting on 25 July instructed the General Manager – Asset Management to begin consulting all Services on the development of the Capital Plan 2012 / 13. This work will include reviewing existing projects, whose timescale is over one financial year; rolling programmes for Condition & Suitability, Roads Infrastructure and ICT; and potential new application for funding.

The Corporate Asset Group at its meeting on 29 August approved the preparation of a detailed business case for a number of projects; this work is to be completed during September and October. As part of the consideration of future Capital budgets, the Corporate Asset Group will, as part of this ongoing work, consider how a number of significant projects can be delivered at a time of financial restraint. It is anticipated that the review of Capital projects and the implications for future Capital plans will be completed within the already agreed timescale for the preparation of the Council's Capital budget.

## 7. IMPACT

Corporate - The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans and Vibrant, Dynamic & Forward Looking.

Public - This report will be of interest to the public as it outlines the Council's capital spending to date on Non Housing Capital Projects.

## 8. BACKGROUND PAPERS

Non-Housing Capital Programme 2011/12 – Monitoring Report approved at Finance & Resources Committee on 17 June 2011.

## 9. REPORT AUTHOR DETAILS

David Marshall  
Planning & Monitoring Officer  
✉ [damarshall@aberdeencity.gov.uk](mailto:damarshall@aberdeencity.gov.uk)  
☎ 01224 523191

## Appendix A - Non Housing Capital Programme 11/12

### Corporate Governance

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
630	Data Centre Move	1,111	1,533	97	1,227	8.7%
<p><b>Notes</b> Project has anticipated £422,000 overspend.</p>						
657B	Customer First Programme - Frederick Street	920	174	0	0	2.2%
<p><b>Notes</b> A decision to fund £729,000 for the Joint Customer Contact Centre with Grampian Police has been deferred to next year. The remaining Capital for this project is identified as a saving this financial year and will be subjected to a new bid next year if required.</p>						
769	Police - Capital Grant	1,900	1,897	633	1,897	33.3%
<p><b>Notes</b> Capital spend on this project is divided into 12 equal instalments from the base budget. Monies not spent from this budget remaining at the end of the financial year are paid back to the Council in full.</p>						

### Appendix A - Non Housing Capital Programme 11/12

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
790	ICT Investment Programme	676	673	50	43	7.3%
<p><b>Notes</b> ICT Rolling Programme Currently profiling under spend of £3,000.</p>						
790B	ICT Investment Programme - Fleet Management Software	60	60	0	60	0%
<p><b>Notes</b> Item added to Capital Plan by agreement from Corporate Asset Group in June. This was the final part of a larger project and the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software.</p>						

## Appendix A - Non Housing Capital Programme 11/12

### Education, Culture & Sport

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
682	Music School Accommodation	5	6	6	0	12.9%
<b>Notes</b> Project completed and Making Good Defects Certificate issued.						
742	Outdoor Education Move to Kingswells	6	6	0	0	2.2%
<b>Notes</b> Payment of £6,000 to contractor to settle final account due in September.						
750	Information Communication Technology Connectivity	105	105	0	0	0%
<b>Notes</b> Project carried forward from last year. Milestone payments due in August and October.						



**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percent of Budget Spend to July 31</b>
773	Bucksburn / Newhills Proposed Amalgamation	50	50	0	4	0%
<b>Notes</b> Budget exclusively for Design Team professional fees.						
776	Provision for Children with Complex Needs	316	316	0	220	0%
<b>Notes</b> Budget to pay decant works and further investigative works.						
780	Oldmachar Academy Heating/Ventilation	2	2	0	2	0%
<b>Notes</b> Project completed on budget– Certificate of Making Good Defects has been issued.						

## Appendix A continued - Non Housing Capital Programme 11/12

### Housing & Environment

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
244	Duthie Park & Winter Gardens - Cost Net of Heritage Lottery Funding	505	505	3	483	0.5%
<p><b>Notes</b> A Heritage Lottery Fund grant is used as additional funding for 48.9% of total spend. The Capital spend for this year will be offset by a contribution from the Common Good Fund.</p>						
497	Ness Landfill Restoration	5,133	5,133	0	3,000	0%
<p><b>Notes</b> Legal commitments totalling £3,000,000 – spend will pick up as work is completed and invoices are paid.</p>						
738	Replacement of Cremators	101	101	49	52	48.5%
<p><b>Notes</b> Certificate of Making Good Defects issued. Final balance to be paid to the Non Housing Design Team for professional fees.</p>						

**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
766	Hill of Tramaud Landfill - Change of Law Costs	881	881	0	0	0%
<p><b>Notes</b> Payments going through for this project currently offset by accruals from last year. Spend profiled to increase dramatically in the second half of the financial year.</p>						
775	Clinterty Travelling Persons Site (net of grant)	160	105	105	105	65.6%
<p><b>Notes</b> It is possible that there will no further spend on this project. If so the unspent funding will require repayment to the Scottish Government., negating any potential saving.</p>						
779	Private Sector Housing Grant	1,750	1,750	474	1,335	27%
<p><b>Notes</b> This item involves all payments going through Revenue (Housing Finance) and converted to Capital in one lump sum at the end of the year. It is expected that the full budget will be comfortably spent by the end of the financial year.</p>						

**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
792	Duthie Park & Winter Gardens Replacement Greenhouses	297	297	0	0	0%
<p><b>Notes</b>                      Project funded entirely through bequeathed Capital from a late member of the public. The Non Housing Design team are administering the contract.</p>						

## Appendix A continued - Non Housing Capital Programme 11/12

### Social Care & Wellbeing

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Year £'000	Full	Actual Spend July 31 £'000	to	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
691	Integrated Drugs Service	650		650	650		0	100%
<p><b>Notes</b> Project completed on budget in May.</p>								

## Appendix A continued - Non Housing Capital Programme 11/12

### Enterprise, Planning & Infrastructure

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
294	Corp Property Condition & Suitability Programme	6,245	6,245	807	2,870	12.9%
<p><b>Notes</b> Refurbishments at several schools ongoing over the summer. Payments to contractor will follow August / September. Work continuing on a number of other projects.</p>						
551	Cycling Walking Safer Streets Grant	307	307	7	0	2.2%
<p><b>Notes</b> Initial spend has been on investigative works. Work is being carried out in – house so spend will increase at the end of the year once works has been carried out and works contractor has been paid.</p>						
587	Access From the North	150	150	0	0	0%
<p><b>Notes</b> All current project expenditure will be recharged to NESTRANS to their total agreed contribution of £250k. Thereafter the £150k in the NHC budget will be spent. A decision on whether the £150,000 in the NHC budget will be required will be made in the fourth quarter of the year.</p>						

**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
627	Western Peripheral Route	1,050	1,050	141	979	13.4%
<p><b>Notes</b> The estimated expenditure for this financial year includes the purchase and relocation of properties which are large expenditure items. Transport Scotland is the lead with regard as to whether these monies will be spent.</p>						
663	Corporate Office Accommodation	12,067	9,879	8,602	4,811	71.2%
<p><b>Notes</b> A saving of £2,188,000 is currently projected on this project through Marischal College underspend.</p>						
717	Regional Sports Centre - 50m Pool	1,000	1,000	323	1,000	32.3%
<p><b>Notes</b> Discussions are ongoing between Finance and Aberdeen University as to how the contribution from the University (£645,558) will be recharged to this project.</p>						

**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
765	Nestrans - Capital Grant	1,411	1,411	0	0	0%
<p><b>Notes</b> There will be no actual spend on this project until the profiled months of August and February, when NESTRANS invoice the Roads Team. It is understood that £56,000 has been incurred in relation to issues relating to Access From the North</p>						
778	3R's Furniture, Fittings & Equipment and Other Works	150	150	16	60	10.6%
<p><b>Notes</b> Budget to cover additional items of furniture and minor works to 3R's schools.</p>						
782	Biomass Heating - Duthie Park Winter Gardens	0	0	0	0	0%
<p><b>Notes</b> Project funded entirely through CEEF funding, therefore no Capital spend this year.</p>						



**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
784	Vehicle Replacement	0	25	25	0	100%
<p><b>Notes</b> The sale of vehicles this financial year is expected to cover the additional costs involved with the purchase of energy efficient vehicles.</p>						
788	AECC Pavilion for Offshore Europe Conference	1,065	1,065	225	1,059	21.1%
<p><b>Notes</b> Project reaching completion in time for Offshore Europe Conference. Payments to contractor expected to be completed by end of September.</p>						
789	Planned Renewal & Replacement of Road Infrastructure	3,693	3,693	716	421	19.3%
<p><b>Notes</b> Work progressing on a number of projects. Majority of spend has been £290,000 of resurfacing works.</p>						

**Appendix A continued - Non Housing Capital Programme 11/12**

<b>Project I.D.</b>	<b>Project Description</b>	<b>Total Budget 11/12 £'000</b>	<b>Projected Spend Full Year £'000</b>	<b>Actual Spend to July 31 £'000</b>	<b>Legal Commitments to July 31 £'000</b>	<b>Percentage of budget spent to July 31</b>
791	Land Acquisition - Contingency	700	700	0	0	0%
<p><b>Notes</b> Negotiations ongoing regarding sale of land at Mill of Dyce.</p>						

**Appendix B - Corporate Condition & Suitability Programme  
Completed Projects**

<b>Location</b>	<b>Project Details</b>	<b>Date of completion</b>
Aberdon House	Demolition	02 September 2011
Aberdon House	Asbestos Removal	
Ashley Primary	Asbestos Removal phase 2	12 August 2011
Ashley Primary	Replacement Boilers & Heating System	12 August 2011
Balgownie Primary School	Demolition	15 July 2011
Bridge of Don Academy	Remove and Replace compressors & Pool AHU	09 August 2011
Culter Primary	Fire detection system and FRA works	05 August 2011
Danestone Primary	Replace convectors with LST radiators	05 August 2011
Gilcomstoun Primary	Replacement Windows (Part School)	05 August 2011
Grammar School	Replacement Windows-Science/Technical	31 July 2011

**Appendix B continued - Corporate Condition & Suitability Programme  
Completed Projects**

<b>Location</b>	<b>Project Details</b>	<b>Date of completion</b>
Harlaw Academy	Replacement Windows - Stairwells	19 August 2011
Hazlehead Academy	Replace Existing Polyroc Water Services	15 August 2011
Kincorth Academy	Replace Existing Polyroc Water Services	15 August 2011
Scotstown Primary	Toilet Refurb	02 August 2011
Scotstown Primary	Windows	
Scotstown Primary	Asbestos Removal	
Scotstown Primary	Replacement Fire Alarm System	

**Appendix B continued - Corporate Condition & Suitability Programme  
Legally Committed Projects**

<b>Location</b>	<b>Project Details</b>	<b>Anticipated/ Actual Completion Date</b>
Cornhill Primary	Re-Roofing of senior teaching block	09 September 2011
Cults Library	Re-Wire	5 October 2011
Dyce Academy	Replacement Windows	21 October 2011
Dyce Academy	Replace Teaching Block Roof	
Hazlehead Academy	Fire Risk Assessment Works	30 September 2011
Holy Family RC Primary	Re-Roofing and windows	11 November 2011
Kincorth Academy	Replace Lighting	12 August 2011
Sheddocksley Sports Centre	Re-Roofing	16 September 2011
Smithfield Primary	Demolition	01 July 2011
Westpark School	Roof Replacement	09 September 2011

### Appendix C – Capital Receipts to August

Location	Status	Actual Receipt	Date of sale
		<b>£'000</b>	
2 West Craibstone Street	Sold	412	<b>April 2011</b>
Land at Leggart Terrace	Sold	4	<b>April 2011</b>
Glamis Cottage	Sold	442	<b>August 2011</b>
Skene Square P. S. Lodge	Sold	148	<b>August 2011</b>

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29th September 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2011/12 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/11/098

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### 1. PURPOSE OF REPORT

The purpose of this report is to:

- a) Inform the Committee of the income and expenditure position of the Common Good Fund for the period to 31 July including the forecast outturn for the year to 31 March 2012.
- b) Provide a forecast position of the cash balances as at 31 March 2012.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the income and expenditure position as at 31 July 2011 and the forecast outturn for the year.
- b) Notes the forecast cash balances as at 31 March 2012 of £5.9M based on current estimates, which is within the recommended levels indicated by the Head of Finance.

3. FINANCIAL IMPLICATIONS

The financial implications are detailed in the report at section 5.

4. OTHER IMPLICATIONS

None.

5. BACKGROUND/MAIN ISSUES

**Income and Expenditure – Period to 31 July 2011**

5.1 The net Income budget for the period to 31 July is £330K. The actual income for the period is £440K which is a favourable movement of £100K when compared to the budget. Further details are given in Appendix 1 to this report.

5.2 The significant changes in actual expenditure compared to budget result from the following:

	Actual Variance £'000s
<u>Civic Hospitality</u> – Careful monitoring of various civic hospitality budgets have resulted in savings.	(10)
<u>Income from Properties &amp; Estates</u> – Final negotiated rent revisions and back dated rent reviews have resulted in additional income.	(100)
Favourable Variance	<hr/> <hr/> (110)

**Income and Expenditure – Forecast Outturn**

5.3 The outturn for the year to 31 March 2012 shows a forecast position of £130K which is a favourable movement of £110K when compared to the budget. Further details are given in Appendix 1 to this report.



- 5.4 The significant changes in forecast outturn compared to budget result from the following:

	Forecast Variance £'000s
<u>Receptions</u> – All the major events for the year are accounted for and close monitoring of attendance numbers has resulted in savings.	(15)
<u>Misc. Civic Budgets</u> – A review of the procedure for hospitality to visitors to the Town House is expected to result in savings.	(10)
<u>Income from Properties &amp; Estates</u> – Final negotiated rent revisions and back dated rent reviews have resulted in additional income.	(100)
<u>Contribution to Duthie Park Project</u> – Approval to the Common Good providing assistance to this project was given at the Finance and Resources Committee of 21 April 2011. Expenditure for the year will depend on how the Project develops and the level of expenditure quoted is indicative of what might be expected in the current year.	15
Favourable Variance	<u>(110)</u>

### Cash Balances

- 5.5 The forecast cash balances as at 31 March 2012 is £5.9M.
- 5.6 The strategy approved by the Finance Monitoring Sub-Committee of 24 August 2004 has been applied. This utilises the Consumer Price Index (CPI) as a basis for calculating indicative cash balances to ensure that the value of the Fund is maintained over the medium to longer term. The calculation of an indicative cash balance using CPI as part of the budget setting process has been adopted as an underlying principle. At August 2004, a cash balance of £4.2M was set for the year ended 31 March 2005.
- 5.7 The Council has previously agreed that the cash balance should be no less than £4.9M in line with the recommendation from the Head of Finance, after adjusting for the Greenfern Development Site, as at 31 March 2012.
- 5.8 As trustee of the Common Good, the Council has a duty to ensure that cash balances are maintained at levels to generate sufficient annual income to fund any future expenditure from the Common Good deemed appropriate.

6. IMPACT


It is essential that the value of the Common Good is preserved in such a way that it continues to be able to support the wide range of ventures it presently does, in the long term.

7. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

Catriona Gilmour - Accountant

 (34)6377

Email [cgilmour@aberdeencity.gov.uk](mailto:cgilmour@aberdeencity.gov.uk)

**APPENDIX 1**

**COMMON GOOD FUND**

Figures in Brackets represent income or a favourable variance

As At 31 July 2011	Year to Date				Forecast to Year End		
	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn Note 3 £'000	Variance Amount £'000	Variance Percent %
ACCOUNTING PERIOD 4							
Recurring Expenditure	2,553	443	432	(11)	2,543	(10)	(0.4%)
Recurring income	(2,455)	(779)	(875)	(96)	(2,551)	(96)	3.91%
<b>Budget after Recurring Items</b>	<b>98</b>	<b>(336)</b>	<b>(443)</b>	<b>(107)</b>	<b>(8)</b>	<b>(106)</b>	<b>(108.2%)</b>
Non Recurring Expenditure	151	2	2	0	151	0	0.00%
<b>TOTAL BUDGET</b>	<b>249</b>	<b>(334)</b>	<b>(441)</b>	<b>(107)</b>	<b>143</b>	<b>(106)</b>	<b>(42.6%)</b>

Cash Balances as at 1 April 2011 (6,056) (6,056)

Estimated Cash Balances as at 31 March 2012 (5,807) (5,913)

Indicative Cash Balance (5,430) (5,430) **Note 1**

Adjustment for Greenfern Development Site 485 485 **Note 2**

Revised Cash Balance to maintain value using CPI (4,945) (4,945)

**Note 1**

The indicative cash balance is explained in section 5.5 of the main report and is the result of uplifting the original cash balance in 2004 by the CPI figure annually. It is to ensure the maintenance of the Common Good Fund over the medium to long term

**Note 2**

Included in the Common Good budget for 2008/09 was £450K of expenditure approved by Resource Management Committee on 18<sup>th</sup> January 2008 relating to the Greenfern Development Site. While the Common Good has adequate cash funds to meet this expenditure it will put pressure on the maintenance of the recommended minimum cash balances, pending the recouping of this expenditure at the completion of the project. The £450K has been uplifted inline with CPI to give £471K, to allow for the maintenance of its value. In view of this, where indicative cash balances are shown in this report they have been reduced by this amount to allow meaningful comparisons.

**Note 3**

The forecast outturn figure takes into account £1.3M of expenditure that takes place at year end e.g Funding of Twinning activities, Entertainment for the Elderly and Disabled and Contributions to Trusts and Festivals.

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources Committee
<b>DATE</b>	29 September 2011
<b>DIRECTOR</b>	Stewart Carruth, Director of Corporate Governance
<b>TITLE OF REPORT</b>	Update on Priority-Based Budgeting (PBB)
<b>REPORT NUMBER:</b>	CG/11/113

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### 1. PURPOSE OF REPORT

At the council meetings of 15 December 2010 and 10 February 2011, a package of net savings options of £15.577m was agreed for the financial year 2011/12. This report provides:

- an update on the progress towards the 2011/12 target;
- information on the current priority-based budgeting exercise which underpins the rolling five-year business plan as approved by council on 17 August 2011; and,
- an outline of the role of the Programme Management Office to support the delivery of the five-year business plan.

This report also:

- seeks to delegate authority to procure external support for the delivery of projects; and,
- proposes the establishment of one elected member working group to cover projects which are part of the Alternative Delivery Model Programme.

### 2. RECOMMENDATIONS

It is recommended that the committee:

- i. note the significant progress the council has made in delivering the approved PBB options for 2011/12;
- ii. note the process underway to update the five-year business plan and specifically the 2012/13 budget;
- iii. delegate authority to directors to commit up to £500,000 of their allocation, or their total amount if smaller, on the basis in each case that the appropriate convener and vice-convener are consulted and the commitment is reported to

- the working group (see recommendation iv) for information;  
and,  
iv. authorises the establishment of one working group to cover the projects, including LATC, of the Alternative Delivery Model Programme.

### 3. FINANCIAL IMPLICATIONS

- 3.1 Of the approved service options of £15.577m for 2011/12, £10.833m has been delivered as of Friday 26 August 2011. Appendix 1 shows the breakdown by directorate of actual savings delivered against the 2011/12 target.

The options for the remaining balance of £4.744m are monitored monthly and scheduled to be delivered between now and the end of 2011/12; other than where specifically detailed in the report.

- 3.2 There is a corporate provision for the costs associated with externalisation of projects with a value of approximately £4.4 million. These are earmarked as follows:

Corporate Governance	£1,618,000
Education, Culture and Sport	£350,000
Housing and Environment	£875,000
Enterprise, Planning and Infrastructure	£500,000
Social Care and Wellbeing	£810,000
Contingency	£250,000
<b>TOTAL BUDGET</b>	<b>£4,403,000</b>

Progress has been made across all the projects and it is now imperative that authorisation is given to expand the earmarked budget to procure external support to help deliver projects.

At all times, internal staff are being used where possible to deliver the projects. However, we are now at the stage, due to capacity or capability, that external support is required.

It is recommended that directors each be given delegated authority to commit up to £500,000 of their allocation, or their total amount if smaller, on the basis in each case that the appropriate convener and vice-convener are consulted and the commitment is reported to the working group for information.

## 4. REPORT

### 4.1 2012/13 – Rolling Five-Year Business Plan – Priority-Based Budget (PBB2)

The five-year business plan was approved at council on 17 August 2011. This report outlines the timeline, using the priority-based budgeting process, for both the update of the rolling draft five-year business plan and revision of the draft 2012-13 budget.

An annual review and update is required to ensure the budget remains in line with changes in the council's priorities and emerging external factors which impact on the delivery of its objectives. It is also sound financial practice to continually revise and monitor a business plan.

Attached in appendix 2 is the project timeline for PBB2. This is based upon delivery of a draft budget to the Finance and Resources Committee on 6 December 2011. The delivery is dependant upon several 'streams' of activity – Internal & External Communication/Engagement, Finance Team (update of revenue & capital budgets), Workforce Planning and Services – all working together to the timeline; where several of the stages run concurrently and responsible officer(s) for each stage vary.

A number of briefings on the process have been held during September, with elected members and officers. The 2012/13 forecast budget is being updated by:

- Reviewing a number of assumptions that were made for the 2011/12 budget, based upon current economic, government and contractual guidance currently available. These will be examined to ascertain how sensitive they are to the business plan should market data change or more detailed information becomes available. For example, the level of general revenue grant, pay awards, council tax collected, demographic factors, waste disposal costs. This list is by no means exhaustive.
- Determining the impact of any movements and changes in legislation.
- Assessing the impact of changes identified through monitoring of 2011/12 service options on future years budgets.
- Identifying new options / areas of savings or cost pressures.
- Reviewing future years' service options

A series of challenge meetings are built into the PBB process to ensure that all existing and future options have been fully scrutinised and are the consolidated views of the Corporate Management Team which aligns the priorities of the council to the Single Outcome Agreement.

The directorate reviews are expected to be complete by the end of September 2011, and the corporate roundtable will take place early October 2011. Further detail on the challenge meetings is included at Appendix 3.

It is intended that the PBB 2 draft report will be presented to the 6 December 2011 Finance and Resources Committee.

## **4.2. Programme Management Office**

The Programme Management Office (PMO) was set up in March 2011 to support the delivery of the five-year plan and the associated PBB savings options and also to improve the quality of project management and delivery across the council. Its formation addresses 10 audit actions identified by the internal auditors on improving project management practices in the council.

### **4.2.1. PMO Sponsoring Group**

The Sponsoring Group oversees the work of the PMO and is made up of the Chief Executive, the directors plus the Senior Programme Manager. The group meets fortnightly to monitor the progress of the projects, programmes and other activities that deliver PBB savings, plus other projects the council is undertaking.

### **4.2.2. Programmes**

The most complex PBB options are delivered as projects, managed by the service concerned and supported by the PMO. These projects are arranged into three programmes to realise economies of scale, co-ordinate support, and enable reuse of work and management of project interdependencies.

The three programmes are managed by programme managers in the PMO team. The programmes are as follows:

- a) Alternative delivery
- b) Corporate improvement
- c) Service improvement.

### **4.2.3. Monitoring and Reporting**

The PMO carries out a range of monitoring and reporting activities to provide the Sponsoring Group with as clear a picture as possible of progress towards the delivery of PBB options.



In conjunction with relevant services, the PMO has set up a mechanism to continuously track the realisation of targeted PBB savings. The PMO makes a monthly report to the Sponsoring Group on the progress towards the savings targets.

The PMO, again in conjunction with relevant services has implemented a corporate change process to monitor and control changes to the PBB options. Significant changes to costs, benefits (savings) or scope are considered by the Sponsoring Group for discussion and approval.

The PMO reports monthly on the progress of the three corporate programmes. Monthly project reports are requested from the projects in these programmes. These reports are collated and presented to the Sponsoring Group for monitoring and scrutiny, escalating any serious issues or risks to delivery. The PMO will also be monitoring and recording all expenditure under the external support contract with KPMG / Pinsents and reporting this information monthly to the Sponsoring Group. The PMO will apply the existing corporate change control process to the contract to ensure visibility and accountability of any changes to the scope or cost of agreed work packages.

Finally, the PMO will be responsible for reports to the Sponsoring Group monitoring the expenditure relating to all external support.

#### **4.3 Role of Elected Members**

In order to ensure that elected members are kept up to date with the delivery of the Alternative Delivery Model Programme, one working group will be established to monitor the following projects:

- Alternative delivery of Corporate Governance
- Establish LA trading arm for adults and older people
- Property services LLP
- External delivery/equivalent of grounds maintenance and cleansing services
- Partnering arrangement for all AMO services
- Move to Cultural Trust

The benefits are: a single point of engagement with elected members; ability to see projects and their dependencies across the council; and, a reduction in duplication of officer and elected member time.

The purpose of the working group is to monitor the progress of projects and receive updates on expenditure relating to the projects.

#### **5. IMPACT**

The implications and risks of savings options were identified in the development of the respective options and are being managed and monitored as part of the delivery of the saving.

Monitoring of the options is carried out monthly at the Sponsoring Group as part of the corporate reporting mechanism managed by the PMO.

The activities of the PMO in supporting major projects, especially through its series of facilitated workshops, will improve the consistency of project management across the council, developing an ethos in the council of structured, standardised, reusable and visible project management techniques.

Equality and human rights impact assessment forms have already been completed as part of the budget-setting process.

## **6. REPORT AUTHOR DETAILS**

Stewart Carruth  
Director of Corporate Governance  
[scarruth@aberdeencity.gov.uk](mailto:scarruth@aberdeencity.gov.uk)  
01224 522050

John-Paul Cleary  
Senior Programme Manager  
[jcleary@aberdeencity.gov.uk](mailto:jcleary@aberdeencity.gov.uk)  
01224 522927

Carol Wright  
Corporate Officer  
[cwright@aberdeencity.gov.uk](mailto:cwright@aberdeencity.gov.uk)  
01224 522615

## Appendix 1 – Savings Delivered (Breakdown by Directorate)

Year 2011/12 Net Savings	Target	Delivered to Date	%
Corporate Governance	(1,856)	(1,647)	89
Education, Culture & Sport	(2,767)	(890)	32
Enterprise, Planning & Infrastructure	(1,498)	(711)	47
Housing & Environment	(688)	(323)	47
Social Care & Wellbeing	(1,384)	(585)	42
Council Wide Options	(7,384)	(6,677)	90
<b>Total</b>	<b>(15,577)</b>	<b>(10,833)</b>	70

The sponsoring group have received and “approved” change control for the following options:

ACC\_SO7 'Review & Rationalise Cross-Council ICT' has been shown as no longer feasible, resulting in a shortfall of £166k. The balance will be contained within the overall Council budget for 2011/12. A new Enterprise Architecture initiative is being developed, which may provide an alternative means to deliver the savings in subsequent years through more standardised IT applications and more efficient use of software licenses.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Removal of Internal Charges
REPORT NUMBER:	CG/11/134

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### 1. PURPOSE OF REPORT

This report provides Members with an update on the removal of internal recharges – effectively where one service charges another for the provision of certain services. The Council, as part of the 2011/12 budget, agreed the removal of such charges.

### 2. RECOMMENDATION(S)

Members are asked to approve:-

- a) The virement of budgets as detailed within the body of the report totaling approximately £40 million.

### 3. FINANCIAL IMPLICATIONS

There are no immediate financial implications arising from the report other than the approval to transfer budgets between various services. This will mean that budgets are aligned to the Director responsible for the provision of services.

There will be a potential requirement for Service Level Agreements to be in place between individual services to ensure that the level of service is clearly articulated.

### 4. OTHER IMPLICATIONS

The removal of internal recharges will require the Council's financial system to be updated and this has already been identified. The exact timing of the virement will be discussed with relevant staff to determine the most appropriate timing of the adjustments.

It should therefore be noted that the regular financial reporting to Committees will mean that Services will begin reflecting the changes as outlined in this report.

## 5. BACKGROUND/MAIN ISSUES

The Council in setting the 2011/12 budget approved the review and where possible the removal of internal recharges. This review focused on the three elements of internal charges:

- Trading Accounts
- Inter departmental accounts
- Re-allocation of business unit costs

There is an outstanding remit under the Committee business to instruct officers to submit a report advising of areas where the Council remained the client and the contractor and the recharge method used. This report provides a response to this item.

The work that has been done to date is a full review of the trading accounts as well as inter-departmental accounts. As indicated, all but two of the trading accounts are proposed to be removed.

This will allow budgets to be aligned to one Head of Service who will need to work with other Services to develop and agree a form of Service Level Agreement going forward.

### **Trading Accounts**

The review of the trading accounts has shown that, subject to agreement with the Council's external auditors, they can be removed with the exception of commercial property letting and car parking. While two others will remain (building and road maintenance) these will be the subject of further discussion between Heads of Service to see how these can operate in the future.

The removal of these particular two will create a number of operational difficulties that cannot be resolved within this financial year due to the utilisation of detailed management systems that are required to allow the service to operate effectively and to demonstrate Best Value. However they will be further analysed as part of the Council's review of its 5 year business plan.

### **Inter-departmental Accounts**

Inter-departmental accounts are primarily where one service will undertake work on behalf of another service and then effectively recharge them.

There are a number of examples of this practice across the Council and to facilitate this review each income stream for Services have been examined. Where possible these are being removed as the income relates to income from another Service.

This will also underpin the 2012/13 budget review, such that budget papers will be presented to demonstrate all income streams that a service receives – both internal and external. This will also allow a more corporate understanding of the pricing policy that is in place across the Council.

In relation to the review of inter-departmental accounts the internal recharge computer system has not been re-activated since the Annual Accounts process to ensure that recharges continued and would therefore make it difficult to implement any changes within the current financial year.

While there are likely to be individual instances where this may need an alternative or continuing process the review has not indicated any material impact on the removal of this system. Where this is the case then there is a method that has been identified (for example in relation to two of the remaining trading accounts, and where there is a potential impact on the Alternative Delivery models that services are currently undertaking).

#### **Business Unit Cost Allocation**

Finally, the re-allocation of business unit costs focused on the allocation of overheads – such as corporate properties, back office staff costs and other service allocations not otherwise covered above.

This element of internal recharges relates to the Council having to comply with the Accounting Code of Practice with which the Council is obliged to adhere to.

While these charges will have to remain, the process for identifying and recording these charges is now being reviewed as the Council's Annual Accounts audit process draws to a close. As indicated the Council cannot remove these, however the final element of this review will focus on ensuring that the costs incurred are directly allocated to the relevant service (rather than one service incurring the cost and recharging it to other services).

This will reduce the number of internal transactions that have to be processed and therefore make the whole Annual Accounts process more streamlined and straightforward.

#### **Current Position**

In total, the above review has looked at approximately £80 million of internal charges – representing the majority of internal charges. The findings show that almost £42 million of recharges be removed. The remainder relate to charges to external funding sources (Housing Revenue Account, Common Good and Capital Accounts), the two remaining trading accounts and other miscellaneous items.

In order to ensure that the review was comprehensive an external review was done of the recharges. The removal proposed within this report is based on the findings of the external review.

The review to date has required a large amount of resources from within the Finance Service as well as individual services impacted on the internal recharges reviewed. The final implementation will also require further resources but this can be accommodated within the Finance service current business plan.

Also achieved through this process is the successful delivery of the Priority Based Budgeting service option. This showed a cost in 2011/12 of £40,000 (which has been less) and saving in future years.

This has been achieved within the overall context of the review and it is anticipated that Services will be able to identify even further efficiency gains as the Council undertakes its review of the 2012/13 budget process and updates the 5 year business plan.

The timing of the actual budget transfers will be worked on between individual Heads of Services. The Head of Finance will be in a position to begin viring these budgets during October 2011 where both services are in agreement that it is operational viable to do so.

The total amount of budget virements are summarized within the table below:

<b>Budget Transfers In</b>				
	<b>Budget Transfers Out £'000</b>	<b>Enterprise Planning and Infrastructure £'000</b>	<b>Housing and Environment £'000</b>	<b>Total Budget Transfers In £'000</b>
Janitors Ancillary Costs	(169)	169	0	169
School Transport	(2,661)	2,961	0	2,961
School Catering	(987)	987	0	987
Cleaning	(3,092)	3,850	0	3,850
Grounds (Trading)	(6,460)	0	8,016	8,016
Environmental (Trading)	(10,819)	0	11,464	11,464
Fleet Total	(8,945)	8,782	0	8,782
PTU / Fleet Recharges	(1,069)	1,217	0	1,217
R&M Fund	(4,084)	4,084	0	4,084
Miscellaneous	(3,245)	0	0	0
<b>Total Movements</b>	<b>(41,530)</b>	<b>22,049</b>	<b>19,481</b>	<b>41,530</b>



6. IMPACT

The primary impact on the outcome of this report is a more streamlined year end process, more accurate financial monitoring and will allow the Council to identify clear accountability for Service budgets.

There will also be an impact on Revenue monitoring within individual services as the virements above are processed. This will be notified within each individual service revenue monitoring report over the forthcoming Committee cycles.

7. BACKGROUND PAPERS

2011/12 General Fund Revenue Budget.

8. REPORT AUTHOR DETAILS

Steven Whyte,  
Chief Accountant  
 [swhyte@aberdeencity.gov.uk](mailto:swhyte@aberdeencity.gov.uk)  
 01224 52(3566)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
REPORT NUMBER:	CG/11/107

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### 1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 2010/11 and sets out key priorities for 2011/12. This is an Audit Scotland recommendation.

### 2. RECOMMENDATION(S)

It is recommended that Committee note the content and note that a report will be presented in one year to advise of the Housing and Council Tax Benefit Service performance for 2011/12.

### 3. FINANCIAL IMPLICATIONS

Given the key role the Benefit Service plays in delivering aspects of the welfare state and recognising the significant sums involved it is important that the service is properly reviewed in order to minimise any potential subsidy loss and to provide an effective service.

### 4. OTHER IMPLICATIONS

None

### 5. BACKGROUND/MAIN ISSUES

See attached document.

### 6. IMPACT

The service has a key role in:

- helping to ensure that people get the opportunity of a decent home,
- reducing barriers to work,
- helping tackle social exclusion,
- supporting dignity and security in retirement.

## 7. BACKGROUND PAPERS

Performance Review and Key Objectives review undertaken by management team.

## 8. REPORT AUTHOR DETAILS

Helen Moir, Senior Processing Officer, Finance, Corporate Governance  
helenm@aberdeencity.gov.uk  
tel. 01224 346720

# Revenues and Benefits

## Housing & Council Tax Benefit Annual Report

2010/11



## **1.0 Introduction**

Revenues and Benefits is located within the Finance Service which is part of the Corporate Governance Directorate. Revenues and Benefits is responsible for Council Tax Administration, Business Rates Administration, Housing and Council Tax Benefit Administration, Council Tax recovery, Fraud Investigation, Rent Collection, Service Income, Car Parking Appeals and Social Work Financial Assessments.

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2010/11 and set Housing and Council Tax Benefit objectives for 2011/12.

The report has been produced in conjunction with Wayne Connell – Revenues and Benefits Manager, Helen Moir – Senior Processing Officer, Brian Muldoon – Fraud Manager and Ian Sutherland – Benefit Subsidy.

Benefits Administration is a statutory function placed on Local Authorities which covers much more than just the speedy processing of Benefits. The Benefits Service plays a key, strategic role in meeting the Councils aims which include:-

- To help offer the opportunity of a decent home.
- To deliver a modern, efficient, secure customer focused public service.
- To reduce barriers to work.
- To extend choice and personal responsibility.
- Help tackle social exclusion.
- To support dignity and security in retirement.
- To protect against fraud and error.
- To help reduce Council Tax and rent arrears.
- To work with major local partners such as Registered Social Landlords, Landlords Voluntary Sector, Job Centre Plus.

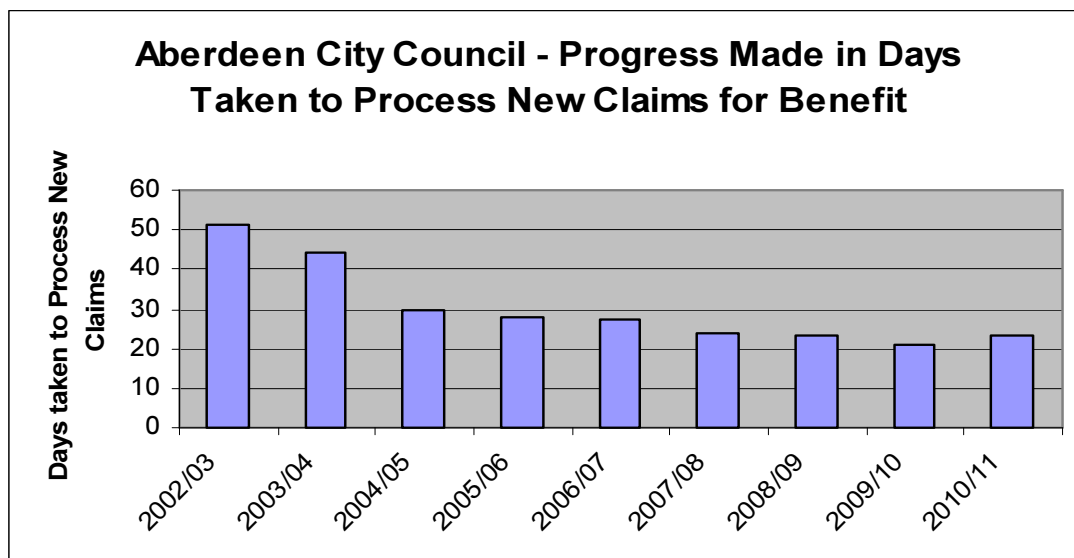
## 2.0 Performance Review of 2010/11

### 2.1 Benefits Administration

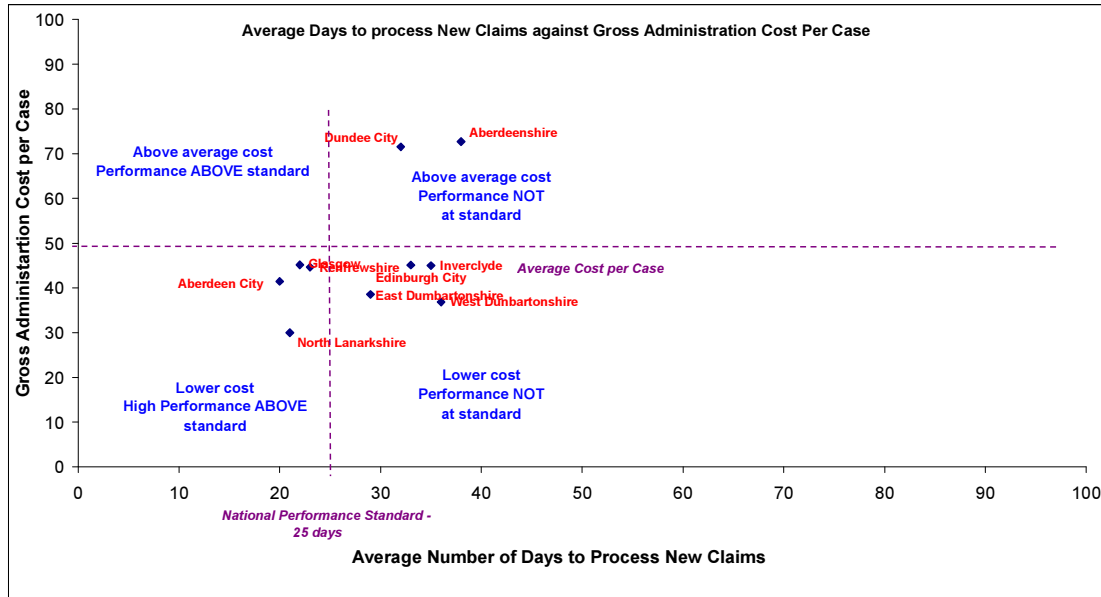
A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2011/12.

#### 2.1.1 Processing of New Claims

A target was set to process new claims for benefit on average in under 21 days (the national standard is set at 23 days and the average for all Scottish Local Authorities was 23 days in 2010/11 according to DWP). In 2010/11 the Service achieved an average of 23.46 days. This is the first time performance has dipped in the past 10 years and the service has failed to show improvement in terms of processing new claims as shown below. This can be attributed to a number of factors but in the main due to high staff turnover and significant vacancies during 2010/11. However, performance compares favourably with other urban Scottish authorities –Dundee 33 days, East Dunbartonshire 30 days, Edinburgh 29 days, Inverclyde 27 days, Renfrewshire 27 days, West Dunbartonshire 35 days and Aberdeenshire 35 days. From the urban authorities only Glasgow and North Lanarkshire had a better performance of 19 days and 20 days respectively.



Benchmarking with the other Scottish Urban Local Authorities and Aberdeenshire was undertaken on the DWP 2009/10 figures (2010/11 figures will not be available till the end of 2011). The graph below demonstrates that Aberdeen had above average performance but below average costs for dealing with new claims of benefit.



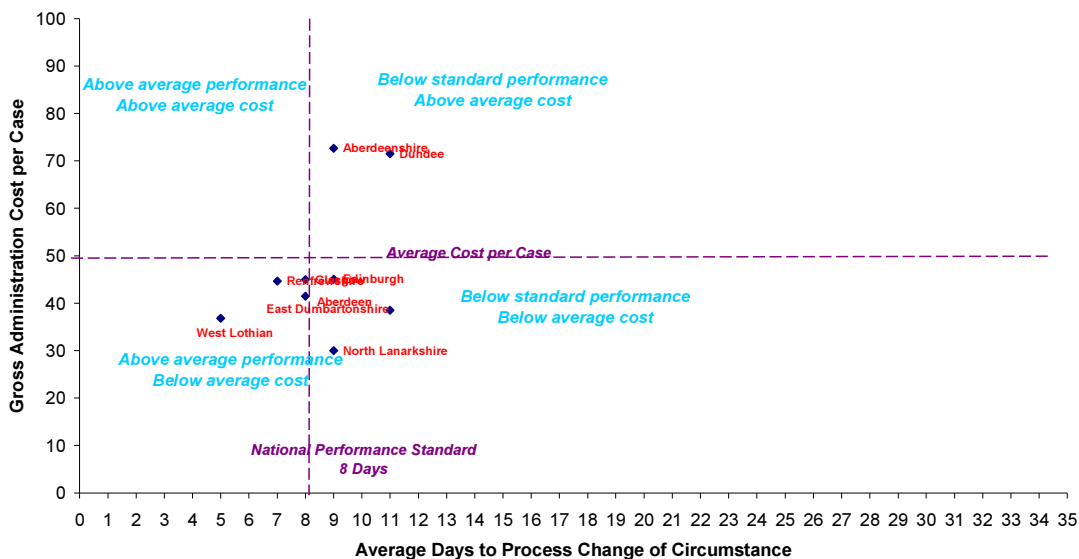
### 2.1.2 Processing of Change of Circumstances

A target was set to process change of circumstances for benefit on average in under 11 days. In 2010/11 the service achieved an average of 12.97 days. In 2009/10 the service averaged 9.61 days. The DWP estimate the national average for 2010/11 to be 11 days. Again staff resources had an impact and the main reason why the target was not met.

Benchmarking with the other urban Scottish Local Authorities was undertaken on the 2009/10 DWP figures. The graph below demonstrates that Aberdeen had average performance but below average costs for dealing with Change of Circumstances.



Average Days to Process Change of Circumstance against Gross Administration Cost per Case



### 2.1.3 Right Time

The Right Time Indicator (RTI) is one of the SPIs provided to Audit Scotland introduced in 2009/10. This is a combination of average number of days to process a new claim and average number of days to process a change of circumstance. A target of 12 days was set. In 2010/11 the service achieved 15.33 days. In 2009/10 the service achieved 12.84 days.

Unfortunately there is limited published data for 2010/11 to make a true comparison; however, of the published Scottish data figures vary from a RTI of 7 to a RTI of 24.

### 2.1.4 Cost per Benefit Case

Our costs have decreased from £44.59 in 2007/08 to £41.41 in 2010/11. This demonstrates continued lowering of cost of providing the service with an increased benefit caseload. Staff resource issues had an impact on maximising our caseload and are the main reason our target for 2010/11 was not met. A performance target of £41.25 has been set for 2011/12.

## **2.2 Housing Benefit Overpayments**

The target for the amount of Housing Benefit Overpayments collected in 2010/11 was £0.950m. The Service exceeded this target by collecting £1,220,943 in 2010/11. The increased number of overpayments has meant that the recovery rate increased in 2010/11 to 71.45% from 62.99% in 2009/10. It is believed that the recovery rate will continue to improve and the collection rate target of £1.3m will be achieved in 2011/12.

The Benefit Overpayment Team is part of the Revenues and Benefit Recovery Team for Council Tax. This enables the sharing of best practise and to utilise the existing expertise in debt recovery to aid performance improvement. Performance and cases will continue to be monitored to ensure the recovery escalation is adhered to.

## **2.3 Fraud**

A target of 32 sanctions was set for 2010/11. The team achieved 32 sanctions. This included 14 cases referred to the Procurator Fiscal. This was accomplished by undertaking 6 proactive exercises targeting specific areas where fraud had been identified. This helped contribute to the team identifying overpayments in excess of £315,000 during the year.

The team resources were reduced by a third due to vacancies therefore a lower target of 20 sanctions has been set for 2011/12 to allow for the employment and training of a new investigator.

As well as continuing to work with DWP fraud colleagues and staff in the UK Border Agency a formal data sharing agreement with the Council's Trading Standards team has been set up.

Positive feedback has been received from the Office for Surveillance Commissioner on a recent audit of applications and authorisations for surveillance.

The Fraud team continue to work with other agencies within the criminal justice system to ensure that the Council meets its obligations to protect the public purse from fraud.

## **2.4 Appeals**

Although not meeting two of their Performance Indicators the Appeals Team was close to target for the “Percentage of applications for reconsideration or revision actioned and notified within 4 weeks” target. The “Percentage of Appeals submitted to the Appeals Service within 4 weeks” figure was an improvement from 42.86% in 2009/10 to 60.71% in 2010/11. The “Percentage of Appeals submitted to the Appeals Service within 3 months” exceeded the target set of 95% to achieve 96.43%.

## **3.0 Review of the Key Service Objectives set for 2010/11**

### **3.1 Closely monitor and improve all performance to show continuous improvement.**

Although not meeting targets in some areas our performance does compare favourably with other Scottish Urban Authorities.

In order to improve performance in these areas a number of measures are to be undertaken. The following actions are to be taken to aid improved performance:

- Consider short term additional external resource.
- Review structure with more emphasis on Benefits processing.
- Continue to manage vacancies.

### **3.2 Continue to benchmark on both cost and performance**

External scrutiny can provide assurance that a service is well managed, safe and fit for purpose and that public money is being properly used. Benchmarking on both cost and performance has been included within this report to provide these assurances.

### **3.3 Continue to take part in the National Fraud Initiative.**

The National Fraud Initiative (NFI) is a data matching exercise that runs every 2 years. The NFI is designed to help participating bodies identify possible cases of fraud and detect and correct any consequential under or overpayments from the public purse.

The Service is working on the 2010/11 initiative which started in January 2011. To date 330 cases have been investigated which have identified £21,221.87 overpayments and one admission of fraud under caution.

The Service expects to complete this initiative during 2011/12.

### **3.4 Continue to improve the Appeals process and consider different delivery models**

Although only meeting one appeal target in 2010/11 performance in two out of three targets improved during 2010/11. Additional external resource was investigated however; the external provider was unable to supply the required support.

### **3.5 Await DWP decision regarding the VRA Pilot and make decisions on the future of VRA**

In November 2008 funding was received to run a pilot on Voice Risk Analysis (VRA) with a specific focus on the processing of New Claims, Changes in Circumstances and Reviews within the Revenues and Benefits Service via telephone. It was undertaken to provide improved performance by increasing efficiency of the administration of benefits and ensuring that the DWP objectives of Right Time was adhered to. Staff received in depth training in techniques and technology enabling them to carry out their role in the pilot effectively. Whilst awaiting the evaluation of the pilot permission was granted by DWP to continue using VRA and the evidence gathering easements. The service believed that the pilot improved performance, reduced fraudulent claims and improved customer satisfaction therefore extended arrangements for a further 12 months. Unfortunately the DWP decided not to include VRA in

their ongoing fraud strategy, therefore, despite being highly successful the pilot ended in October 2010.

### **3.6 Audit Scotland Action Plan**

A risk assessment audit was undertaken by Audit Scotland in October 2009. The Service was requested to submit an action plan to address the small number of improvement opportunities and minimise the identified risks. The issues identified in the risk assessment audit have been addressed as detailed below:

\* Undertake monthly analysis of Benefit Complaints – Benefit complaints are reported and remedial action discussed at monthly Benefit Operational Meetings.

\* Review and introduce a new checking regime to include accuracy checks - In order to reduce errors, provide consistency, and identify trends, training needs and accuracy levels the Quality Checking regime was reviewed and a new process implemented in April 2010. An in-house database was also developed to automate and collate the results, trends etc. In addition to this a Support Team was established who perform extra Quality Checking. An analysis of performance, trends and training needs are discussed at the Monthly Operational Meetings.

\* Review current Intervention identification policy to ensure risk criteria is effective – An Intervention Strategy for Council Tax Benefit and Housing Benefit was produced. This strategy enables staff to identify the most appropriate method of intervention in relation to the risk associated with a claim. A small working group has been set up to co-ordinate a plan of action to evaluate and prioritise progress, taking account of urgency, needs, costs and timescales and will be further developed in 2011/12.

Undertake analysis of errors and feedback into staff training - The newly established Support Team implemented extra checking to correct classification of overpayments and periods. An Analysis of the errors is reported at the monthly Benefit Operational Meetings with remedial action and training requirements discussed and agreed.

\* Monitoring of Fraud Overpayments and Admin Penalties Collection - The monitoring of Fraud Overpayments and Admin Penalties has been introduced. Collection is reported and discussed both at the Benefits Operational Meetings and the Revenue and Benefit Management Meetings.

\* Introduce Senior Management review into Fraud Sanction Policy – Senior Management Review of the sanction process has been introduced and all sanctions are reviewed by a Senior Manager prior to issue.

### **3.7 Customer Survey feedback**

Customers indicated they would like extended opening hours for face to face contact. The review of the opening hours of the public offices was included with the opening of the Customer Service Centre at Marischal College.

Customers also indicated they would like extended opening hours for telephone contact. The move for the Benefits phone call centre to the Corporate Contact Centre has resulted in extended opening hours from 8 am to 6 pm.

### **3.8 Registered Social Landlord feedback**

Feedback from Registered Social Landlords indicated that they would like further on-line services developed. Social Landlords were shown the various options currently available. All Social Landlords agreed that due to costs further development was not feasible for them however, all Landlords signed up for Landlord Self Service which is a free service available to all landlords who are receiving Housing Benefit direct.

Six monthly meetings take place with our Registered Social landlords where issues are discussed and resolved. During 2010/11, 5 Landlords signed a Service Level Agreement with the Benefit Service which will ensure that an effective working relationship continues between all parties and that the services delivered to their current and future tenants (who access Housing Benefit) are enhanced.

### **3.9 Subsidy training**

Subsidy Training for senior staff was received from a subsidy specialist in September 2010. This training was then cascaded to all processing staff by the in-house training team. Refresher training hours have since been given to consolidate the extensive training given.

### **3.10 Benefits Improvement Groups**

During 2010/11 staff were involved in the review of the benefit processes within the Imaging and Workflow System. Process maps and Mail room function were re-designed to ensure they continued to be fit for purpose and provide the most efficient service within the existing staffing restraints.

### **3.11 Benefit Take Up Plan**

The Benefit Take Up Strategy document was re-visited and an Action Plan established. In conjunction with Capita Services an automated Benefit Take Up Campaign commenced in November 2010 aimed at citizens from the deprived areas in Aberdeen who were not currently in receipt of benefit.

The cases selected were initially contacted via a recorded message which directed them to speak to a trained Capita advisor (at no cost to the citizen). The trained advisor calculated whether there was entitlement to benefit and advised the Benefit Service.

Benefit staff then conducted house visits to obtain the completion of a benefit claim along with the supporting evidence and assessed the claim on return to the office. For the period of the campaign of the 179 cases identified there have been 79 new Housing Benefit awards and 66 Council Tax Benefit awards amounting to £98,665.01.

## **4.0 Key Operational Tasks to be undertaken during 2011/13**

- 4.1 Closely monitor performance.
- 4.2 Continue to benchmark on both cost and performance.
- 4.3 Continue to take part in the National Fraud Initiative.

- 4.4 Continue working on the Audit Scotland Action Plan
- 4.5 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 4.6 Review of Benefit Take Up plan for 2011/12.
- 4.7 Undertake Customer Survey
- 4.8 Investigate possibility of an on-line claim form
- 4.9 Restructure of Revenues and Benefits with the creation of a Benefits Team.
- 4.10 Work closely with colleagues in Housing to improve benefit and rent performance by Rent Assistants gathering evidence in support of claims from tenants.
- 4.11 Address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.



**APPENDIX I**

**KEY SERVICE PERFORMANCE OBJECTIVES - 2011/12**

The following are seen as key objectives for the Service to be undertaken during the current financial year.

		<b>Target for 2010/11</b>	<b>Achieved</b>	<b>Target 2011/12</b>
1	Processing of New Claims	Less than 21days	23.46 days	25 days
2	Processing of Change of Circumstances	Less than 9 days	12.97 days	14 days
3	Right Time	12 days	15.33 days	16 days
4	Cost per Case	£38.00	£41.47	£41.25
5	Percentage of Cases Processed within 14 Days	90%	80.48%	90%
6	Value of Housing Benefits Recovered	£0.95m	£1,220,943	£1.3m
7	Total Sanctions	32	32	20
8	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	64.44%	65%
9	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	60.71%	65%
10	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	96.43%	95%

**PRINCIPLES TO BE ADOPTED**

**IN THE ADMINISTRATION OF**

**HOUSING AND COUNCIL TAX BENEFITS**

**2011/12**

## **Benefit Uptake**

- a) The Council recognises that it has a statutory duty to promote both Council Tax and Housing Benefit.
- b) It will promote Council Tax and Housing Benefit and other reliefs when dealing with customers.
- c) It will produce leaflets/publish articles/posters when appropriate on Benefit Issues.
- d) Promote Council Tax Benefit and Housing Benefit with the issue of Council Tax bills.
- e) Provide resources when practical to attend Benefit uptake promotions/workshops.

## **General Benefits Administration**

- a) Administer the Benefits Scheme in accordance with the statutory provisions.
- b) Ensure that claimants are aware of their statutory appeal rights.
- c) Appeals will be dealt with by a separate team supporting the principle of an independent review.
- d) The Service will work closely with the Job Centre Plus and Pension Service.
- e) Wherever possible to keep documentation clear and simple to "Plain English Standard".
- f) Provide a visiting service for the elderly or infirm in relation to Benefit Issues within 72 hours or on request.
- g) Ensure that staff undertake and receive regular training.

## **Managing Overpayments**

- a) Administer overpayments in accordance with the statutory provisions.
- b) The Council is committed to the recovery of overpaid Benefit and will use all available measures available to it:-
  - By deduction from ongoing Benefit
  - From arrears of Benefit
  - By deduction from Benefit paid direct to the landlord.
  - By deduction from Benefit paid direct to a landlord for other tenants.
  - By recovery of the overpaid sum as a Sundry Debt.
  - By legal action, if appropriate.
- c) Wherever possible the statutory maximum deduction should be made.
- d) The most appropriate method and rate of deduction to be selected dependent on the circumstances of each particular case.
- e) Write off of unrecoverable overpaid Benefit will be in accordance with the procedures applicable to sundry income and in accordance with the Financial Regulations.

## **Prevention and Detection of Fraud**

- a) The Council will use all the statutory provisions available to it in its attempts to prevent and detect Fraud.
- b) The Council will where appropriate seek the prosecution of offenders by referring cases where fraud has occurred to Grampian Police and the Procurator Fiscals Office.

Cases would only be referred for prosecution after all individual circumstances, including family, age, mental health of the person have been considered.

- c) The Council will also use the powers available to it to “caution” offenders and to improve 30% Administrative Penalties in relevant circumstances instead of prosecution.
- d) Provide investigation staff with regular training. The investigation staff will work under a Code of Conduct.
- e) The Investigation Team will liaise closely with other agencies and other Local Authorities in combating Fraud across all areas of the Welfare State.
- f) Council will seek to promote and develop an audit fraud culture amongst staff and the public to deter fraud.
- g) The Council will publicise any successful prosecutions in order to promote the anti fraud message.

### **Working with Others**

- a) The Council is committed to working with others and in particular with the state agencies including the Pension Service and Job Centre Plus.
- b) The Council will support the signing and monitoring of National Service Level Agreements with such bodies.
- c) The Service will work closely with the Voluntary Sector including CAB by meeting with them formally or on an ad hoc basis as required.
- d) The Service will work with the Housing Service in terms of liaising and presenting Benefit Issues at the Community Services Landlord Forum.
- e) The Service already has strong links within the Registered Social Landlords and will seek to strengthen these by the signing of formal service level agreements.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Unrecoverable Debt
REPORT NUMBER:	CG/11/106

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### 1. PURPOSE OF REPORT

To seek Committee approval on Business Rates debts recommended as unrecoverable during 2010/11 and in excess of £25,000, as required in terms of Financial Regulations 11.3.7.

To advise numbers and values, up to £10,000, of Council Tax, Business Rates, Community Charge, Housing Benefit Overpayments and Rent Arrears deemed to be unrecoverable during 2010/11 after all approved recovery procedures have been followed, as required in terms of Financial Regulations 11.3.6 and 11.3.9

### 2. RECOMMENDATION(S)

The Committee is asked to:

- Note the value of Council Tax, Business Rates, Community Charge, Housing Benefit Overpayments and Rent Arrears deemed by the Director of Corporate Governance as unrecoverable and shown in Appendices I to V.
- Approve that the > £25,000 amounts for Business Rates shown in Appendix VI are also deemed as unrecoverable and be written off.

### 3. FINANCIAL IMPLICATIONS

The sums deemed as unrecoverable are fully provided for in terms of bad debt provision. With regard to Business Rates, these sums are met by the Rating Pool and have no impact on the Council's finances.

The total value in Appendices I to V is 11,630 cases with a value of £2,622,697 compared to 8,762 and £2,864,335 in 2009/10. To put the level of unrecoverable debt into some sort of context, the annual sums raised in 2010/11 for Council Tax (including water charges) and

Business Rates were £134m and £158m respectively. The sums deemed unrecoverable cover a number of financial years.

#### 4. OTHER IMPLICATIONS

None

#### 5. BACKGROUND/MAIN ISSUES

In accordance with the Council's Financial Regulations, it is policy to report annually on the levels of Council Tax, Business Rates, Community Charge, Housing Benefit Overpayments and Rent Arrears deemed unrecoverable.

The figures included within this report relate to those debts treated as unrecoverable during the financial year 2010/11. Apart from Sequestrations, debts are not deemed unrecoverable where there is ongoing liability. The sums mostly relate to previous years where all approved procedures have been followed. Full bad debt provision has been made in the accounts.

It must be emphasised that prior to completing the list, full advice, where appropriate, has been received from Legal Services and the Council's Debt Recovery Agents (Sheriff Officers) in determining that debts are indeed unrecoverable.

It should be noted that despite being deemed unrecoverable at this time, should the debtor be subsequently located, the debt will be reinstated and pursued. As an example, Former Tenants Arrears debts with a value of £1,009,331.31 were reinstated during 2010/11 after finding new addresses for the debtors.

2010/11 saw a continuation in the amount of people being sequestrated and the total of £1,186,627.77 represents 38% of personal debt deemed unrecoverable (excluding Business Rates) compared to £1,009,183 and 35% in 2009/10.

To put the level of unrecoverable debt into some sort of context, the annual sums raised in 2010/11 for Council Tax (including water charges) and Business Rates were £134m and £158m respectively. The sums deemed unrecoverable cover a number of financial years.

A breakdown identifying the reasons and the financial year in which the debt was first raised are shown for each category of debt as follows:

#### **Council Tax:**

In total 7466 debts were deemed unrecoverable with a value of £1,171,842. After allowing for £142,834 in recoveries and



reinstatements, the net amount is £1,029,008.45. A breakdown over the years and reasons are shown in Appendix I.

No individual accounts exceeded the £10,000 limit, which requires specific Committee approval.

**Community Charge:**

In total 594 debts were deemed unrecoverable with a value of £54,850. A breakdown over the years and reasons are shown in Appendix II.

**Housing Benefit Overpayments:**

In total 937 debts were deemed unrecoverable with a value of £152,375. A breakdown of the reasons is shown in Appendix III.

**Rent Arrears:**

In total 2319 debts were deemed unrecoverable with a value of £1,770,612 relating mostly to Former Tenants Arrears. After allowing for £1,009,331 in recoveries, the net amount is £761,281.

**Business Rates:**

In total 314 debts were deemed unrecoverable with a value of £652,197.63. After allowing for £40,350 in recoveries, the net amount is £611,846.88. A breakdown over the years and reasons are shown in Appendix V.

Appendix VI shows 5 debts with values above £25,000 and reasons are shown. The Committee is asked to deem the value of £162,798.35 as unrecoverable (totals also included in Appendix V).

6. IMPACT

Managing uncollectable debt in accordance with the Council's Financial Regulations promotes good practice in the administration of local taxes and other sources of income. The non-collection of the amounts owed will not affect services because full account has been taken in budgets.

The public need to be aware that debts are pursued vigorously but there is no option but to class debts as unrecoverable when businesses fail and when individuals are sequestrated (made bankrupt). This Council only writes-off debts in exceptional circumstances but reinstates amounts owed regularly when further information becomes available.

7. BACKGROUND PAPERS

None

8. REPORT AUTHOR DETAILS

Wayne Connell, Revenues and Benefit Manager  
[waynec@aberdeencity.gov.uk](mailto:waynec@aberdeencity.gov.uk),  
(01224) 346868

COUNCIL TAX WRITE-OFFS 2010/11

Appendix I

<u>Reason</u>	<u>Cases</u>	<u>Prior Years</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Total</u>
Unable to Trace	641	29,599.95	8,527.20	10,455.56	12,799.32	20,516.86	11,115.75	12,992.31	8,482.19	7,269.65	1,734.82	123,493.61
Deceased	825	51,892.81	11,390.85	11,121.86	13,340.10	11,157.81	13,728.87	12,075.95	12,597.65	14,294.45	110.21	151,710.56
Sequestration	2,973	131,654.31	38,098.75	51,643.73	63,844.15	69,343.13	60,629.35	79,949.42	115,674.98	162,197.66	101,758.57	874,794.05
Unrecoverable - no assets	318	6,225.19	35.83	220.18	311.05	1,444.81	498.77	2,647.83	1,087.09	2,178.37	3,142.30	17,791.42
Uneconomical	2,709	2,333.17	42.11	62.92	102.26	99.24	108.60	421.02	930.81	1,325.04	-1,372.05	4,053.12
	7,466	221,705.43	58,094.74	73,504.25	90,396.88	102,561.85	86,081.34	108,086.53	138,772.72	187,265.17	105,373.85	1,171,842.76
Less address found and previous write-off reversed		-26,362.33	-3,004.43	-2,410.63	-2,052.18	-2,822.61	-1,282.89	-3,496.74	-3,849.47	-5,872.24	-2,305.05	-53,458.57
Less previously written off now recovered		-8,800.96	-3,703.59	-3,644.39	-4,125.75	-4,351.06	-2,742.40	-7,881.17	-13,612.98	-8,452.01	-32,061.43	-89,375.74
	<u>7,466</u>	<u>186,542.14</u>	<u>51,386.72</u>	<u>67,449.23</u>	<u>84,218.95</u>	<u>95,388.18</u>	<u>82,056.05</u>	<u>96,708.62</u>	<u>121,310.27</u>	<u>172,940.92</u>	<u>71,007.37</u>	<u>1,029,008.45</u>

COMMUNITY CHARGE WRITE-OFFS 2010/11

Appendix II

<u>Reason</u>	<u>Cases</u>	<u>Total</u>
Unable to Trace	15	620.36
Deceased	76	9,653.89
Sequestration	221	21,745.25
Uneconomical	282	22,830.58
	<u>594</u>	<u>54,850.08</u>

HOUSING BENEFIT OVERPAYMENT WRITE-OFFS 2010/11

Appendix III

<u>Reason</u>	<u>Cases</u>	<u>Total</u>
Deceased	78	28,957.98
Sequestration	141	65,934.92
Unable to trace	14	2,593.28
Uneconomical	275	3,501.42
Unrecoverable - no assets	429	51,388.12
	<u>937</u>	<u>152,375.72</u>

RENT ARREARS WRITE-OFFS 2010/11

Appendix IV

<u>Reason</u>	<u>Cases</u>	<u>Total</u>
Deceased	70	24,992.96
Sequestration	271	224,153.55
Unable to trace	181	886,159.30
Uneconomical	43	2,891.55
Unrecoverable - no assets	1,754	632,415.42
	<u>2,319</u>	<u>1,770,612.78</u>
Less address found and previous write-off reversed		-1,009,331.31
	<u><u>2,319</u></u>	<u><u>761,281.47</u></u>

BUSINESS RATES WRITE-OFFS 2010/11

Appendix V

<u>Reason</u>	<u>Cases</u>	<u>Prior Years</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Total</u>
Receivership/ Liquidation	103				639.21	1,048.96	8,056.97	34,269.82	250,545.48	165,802.22		460,362.66
Ceased Trading	4					793.86	263.89	3,685.21				4,742.96
Per Sheriff Officer	32					1,649.01	29,394.25	22,512.28	96,161.55	33,302.99		183,020.08
Uneconomical/No recovery prospect	35						137.05		1,639.88	727.92		2,504.85
Rates Officer Adjustment									774.68			774.68
Small balance (w/off and w/on total)	140	5.82		3.87			16.95	456.08	251.09	58.59		792.40
	314	5.82		3.87	639.21	3,491.83	37,869.11	61,698.07	348,598.00	199,891.72		652,197.63
Less previously written off now recovered			-623.34	-5,590.10	-1,663.96	-488.22	-2,234.90	-2,521.35	-846.07	-4,496.90	-15,485.58	-6,400.33
	<b>314</b>	<b>-617.52</b>	<b>-5,590.10</b>	<b>-1,663.96</b>	<b>-484.35</b>	<b>-1,595.69</b>	<b>970.48</b>	<b>37,023.04</b>	<b>57,201.17</b>	<b>333,112.42</b>	<b>193,491.39</b>	<b>611,846.88</b>

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	29 September 2011
<b>DIRECTOR</b>	Stewart Carruth
<b>TITLE OF REPORT</b>	Applications for Financial Assistance 2011/12
<b>REPORT NUMBER</b>	CG/11/132

---

### 1. PURPOSE OF REPORT

The purpose of this report is to present applications for financial assistance which has recently been received and to allow members to make a decision on providing funding from the financial assistance budget.

### 2. RECOMMENDATION(S)

It is recommended that the Committee review the applications and suggested funding levels and approve funding from the financial assistance budget considers appropriate.

### 3. FINANCIAL IMPLICATIONS

The financial assistance budget for 2011/12 was originally £54k. Prior to this Committee, approvals for support to partner organisations, affiliation fees and grants have amounted to £43k. If approval were given to the suggested funding levels detailed in this report then a balance of £42k will be available for future applications.

### 4. SERVICE & COMMUNITY IMPACT

The City Council will within financial constraints seek to support the voluntary sector and partnerships with the local community. All applicants will be given equal consideration within the general criteria for the disbursement of grants and donations from this budget

### 5. OTHER IMPLICATIONS

If the proposed assistance is not provided it may raise issues on the sustainability of organisations or their ability to hold specific events which will bring or provide benefits to the City of Aberdeen and its citizens.

## **6. REPORT**

### **Main Considerations**

6.1 In considering ad-hoc applications for grants or donations the following general criteria are applied -

a) applications from individuals seeking sponsorship, for taking part in fund-raising events abroad or for placements with charitable organisations or trusts in developing countries, are declined.

b) applications from individuals or groups seeking assistance towards costs of excursions outwith the City are declined.

c) applications which tend not to be supported are those from national organisations unless there was some clear and measurable local benefit, and health related applications which are seen as the clear responsibility of the health authorities.

d) on a number of occasions assistance is provided to both local and national organisations, either in whole or in part, with the costs of hiring accommodation such as the Beach Ballroom for various fund-raising events and gatherings.

### **Application**

#### **6.2 Dancesport Scotland (email attached)**

A request has been received from Dancesport Scotland to defray the costs of hiring the Beach Ballroom, in order to host their "Northern Trophy Day", North of Scotland Open Competition at the Beach Ballroom on 2<sup>nd</sup> October 2011.

The cost of hiring the Beach Ballroom for the event has been set at £850, which would prohibit the event taking place as the level of cost will not be recoverable by the organisation. Normally this type of event is held in the Central Belt with North East competitors having to travel.

A sum of £800 was awarded last year to cover the cost of the Beach Ballroom hire to support this event and a similar sum may be considered appropriate to be awarded again this year.

#### **6.3 Grampian Senior Citizens Forum (letter attached)**

A request for financial assistance towards the cost of travel and accommodation for representatives of the above group to attend the national pensioners convention in Blackpool.

Previously funding has been provided from various revenue budgets within the City Council, including the equal opportunities and the elderly and disabled events team budgets however there is presently no scope for these to accommodate a request from the Forum. The request received refers to the Common Good funding however this has never been provided as this would not be an applicable use for the Common Good.

A last resort has been to request that the funding be sought from this financial assistance budget. Based on the criteria that apply to this budget, as detailed in 6.1 above, the application does not fall within the criteria and as such it is suggested that no funding is provided to the Forum.

**7. IMPACT**

Financial support from this budget can provide beneficial impact to those citizens and local organisations that make application and provide an opportunity to support the objective within the vision of being a Vibrant, Dynamic and Forward Looking council.

**8. BACKGROUND PAPERS**

Attached Email and Letter

**9. REPORT AUTHOR DETAILS**

Jonathan Belford  
Corporate Accounting Manager  
[jbelford@aberdeencity.gov.uk](mailto:jbelford@aberdeencity.gov.uk)  
☎ (52) 2573

## Reference 6.2

Email From: Margo Fraser Dancesport Scotland

Further to our telephone conversation I write to confirm that we wish to apply for financial assistance for the Northern Trophy Day to be held in the Beach Ballroom, Aberdeen on Sunday 2nd October 2011.

As you know we have been organising this event since 2004 for our Aberdeen members and as the Governing Body for Dancesport in Scotland have been fortunate to receive financial assistance for the past 4 years.

The event is organised purely for our Aberdeen members who are aware that we could not afford to run this popular event without a grant. The Beach Ballroom have advised us that the cost of this year's hire is £850 and the booking is provisional dependent on financial assistance.

We would be grateful if you could process our application.

Thanking you.

Kind regards

Margo Fraser  
EXECUTIVE ADMINISTRATOR

**GRAMPIAN SENIOR CITIZENS FORUM**

*Chairman: George Thomson  
56 Spital, Aberdeen AB24 3JU  
Telephone: 01224 647 493*

C...  
Aberdeen...

21 JUN 2011

20<sup>th</sup> June 2011

Valerie Watts  
Chief Executive  
Aberdeen City Council  
St Nicholas House  
Broad Street  
AB10 1AR

Dear Madam

**Common Good Fund Allocation**

In past years Grampian Senior Citizens Forum has been favourably considered by Aberdeen Council in its application for funding. Each year we conjoin with the Trade Unions and attend the National Pensioners Convention in Blackpool. Many believe this is the biggest and most important National Conference for Pensioners in Britain. The deliberations from this event have serious repercussions for all concerned and it is one of the few avenues which enable the elderly in Britain to hold our politicians to account. The promises at elections can be scrutinised and questioned at this meeting by those affected by the pronouncements of our elected representatives. It is self-evident that this is a major event in the calendar for Pensioners' Concerns and attendance at it an essential interchange between interested groups. Our organisation has previously been allocated funding from Aberdeen Common Good Fund and it is hoped that to enable us to meet the costs of this year's event, sympathetic consideration be given to that funding. The volunteer delegates stay for a week in Blackpool and contribute a major share of the expenditure themselves. The transport costs for the hired bus and

*Secretary:* George Paterson, 2 Loch Way, Kemnay, Inverurie AB51 5QZ. Telephone 01467 642 882  
E-mail: [george.paterson.i@tiscali.co.uk](mailto:george.paterson.i@tiscali.co.uk)

Registered Charity No. SCO37947

accommodation have risen quite a bit since last year but our budget has been such that these increases have been met. However without the funding from the Common Good Fund, our participation next year would be in jeopardy and the representation from Aberdeen seriously restricted.

I trust that our application will be given sympathetic consideration by the Trustees of the Fund. Without it, Grampian Senior Citizens Forum could be denied their once in a year chance to allow the feelings of our City to be aired at National level.

Yours faithfully,

George Paterson  
Secretary.

A handwritten signature in cursive script, appearing to read "G. Paterson", written in dark ink.

## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Finance &amp; Resources</b>
DATE	<b>29 September 2011</b>
DIRECTOR	<b>Annette Bruton</b>
TITLE OF REPORT	<b>Application for Round 2 Funding -Youth Activities Small Grants Fund 2011/12</b>
REPORT NUMBER	<b>ECS/11/061</b>

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### **1. PURPOSE OF REPORT**

The report sets out the recommendations made by the Youth Activities Grant Funding Group for the second round of funding for the financial year 2011/12, the closing date for which was 21 July 2011.

### **2. RECOMMENDATION(S)**

- a. consider the summary of applications and ratify the Funding Groups recommendations and
- b. Instruct the Head of Service, Communities, Culture and Sport to arrange for distribution of the funds.
- c. Approve the changes to the funding process as outlined in section 4.

### **3. FINANCIAL IMPLICATIONS**

The council approved the Youth Activities Grant Budget for £50,000 from the Common Good Fund for the year 2011/12 at Finance and Resource Committee on 10 February 2011

### **4. OTHER IMPLICATIONS**

The current system used for applying and approving funding results in payments being made too late for activities or events to proceed. This is due to the committee cycle being so lengthy. Further problems arise with the payments systems and we have recently seen several groups still not having received funding several months after it being approved.

After discussion with the Funding Group, Officers recommend that a new system being approved:

- Applications to be accepted at any time during the year.

- Funding Group to meet on a Monthly basis, and discuss all applications.
- Senior Officers (Gail Woodcock/Linda Murray/Craig Singer) be enabled to authorise payments immediately as advised by the Funding Group.
- All decision, spending and comments to be reported to this committee **for information**.

These changes to the process would ensure that groups are able to plan within reasonable timescales and activities would take place as planned due to payments being made within a reasonable timescale.

## **5. BACKGROUND/MAIN ISSUES**

- a. Representatives from: The Aberdeen City Youth Council, the Vice Convenor of Finance and Resources, the Chair of the Aberdeen Children and Young People's Services Strategic Planning Group or their nominated representatives and one other elected member consider the applications on behalf of the Finance and Resources Committee and are known as the Funding Group.
- b. The closing date for this round of funding was 21 July 2011. The Funding Group considered the applications on 2 August 2011.
- c. **8** new applications were received for this round. It is recommended that **7** of those are funded. Appendix 1 holds the detail of applications received and the recommendations made. If council approves the applications, there will be £20,418.07 remaining. As is usual, a folder containing the full original copies of all the applications received will be available in the Members' Library. The Funding Group has also requested that a copy of all reports provided by groups, following the spending of their award, is also made available in the Members Library as and when the reports are available.

## **6. IMPACT**

The report supports priorities of a Vibrant, Dynamic and Forward Looking Aberdeen, and the Council's Partner's commitment to develop integrated services for children and young people. In the policy statement "Vibrant, Dynamic and Forward Looking" the Council sets out its aims to make Aberdeen an even better place to live and work. The Youth Activities Small Grant Funding, by promoting the involvement of young people, contributes to this aim. It links to the Strengthening Local Democracy Strategy, Getting Involved and Neighbourhood Action Challenges of the Community Plan. It also links to the Community Safety Strategy and the Action Plan for Crime Reduction.

The Youth Activities Small Grants Fund contributes positively to equal opportunities. In particular, clear positive impacts have been identified for the following groups: young people in general; young people



with disabilities both in terms of the impact of the activities funded and in terms of involving young disabled people; (there is a requirement under the Disability Equality Duty to encourage participation by people with disabilities in public life); young Gypsy/ Travellers; and Lesbian, Gay and Bisexual young people.

The Youth Activities Small Grant Funding offers young people opportunities to contribute to the life of the city and to their communities. Young people receiving funding are likely to benefit in terms of experience, confidence and skills, and therefore contribute to Single Outcome Agreement 4.

## **7. BACKGROUND PAPERS**

Appendix 1 – shows the detail of received applications and recommendations being made to committee regarding funding.

## **8. REPORT AUTHOR DETAILS**

Linda Murray  
Team Manager – Lifelong Learning  
01224 522801  
[linmurray@aberdeencity.gov.uk](mailto:linmurray@aberdeencity.gov.uk)

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Youth Activities Small Grants Round 2 - Closing Date 21 July 2011				Appendix 1
Group Name & No.	Summary of Application	Amount Requested	Decision & Comment	Amount Awarded
YAG11/17 Dyce Academy Trampoline Club	Funding requested towards the cost of trampoline and mats to start up trampolining club.	£1,500.00	Fully Fund.	£1,500.00
YAG11/18 Junior Club at YMCA	Funding requested to refurbish room for young people.	£1,500.00	Fully Fund.	£1,500.00
YAG11/19 ASN 3 Class at Bucksburn	Funding requested to buy books for enhancing learning of pupils with severe learning difficulties.	£453.00	Fully Fund.	£453.00
YAG11/20 35th Aberdeen Boy's Brigade	Funding requested for the purchase of Team Sports Kits for both older and younger boys.	£300.00	Fully Fund.	£300.00
YAG11/21 4D Social and Vocational Skills	Funding requested towards the cost of weekend residential.	£1,500.00	Fully Fund.	£1,500.00
YAG11/22 Sunrise at Danscentre	Funding requested towards the cost of travel & accommodation etc. to perform at the Royal Albert Hall.	£1,500.00	The Funding Group have decided not to fund this group.	£0.00
YAG11/23 Shazam Theatre Group	Funding requested towards the cost of running drama workshops 2 weeks of October holidays ending with the group performing a one act piece to the community of Aberdeen.	£1,500.00	Fully Fund.	£1,500.00
YAG11/24 City of Aberdeen Swim Team	Funding requested towards cost of swimming development camps so that older swimmers can teach and improve younger swimmers skills so that they can progress into COAST.	£1,500.00	The group have requested more information from these applicants. Having received the information requested, the group are happy to fully fund this group.	£1,500.00

**Total Amount Requested** £9,753.00 **Total Amount Recommended** £8,253.00

**Balance c/f after Round 1** £28,671.07 **Balance** £20,418.07

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 <sup>th</sup> September 2011
DIRECTOR	Pete Leonard
TITLE OF REPORT	Housing Revenue Account Budget Savings
REPORT NUMBER:	

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### 1. PURPOSE OF REPORT

The Finance and Resources Committee of Friday 17<sup>th</sup> June considered report H&E/11/053, which was referred from the Housing and Environment Committee of 10<sup>th</sup> May.

The report was in response to the decision made at the Council Budget Meeting for the Director to identify a one percent efficiency saving from the management and administration budget for the Housing Revenue Account (HRA) for 2011/12. The Director was to identify any implications that could potentially arise as a result of making these savings.

Both the Housing and Environment Committee and the Finance and Resources Committee agreed to the report's recommendations which were to:

- Note that meeting the £600k budget saving solely from the management and administration budget would require a staff reduction in the region of 25% and that this would have a major impact on service delivery.
- Agree to the savings identified in the paper which can be delivered without compromising service delivery
- Agree to await the outcome of the work on the HRA 30 year business plan which is being reported to H&E committee on 25<sup>th</sup> August and which will indicate a number of options where significant savings can be made.

This report provides information on progress made with the agreed savings for 2011/12. It also presents the key financial implications of the review of the 30 year HRA business plan, which were reported to the Housing and Environment Committee of 25<sup>th</sup> August 2011.

This report includes a summary of potential financial implications that may arise as a result of the changes to the welfare reform system.

## 2. RECOMMENDATION(S)

It is recommended that the committee notes the content of this report.

## 3. FINANCIAL IMPLICATIONS

Progress is being made against the £413k of identified 2011/12 budget savings. The projected year end out-turn for that part of the HRA which pertains to administration and salaries as at period 4 is £10,508k. This compares to the budget of £11,402k, equating to an indicated underspend of £894k, or eight percent.

The review of the HRA 30 year business plan demonstrates that the HRA is sustainable over the 30 year period of the plan. This is subject to a rental policy of RPIX plus one percent being maintained and that identified efficiencies are delivered over the lifetime of the plan.

## 4. OTHER IMPLICATIONS

None.

## 5. BACKGROUND/MAIN ISSUES

### **HRA efficiencies**

The Council decision of 10<sup>th</sup> February 2011 to raise rents in line with RPIX rather than the previous policy of RPIX plus 1% effectively placed a cost pressure of around £679k per annum onto the HRA account.

Officers were tasked with finding ways to offset this cost pressure.

Progress is being made against the £413k of identified 2011/12 budget savings and the projected year end out-turn for the administration costs budget line indicates a favourable year end position as indicated above.

Officers were tasked with finding an additional £600k of savings from the management and administration budget and to report to committee on the implications of such savings.

The H&E Committee of 10<sup>th</sup> May 2011 considered a paper which identified that meeting the £600k budget saving solely from the management and administration budget would require a staff reduction in the region of 25% and that this would have a major impact on service delivery. This would be at a time when the adopted strategy is to maximise the numbers of front line operational staff in order to provide an increased focus on intervention and prevention activities as well as providing improved customer service. This strategy is critical in helping

the Council to mitigate the potential impact of changes to the welfare system. The Committee agreed not to take these savings and to await the outcome of the review of the HRA 30 year business plan, which was expected to identify considerable savings over the life of the plan. The report was referred to the Finance and Resources Committee of 17<sup>th</sup> June 2011, where the recommendations were again accepted.

The Housing and Environment Committee of 25<sup>th</sup> August 2011 considered report H&E/11/200 entitled HRA Business Plan. The financial implications section of this report indicated that the review has demonstrated that the HRA is sustainable over the 30 year period of the plan. This is subject to a rental policy of RPIX plus one percent being maintained and that identified efficiencies are delivered over the lifetime of the plan.

A number of proposed efficiencies were identified over the 30 year period as follows:

- £150m from capital and revenue budgets whilst delivering the housing assets to regulatory housing standards
- Approximately £50m whilst streamlining rent structures to be more efficient and understandable for tenants
- In excess of £50m potentially through other workstreams and by applying an asset management approach to investment planning.

The Committee agreed to:

- a) Note the work that has been already undertaken and the assumptions made to validate the review process
- b) Note the efficiencies projected for this year and for the life of the 30 year plan
- c) Approve the principle areas requiring review within the programme, and
- d) Note the requirement for inter-Council collaboration.

### **Changes to welfare benefits.**

The final position regarding changes to the welfare system remains fluid and little definitive information has yet come from Westminster. Some minor concessions have been given, for example persons leaving prison, however the main thrust is unaltered.

The key proposals involve moving towards a universal benefits system, the removal of the Housing Benefits system, an underlying principle of housing allowances reducing and being available for only the accommodation a person or their family requires. This will have implications for rent collection and arrears as well as potentially our housing transfer system. Changes to rent allowances for young persons will also probably have implications for our Homeless applications.

The financial risks posed by the changes in the welfare system were a key consideration in the review of the HRA. The proposals create a level of contingency within the plan to enable it to sustain adverse cost pressures arising from these changes or any other unforeseen event or circumstances.

In anticipation of the changes to the welfare system the City Council has taken a number of steps as follows:-

- i) Rent management has transferred to Housing from Finance. This will facilitate early identification of problems arising with individual accounts and promote an early intervention approach. The culture within housing is one of supporting people to sustain a tenancy and prevent homelessness. All business processes are being rewritten to ensure that firstly all new tenants are clear about their responsibilities for rent and that they are encouraged and helped to maximise their entitlement to any benefits available.
- ii) Plans have been developed to increase the number of Housing officers to carry out home and other visits at an early stage as problems are identified. These staff will replace previous posts (currently vacant) who were office based backroom staff arranging letters etc to be issued. The new approach is in line with best practice for rent management. Importantly tenants will be encouraged to seek help early in their difficulties with an approach and culture from the Council designed to be supportive.
- iii) Work is presently underway, lead by Social Care and Wellbeing to examine the various ways in which the City contributes towards financial inclusion through welfare and benefits advice.
- iv) The increase in homeless flats available is going a considerable way to reducing the need for bed and breakfast accommodation.
- v) The development of our private sector leasing scheme is a key component in increasing supply of housing for homeless persons. For young persons who are required to share accommodation this could become significant.

## 6. IMPACT

This paper is linked to  
“Vibrant, Dynamic and Forward Looking”,  
The Aberdeen City Council Five Year Business Plan  
The Housing and Environment Five Year Business Plan  
The Aberdeen City Single Outcome Agreement

The paper will be of interest to the Council’s housing tenants.



7. BACKGROUND PAPERS

H&E/11/053 - Housing Revenue Account Budget Savings  
H&E/11/200 - HRA Business Plan

8. REPORT AUTHOR DETAILS

Pete Leonard  
Corporate Director, Housing and Environment

[pleonard@aberdeencity.gov.uk](mailto:pleonard@aberdeencity.gov.uk)

01224 (52)3899

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## ABERDEEN CITY COUNCIL

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COMMITTEE FINANCE AND RESOURCES

DATE 29 SEPTEMBER, 2011

DIRECTOR PETE LEONARD

TITLE OF REPORT: FORESTRY CONSULTANT

REPORT NUMBER: H&E/11/206

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1. PURPOSE OF REPORT

To advise the Committee on progress to secure the services of a Forestry Consultant.

2. RECOMMENDATION(S)

- (a) to note the content of the report; and
- (b) to note that the expenditure associated with this contract is estimated between £350,000 and £750,000.

3. FINANCIAL IMPLICATIONS

There are no costs to the Council with this appointment. The terms of the Contract state that the successful consultant will generate funding to realise major projects such as Tree For Every Citizen whilst at the same time meeting their own costs from these funding streams.

Such streams of revenue are Grants, marketing and selling of timber.

4. OTHER IMPLICATIONS

The role is critical in assisting in-house staff meet Council objectives such as Tree For Every Citizen.

5. BACKGROUND/MAIN ISSUES

**4. 1 Background**

Aberdeen City Council currently owns approximately 400 hectares of woodland situated across the city and in 2009 embarked on Phase I of an ambitious project to implement the Council's commitment to "Plant a Tree for Every Citizen". To date the Council has planted 120,000 trees. It is projected that 90,000 trees will be planted in 2011. Securing and implementation of the City's WIAT I and WIAT II programmes, followed

by the initiation of Phase I of the Tree for Every Citizen programme, has highlighted the benefits of engaging professional forestry expertise whereby an outlay of only £5,000 by ACC has levered in funding and delivery of the order of £350K of project value to date, including the provision of management plans for the City's 400ha of woodland. Officers currently directly or indirectly involved in tree and woodland related matters needed to deliver and sustain the City's woodland objectives are operating at or near capacity within their own departmental remits.

Approval was given by Committee on 2 December 2010 to tender for specialist expertise to assist in the development, design, delivery and promotion of the future sustainable management of the Council's woodland resource at strategic and operational levels. This would make a significant positive contribution to the Council's environmental credentials and would help the Council become a national exemplar of Local Authority-owned and managed urban woodland.

The Tender documentation emphasised that the procurement by Aberdeen City Council of the specified consultancy services would be on a "no win – no fee" basis. In effect those tendering would do so on the understanding that consultancy fees and expenses would have to be met and absorbed by external grant and other funding.

#### **4.2 Progress**

After a competitive pricing /quality process, the successful consultant was accepted at the end of May. C.J. Piper and Co. scored highest on both price and non price items.

This company has had extensive experience in this type of work and has already begun preparation for the City's grant applications for both Woodlands In and Around Towns 3 and Tree For Every Citizen

## **6. IMPACT**

This report supports the Community Plan's vision for land use and the environment, namely, for Aberdeen to be a City that protects, enhances and values its environment. It aims to achieve social inclusion, sustainable development and jobs and prosperity by increasing citizen participation and commitment, improving health, improving city cleanliness and achieving sustainable land use. By doing so it supports options 12 and 14 of Aberdeen City's Single Outcome Agreement.

It also links generally to the Council's policy statement, Vibrant, Dynamic and Forward Looking, in terms of its declared intention to be an efficient Council.

## **7. BACKGROUND PAPERS**

None

9. REPORT AUTHOR DETAILS

Richard Nicholson  
Arboricultural Officer  
Tel 07802 332 642

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan - Process for Considering Requests to Acquire Property at less than Market Value
REPORT NUMBER:	EP/11/245

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### 1. PURPOSE OF REPORT

The report advises of the implementation of the Disposal of Land by Local Authorities (Scotland) Regulations, which regulates how local authorities can dispose of property for less than best consideration. It details how these Regulations should be managed by the City Council.

### 2. RECOMMENDATION

It is recommended that the Committee approves the processes detailed in the Report for the consideration of requests to dispose of property at less than market value by both external parties and public sector partners.

### 3. FINANCIAL IMPLICATIONS

There are no financial implications generated by this specific report

### 4. OTHER IMPLICATIONS

There would be an increase in work load within the Asset Management Teams in managing the new processes and undertaking the appropriate Option Appraisals, although this cannot be quantified at the present time.

## 5. BACKGROUND/MAIN ISSUES

The Finance & Resources Committee at its meeting on 10 December 2010 during consideration of a report to lease a site to Nether Loirston Growers Association instructed the following:-

“to instruct the Head of Asset Management and Operations (1) to carry out further investigations in relation to the transfer of assets to community groups, and the use of powers under ‘The Disposal of Land by Local Authorities (Scotland) Regulations 2010’; and (2) to include his findings in the 2011 Property Asset Management Plan Update.”

Historically local authorities had to dispose of property in accordance with the Local Government (Scotland) Act 1973 i.e. best financial consideration (which usually meant at Market value) unless with the Scottish Government’s expressed consent. There was however no guidance available to either party to determine how a request to dispose of a property at less than market value was to be evaluated.

Section 11 of the Local Government (Scotland) Act 2003 amended the 1973 Act, allowing local authorities to sell property at less than best consideration without the need for further Ministerial approval. This provision was never enacted due to the lack of regulatory detail. Such detail was provided by the publication of the Disposal of Land by Local Authorities (Scotland) Regulations, which came into force on 1 June 2010.

The Act applies to every disposal of an interest in land, including:-

- Sale or lease (including an option)
- Whether land is sold on the open market or privately
- Whether internal or external consultants used

The Guidance Note (attached as Appendix 1) indicates that authorities should take cognisance of the following when considering a disposal at less than best consideration:-

1. A plan and/or written description of the site and buildings, its physical characteristics, location and surroundings.
2. Details of the current use of the land.
3. The best consideration that can reasonably be obtained for the interest as assessed by a qualified valuer (i.e. a valuer who is chartered Member of, or is authorised to practice by, the Royal Institution of Chartered Surveyors) and the date that this assessment was obtained.
4. Details (where applicable) of the key terms and any restrictions imposed by the authority regarding the disposal, including any clawback provisions.



5. Details about the purchaser: name of the person or organisation, aims and objectives, Board or governance structure, how it is funded and whether charitable status is held etc.
6. An outline of what the purchaser intends to do with the land and whether there has been involvement of local people/service users.
7. A copy of the most recent accounts (if available) or written evidence that the purchaser is financially able to maintain, renovate, etc. the land to be disposed of or leased.
8. Details of the options appraisal and cost/benefit analysis carried out by the local authority including any alternative use for the land, (e.g. a copy of the options appraisal report and Committee/Council decision/Minute).
9. Details of the inclusion of the proposed land disposal within the authority's Asset Management Plan.
10. Details of how the disposal at less than best consideration that can reasonably be obtained, will contribute to one or more of the purposes set out in regulation 4(2) of the Regulations (including economic development or regeneration, health, social well being, and environmental well being).
11. An indication of the local demand for these services and details of any known opposition or support for the proposal and the measures (if applicable) taken by the authority to deal with the opposition.
12. Confirmation the disposal complies with the European Commission's State aid rules.
13. When using arms length organisations to deliver services, information on the reviews and option appraisals taking account of the COSLA/Accounts Commission Code of Guidance on funding external bodies and following the public pound.

Within the Scottish Government's Guidance to all organisations covered by the Scottish Public Finance Manual on the Acquisition of Property

([www.scotland.gov.uk/Topics/Government/Finance/spfm/property](http://www.scotland.gov.uk/Topics/Government/Finance/spfm/property))

there is a requirement that an Option Appraisal consistent with the UK Treasury's [Green Book](#) must be undertaken to justify the acquisition.

This matter has been considered by the Corporate Asset Group, who at its meeting on 25 July 2011 agreed to recommend to this Committee that the following new process be followed to manage any request to dispose of property at less than market value:-

1. The process is managed by the General Manager – Asset Management;

2. Appropriate officials prepare an Option Appraisal, in accordance with the guidance;
3. The request is firstly considered by the Corporate Asset Group, who will make a recommendation on the request to the next appropriate Finance & Resources Committee.

The Public Sector Property Group has considered how the Regulation should be managed if one public sector organisation requests that another dispose of an asset at less than market value. The following process has been recommended to all its partners:-

- a) The market value is firstly determined by the current agreed Process;
- b) The acquiring authority thereafter submits an Option Appraisal to the disposing authority for consideration;
- c) The Option Appraisal must show:-
  - All linkages to the Single Outcome Agreement within the appropriate local authority's boundaries (irrespective of the parties involved);
  - The reasons why the acquiring authority cannot afford to acquire at market value, including the impact on its Capital Programme.
- d) The disposing authority must consider the request in accordance with the appropriate Regulations.

Again it is proposed that the request would be managed by the General Manager – Asset Management, reporting in the first instance to the Corporate Asset Group and thereafter to this Committee.

## 6. IMPACT

Corporate – The new process will help ensure that all requests can be shown to have been fully considered and evaluated in accordance with Best Value

Public – The process will assist the public in understanding how such requests are considered and the steps that they require should they wish to make such a request.

## 7. BACKGROUND PAPERS

Disposal of Land by Local Authorities (Scotland) Regulations 2010

## 8. REPORT AUTHOR DETAILS

Mike Duncan  
General Manager – Asset Management  
✉ [mjd@aberdeencity.gov.uk](mailto:mjd@aberdeencity.gov.uk)  
✉ 01224 52(2166)



## **Disposal of Land by Local Authorities (Scotland) Regulations**

### **General Guidance**

May 2010

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## DISPOSAL OF LAND BY LOCAL AUTHORITIES (SCOTLAND) REGULATIONS 2010 - ADDITIONAL NON-STATUTORY GUIDANCE

### INTRODUCTION

1. The purpose of this guidance is to provide local authorities in Scotland with information that will assist when considering the disposal of land in accordance with section 74 of the Local Government (Scotland) Act 1973 as amended by section 11 of the Local Government in Scotland Act 2003. It supplements the statutory guidance at Annex B.

2. This guidance is not exhaustive and does not purport to be an authoritative interpretation of the law. It remains the responsibility of each local authority to seek their own legal or other professional advice as appropriate and to remain aware of their need to fulfil their fiduciary duty in a way which is accountable to local people. Scottish Ministers' aim is to reduce the bureaucratic burden on local authorities and give local authorities the freedom to exercise their own judgment and discretion in disposing of land to best meet local needs and priorities.

3. It is a legal requirement that local authorities sell land for the best consideration that can reasonably be obtained, unless section 74(2A) applies, or the disposal is made in accordance with regulations made under section 74(2C), which are attached at Annex A. The legislation recognises that there may be circumstances where local authorities consider it appropriate to dispose of land for a consideration less than the best consideration that can reasonably be obtained. This non-statutory guidance aims to assist local authorities in applying the Regulations.

### CONSULTATION

4. Consultation took place in 2005 and again in 2007, on the draft Regulations, draft statutory "Guidance for Valuers" and non statutory guidance to assist local authorities in applying the regulations. Local authorities and other interested parties were included in the consultation and all responses have been taken into consideration.

### POWERS

*Local Government (Scotland) Act 1973: Section 74*

5. Local authorities are given power under section 74 of the Local Government (Scotland) Act 1973 (the 1973 Act) to dispose of land<sup>a</sup> in any manner they wish, subject to Part II of the Town and Country Planning (Scotland) Act 1959 and to the "best consideration" rules.

6. Section 74 applies to land held by local authorities generally but disposals of land held for housing purposes within the Housing Revenue Account require additional consent from the Scottish Ministers under section 12 of the Housing

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<sup>a</sup> As defined in section 235(1) of the Local Government (Scotland) Act 1973: "Land includes land covered with water and any interest right or servitude in or over land."

(Scotland) Act 1987. Section 12 consent is not required for houses, which are exempt from section 74 if section 14 of the 1987 Act has effect in relation to them (see section 12(7)).

*Local Government in Scotland Act 2003: Section 11*

7. Section 11 of the Local Government in Scotland Act 2003 amends section 74 of the 1973 Act and sets out that the Scottish Ministers may, by regulations, provide the circumstances in which local authorities may dispose of land for a consideration less than the best consideration that can reasonably be obtained.

*The Disposal of Land by Local Authorities (Scotland) Regulations 2010*

8. The Disposal of Land by Local Authorities (Scotland) Regulations 2010 come into force on 1 June 2010. The regulations are at Annex A.

9. The procedure applies to every disposal of an interest in land including but not limited to sale or lease, or grant of a servitude or other interest over land. It applies whether the disposal is managed on the open market or by private treaty or dealt with internally or by external consultants.

*Local Government (Scotland) Act 1973: Section 74 – statutory guidance*

10. In determining the best consideration that can reasonably be obtained, the local authority must obtain a valuation report from a suitably qualified valuer. Statutory Guidance, issued under section 74 of the Local Government (Scotland) Act 1973 (attached at Annex B), provides guidance on what are suitable qualifications for a valuer and what factors are to be taken into account by the valuer in their valuation.

## **GENERAL CONSIDERATIONS**

11. Regulation 4(2) sets out purposes in pursuance of which a decision by a local authority that it is appropriate to dispose of land at less than best consideration that can reasonably be obtained might be justified. The Regulations require that local authorities, before deciding in favour of such disposal, appraise and compare the costs and other disbenefits and benefits of the proposal. In so doing local authorities should undertake an assessment of the proposed disposal taking into account all relevant factors, all available options and all relevant information. It is recommended that local authorities demonstrate that there has been a rigorous evaluation, supported by evidence that makes clear how they have reached their decision.

12. Local authorities are, of course, required to fulfil their statutory duties under Best Value as set out in the Local Government in Scotland Act 2003. The Land Disposal regulations are consistent with this duty to secure Best Value, and relevant aspects of this duty include:

- Making the best use of public resources, including land and property;
- Being open and transparent in transactions;

Ensuring sound financial controls are in place to minimise the risk of fraud or error;

Assessing the full financial consequences of decisions at an appropriate level before major financial decisions are taken or commitments entered into;

Demonstrating responsiveness to the needs of communities, citizens, customers and other stakeholders, where relevant.

13. All local authorities should have arrangements in place, including schemes of delegation where appropriate, to deal with disposals of land at less than best consideration.

14. Local authorities are expected to be open, transparent and fair in all of their transactions. For example should the local authority hold an open competition for land where they would accept a lower offer for a 'social use', the expectation is that the authority have made reasonable efforts to let potentially interested parties know.

15. Annex C of this guidance provides an example of the criteria local authorities might wish to draw on when assessing a proposed disposal.

## **VALUATION**

16. For the purposes of assessing the value of a sale, lease or other disposal, local authorities are required to have regard to the Statutory Guidance on the duty to appoint and instruct a suitably qualified valuer. Local authorities should consider whether or not it would be prudent, particularly in high value cases, to seek an independent valuation to provide an additional level of assurance.

## **OTHER CONSIDERATIONS**

### *EC State Aid rules and procurement issues*

17. Local authorities are reminded that all disposals must comply with the European Commission's State aid rules. The Commission's Communication on State aid elements in sales of land and buildings by public authorities (97/C 209/03) provides general guidance on this issue.

18. When disposing of land at less than best consideration that can reasonably be obtained, local authorities are viewed to be providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the development. Where this occurs, authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the disposal process. Failure to comply with the rules means that the aid granted is viewed as unlawful and may result in the benefit being recovered with interest from the aid recipient.

*Example*

19. If local authorities decide that the best way to deliver their services is by using arms-length external organisations, for example a trust or a Charitable Company Limited by Guarantee (CCLG), they would need to strike a careful balance between potentially conflicting requirements associated with European Union (EU) procurement; principles of charity law; issues associated with State aid; and the need to demonstrate that there would be a supply of services by the arms length organisation to the authority for VAT purposes.

*Key principles*

20. It is considered that there are two strands of EU law by reference to which the arrangements relating to the supply of services by a CCLG to an authority could be regarded as outwith the scope of EU procurement requirements:

- The principles arising from the Altmark case – as relating to the provision of services of general economic interest; and
- The principles established through the Teckal case – which allow a contracting authority to enter into arrangements for the supply of services by a body controlled by that authority, providing certain requirements are met.

**IMPORTANT: This is only intended as useful general guidance and is not of any legal effect. Local authorities will need to obtain their own legal advice on these issues if this is required, for the particular circumstances involved.**

21. Scottish local authorities may obtain general advice and guidance on Procurement Procedures and EC State Aid Rules by contacting **the Scottish Government’s Procurement Policy & Best Practice Team or the State Aid Unit.**

*Crichel Down Rules*

22. If the land has been acquired by or in the shadow of compulsory purchase powers The Crichel Down Rules<sup>a</sup> (which the Government has commended to Councils state that the asset has to be offered back to the owner at market value (best price reasonably obtainable, including any special value<sup>b</sup> from a person with a special interest, such as a former owner).

*Housing Revenue Account*

23. It should be noted land or other assets held on the Housing Revenue Account (HRA) will still require the consent of the Scottish Ministers under section 12 of the Housing (Scotland) Act 1987, though as set out in paragraph 6 disposals of houses

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<sup>a</sup> The Crichel Down Rules apply to land which was acquired by, or under a threat of, compulsion by government departments. Any surplus property is to be initially offered to the former owner at open market value in advance of open marketing. The Government has commended these rules to councils [See *Circular 38/1992: Disposal Of Surplus Government Land - The Crichel Down Rules*].

<sup>b</sup> Special Value – an amount above the market value that reflects particular attributes of an asset that are only of value to a special purchaser



are treated differently in that section 74 does not apply to them. Applications seeking Ministerial consent for disposals held on the HRA should be sent to the Scottish Government, Housing and Regeneration Division, Social Housing, Area 1-H South, Victoria Quay, Edinburgh, EH6 6QQ.

**Annex A**

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SCOTTISH STATUTORY INSTRUMENTS

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**2010 No. 160**

**LOCAL GOVERNMENT**

**The Disposal of Land by Local Authorities (Scotland) Regulations  
2010**

*Made* - - - - - *20<sup>th</sup> April 2010*

*Laid before the Scottish the Scottish Parliament* *21<sup>st</sup> April 2010*

*Coming into force* - *1 June 2010*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 74(2B), (2C) and (2D) of the Local Government (Scotland) Act 1973(a) and all other powers enabling them to do so.

In accordance with section 74(2H) of that Act, they have consulted with such associations of local authorities and such other persons as they have thought fit.

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and shall come into force on 1st June 2010.

**Threshold amount and marginal amount**

2.—(1) The threshold amount for the purposes of section 74(2A)(a) of the Local Government (Scotland) Act 1973 is £10,000.

(2) The marginal amount for the purposes of section 74(2A)(b) of that Act is 25% of the best consideration that can reasonably be obtained.

**Procedure**

3.—(1) The procedure for a disposal of land for a consideration less than the best that can reasonably be obtained is as follows.

(2) The local authority must –

- (a) appraise and compare the costs and other disbenefits and the benefits of the proposal; and
- (b) determine that the circumstances set out in regulation 4 are met.

**Circumstances**

—4 The circumstances in which a local authority may dispose of land for a consideration less than the best that can reasonably be obtained are that—<sup>a</sup>

- (c) the local authority is satisfied that the disposal for that consideration is reasonable, and

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(<sup>a</sup>) 1973 c.65; subsections 2(A) to (2H) were inserted by the Local Government in Scotland Act 2003 asp 1, section 11(1)(b)

(d) the disposal is likely to contribute to any of the purposes set out in paragraph (2), in respect of the whole or any part of the area of the local authority or any persons resident or present in its area.

(3) Those purposes are the promotion or improvement of–

- (a) economic development or regeneration;
- (b) health;
- (c) social well-being; or
- (d) environmental well-being.

(3) In this regulation, references to “well-being” are to be construed as for the purposes of section 20 of the Local Government in Scotland Act 2003(a).

*JOHN SWINNEY*

A member of the Scottish Executive

St Andrew’s House,  
Edinburgh  
20<sup>TH</sup> April 2010

(a) 2003 asp 1

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations make provision in relation to the disposal by local authorities of land, for a consideration less than the best that can reasonably be obtained.

Under section 74 of the Local Government (Scotland) Act 1973 (“the 1973 Act”) in its original form, a local authority required the consent of the Scottish Ministers (formerly of the Secretary of State) to dispose of land for a consideration less than the best that can reasonably be obtained.

The interpretation of “land” in the 1973 Act is that it includes land covered with water and any interest, right or servitude in or over land.

Section 74(2A), permits disposals at less than best consideration where either the best consideration that can reasonably be obtained is less than the threshold amount, or the difference between that consideration and the proposed consideration is less than the marginal amount. Regulation 2 sets the threshold amount at £10,000 and marginal amounts at 25% of the best consideration.

Regulation 3 provides that a disposal for a consideration less than the best that can reasonably be obtained may take place where the local authority has carried out an appraisal of the proposed disposal, and the circumstances in regulation 4 are met.

Regulation 4 provides that the disposal may take place if the local authority is satisfied that the disposal is reasonable and that the disposal contributes to one or more of a list of purposes in paragraph (2).

## **Annex B**

[Statutory Guidance on the Duty to Appoint a Suitable Qualified Valuer]

### **LOCAL GOVERNMENT SCOTLAND ACT 1973 – SECTION 74 DISPOSAL OF LAND BY LOCAL AUTHORITIES (SCOTLAND) REGULATIONS 2010**

## **The Guidance**

**Statutory Guidance issued under section 74 of the Local Government (Scotland) Act 1973, as amended by section 11 of the Local Government in Scotland Act 2003.**

**The duty to appoint and instruct a suitably qualified valuer to determine the value of best consideration for land and the factors to be taken into account, or not to be taken into account, in undertaking that valuation.**

### **1. Introduction**

1.1 This guidance is issued by Scottish Ministers under section 74 of the Local Government (Scotland) Act 1973, as amended by section 11 of the Local Government in Scotland Act 2003. It is the duty of a local authority to have regard to this guidance in appointing and instructing a suitably qualified valuer for the purposes of assessing the best consideration that can reasonably be obtained by a local authority. This provides guidance on what are suitable qualifications for a valuer and what factors are to be (or not to be) taken into account by the valuer in assessing the consideration.

1.2 The Guidance and Regulations issued under section 74 (as amended) are relevant to local authorities, i.e. councils constituted under section 2 of the Local Government etc (Scotland) Act 1994

### **2. A Suitably Qualified Valuer**

2.1 When determining the best consideration that can reasonably be obtained for land that may be disposed of for less than best consideration local authorities should appoint and instruct a valuer who is a chartered Member of, or is authorised to practice by, the Royal Institution of Chartered Surveyors (RICS). The valuer should be suitably experienced in the valuation of the type of property concerned and with a reasonable knowledge of the locality concerned.

### **3. Factors to be taken into account when assessing best consideration**

3.1 When assessing best consideration that can reasonably be obtained, in respect of the relevant land or interest in land, the valuer, should take into account the requirements of the latest edition of the RICS Valuation Standards (“The Red Book”).

## Annex C

### **EXAMPLE OF THE CRITERIA FOR CONSIDERATION WHEN MAKING AN ASSESSMENT OF A PROPOSAL TO DISPOSE OF LAND FOR LESS THAN BEST CONSIDERATION THAT CAN REASONABLY BE OBTAINED.**

Under Best Value obligations, local authorities are expected to demonstrate sound governance at a strategic, financial and operational level. The following criteria may be of help to a local authority in drawing up their assessment of a proposed disposal at less than the best consideration that can reasonably be obtained. This is a guide only and the local authority will want to determine what is appropriate and proportionate in each case.

1. A plan and/or written description of the site and buildings, its physical characteristics, location and surroundings.
2. Details of the current use of the land.
3. The best consideration that can reasonably be obtained for the interest as assessed by a qualified valuer (i.e. a chartered Member of, or is authorised to practice by, the Royal Institution of Chartered Surveyors) and the date that this assessment was obtained.
4. Details (where applicable) of the key terms and any restrictions imposed by the authority regarding the disposal, including any clawback provisions
5. Details about the purchaser: name of the person or organisation, aims and objectives, Board or governance structure, how it is funded and whether charitable status is held etc.
6. An outline of what the purchaser intends to do with the land and whether there has been involvement of local people/service users.
7. A copy of the most recent accounts (if available) or written evidence that the purchaser is financially able to maintain, renovate, etc. the land to be disposed of or leased.
8. Details of the options appraisal and cost/benefit analysis carried out by the local authority including any alternative use for the land, (e.g. a copy of the options appraisal report and Committee/Council decision/Minute).
9. Details of the inclusion of the proposed land disposal within the authority's asset management plan.
10. Details of how the disposal at less than best consideration that can reasonably be obtained, will contribute to one or more of the purposes set out in regulation 4(2) of the Regulations.

11. An indication of the local demand for these services and details of any known opposition or support for the proposal and the measures (if applicable) taken by the authority to deal with the opposition.
12. Confirmation the disposal complies with the European Commission's State aid rules.
13. When using arms length organisations to deliver services, information on the reviews and option appraisals taking account of the COSLA/Accounts Commission Code of Guidance on funding external bodies and following the public pound

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	PAMP – Surplus Property Procedure
REPORT NUMBER:	EPI/11/248

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### 1. PURPOSE OF REPORT

The following report is intended to advise Members of problems encountered in the current processes with the sale of surplus properties, as identified by operational staff and Internal Audit. The Report aims to re-enforce the role of the Corporate Asset Group in managing such properties whilst identifying solutions to the problems identified. Finally the Report seeks to have a revised procedure approved which clearly identifies responsibilities for each part of the process in a clear and transparent manner.

### 2. RECOMMENDATION

It is recommended that the Committee approve the Surplus Property Procedure and instruct the Head of Asset Management and Operations to oversee its implementation at the earliest opportunity.

### 3. FINANCIAL IMPLICATIONS

The main aspects of the Report relate to procedural items and, as such, there are no immediate Capital or Revenue implications. This said, a procedure which reduces the time taken to identify surplus property, and in turn realise its value, will create both capital and revenue savings. The key financial decision, to accept an offer for a property, will still (outwith delegated levels) require the consent of the Finance and Resources Committee.

### 4. OTHER IMPLICATIONS

There are no other identified implications outwith those highlighted in the report.

### 5. BACKGROUND/MAIN ISSUES

## Background

The Internal Audit Report on Capital Investment (March 2011) identified a number of recommendations to improve the service. Amongst the recommendations were the following:-

### **Vacant Properties**

**Findings** – We identified lengthy periods of time in declaring two properties surplus to requirements after they had been vacated.

**Specific Risk** – Failure to achieve timely reductions in revenue expenditure and receive capital receipts promptly.

**Risk rating** – High

**Recommendations** – A target Timescale for declaring properties surplus after vacating should be established. The target should be based on the tasks required prior to any decision on future usage.

Progress made in declaring a property surplus should be submitted to each CAG (Corporate Asset Group) meeting with explanations provided where target timescales are not met.

**Management Response:** Agreed

**Responsibility:** Head of Asset Management and Operations

**Implementation Date:** 30 April 2011.

The initial recommendations in relation to properties being reported to the CAG has been established.

The recommendation along with a general frustration amongst officers in relation to the time taken to realise receipts from buildings has, however, led officers to look at the entire surplus property and disposal procedures with a view to identifying the parts of the process where avoidable delays are being encountered.

In recent months further risks in relation to vacant properties have been exacerbated by what appears to be targeted theft / asset stripping of metals and other building materials from vacant Council and private sector properties. Whilst not eliminating the problem, a more streamlined procedure reducing the time properties are vacant reduces this risk.

## Blockages

### **Service declaring property surplus**

For a number of reasons there can be significant delays between a Service vacating a property and the property being formally declared surplus. This can include a small part of a property remaining

operational, the property being 'mothballed', the surplus procedure being ignored or the property being held for a long term strategic aim (effectively land/ building banking).

Within the existing procedures, Asset Management do not commit any time or resource until buildings are formally declared surplus, as, in a number of instances, significant abortive works have been undertaken.

### **Committee Reporting**

Currently a property requires to be reported to Committee on four separate occasions between being vacated and a preferred bidder being selected. These are:-

1. Service Committee – Property declared surplus to service
2. F+R - Service Committee Report is passed to F+R in same cycle passed to Asset Management to circulate to other Services and report back with recommendations.
3. F+R – Asset Management report on outcome of circulation to Services, public sector property group and suggestions on next steps.
4. F+R – Asset Management Report on offers received at closing dates.

In general terms, reports have to be provided 6 weeks in advance of the Committee meeting and it may take up to two weeks to consider the issue, draft a report and circulate to officers (say 2 months). Accordingly the time added to the process with committee reports, assuming actions fall neatly within the Committee schedule is about 7 months.

Efforts are made to merge Reports 2 and 3 where possible and when there is advanced notification from the Service.

In addition, in recent cycles, draft reports have been circulated at stage 4, prior to closing dates with the final recommendations being added prior to Reports being finalised after the pre-agenda meeting (a number of reports have followed this pattern in this cycle). This allows a closing date to be held closer to the actual Committee, reducing the time a potential purchaser has to wait on a decision. This can, however, only be considered with the more straightforward transactions where clean uncomplicated efforts are envisaged.

### **Marketing Period**

The length of marketing period is dictated in most instances by the Committee cycle, market conditions and the type of property. There is limited scope to reduce marketing periods and still be comfortable in achieving best value.

## **Property Transaction Protocol (PTP)**

The PTP was introduced in 2009 in response to a recommendation made within an Audit Scotland Report, seeking 'sign off' from the Section 75 officers at various stages in the sales process. PTP's are separate customised forms which, depending on the project, would be prepared at the following stages:-

1. Authority to discuss a Council owned property with a 3<sup>rd</sup> party. This has until restructuring also created a report to the F+R Committee. (Within the Council's Delegated Powers the Head of Asset Management has authority to discuss all Council land with 3<sup>rd</sup> parties).
2. A PTP2 will be completed and signed by the section 75 officers in advance of any Report on the acquisition or disposal of land going to Committee. This is in addition to the Section 75 officers being consulted on the report. The time taken to prepare these forms and circulate for signature adds an administrative burden further complicated when efforts are made to reduce the time between closing dates and Committees.
3. A PTP3 is completed and signed off by the section 75 officers post Committee to sit alongside the formal instruction to legal to conclude any transaction. The time taken to have these signed can vary between 2 to 3 days and 3 to 4 weeks depending on circumstances, creating a delay in conclusion of transactions.

The PTP system is envisaged as ensuring that the statutory officers are involved in and aware of property acquisitions and disposals and Committee instructions are implemented. They merely advise that procedures have been followed. Any view on best value does however lie with an appropriately qualified valuer, currently either the General Manager – Asset Manager or the Property Estates Manager.

## **Legal Timeframe/ Planning**

The timescale to conclude transactions are generally longer than officers would like. The conclusion of any transaction includes not only prioritisation within the Council's Legal team but co-operation and urgency from solicitors acting for purchasers. Officers also suspect that many purchasers deliberately delay conclusion for cash-flow/ funding reasons. Within the current procedure, it is morally difficult for the Council to get heavy-handed on timescales at the early stage of transactions when the purchasers solicitor may have waited up to 8 weeks from closing date for a decision.

In many transactions the offer providing best value to the Council is one where suspensive conditions in relation to planning are contained within offers. This generally leads to a delay of between 8 and 12

months depending on the complexity and issues with the site. A timetable is built into any qualified acceptance.

### **Revised Procedures/ Solutions**

The main focus in the proposed revised procedures is to make discussion around the vacating of property and its future use a key feature of the Corporate Asset Group (CAG). The remit and role of the CAG is attached as appendix 1

### **Service declaring property surplus**

The responsibility for all vacant property within each service will lie with the Services Representative (normally one of the Heads of Service) on the CAG. They will report on each property to be vacated to the CAG at the next available meeting, in advance of closure. Within the Asset Management Team the UNIFORM database allows the easy creation of a vacant/ surplus property report which will be issued to each CAG to discuss the status and progress of each property. This will form the basis of a Report to each Finance and Resources Committee where the status of each property will be made clear to elected members.

For the purposes of the Vacant Property Report it is considered that a property will be vacant when the main operational use of the property has ceased. If ancillary uses remain it will be for the CAG to determine future use. CAG will also be authorised to instruct the Estates Team to take forward disposals plans for properties, who in turn will instruct the Legal Team as required.

### **Committee Reporting**

The basis of the proposed approach is that the status of each vacant property is presented to each cycle of the Finance and Resources Committee. Within this all encompassing report key stages in the process will be brought to the attention of the F+R Committee such as, the property being surplus to operational requirements, property being formally marketed. These decisions will have been scrutinised in advance by the CAG.

Consideration has been given to whether final decisions on sale can be delegated to officers, assuming market value is achieved. This could significantly shorten the period between offers being received, a preferred bidder being notified and legal instructed. A view has been taken that the decision on who to sell a property to and at what price should rest with elected members albeit with a clear recommendation from officers.

The other potential time delay relates to Services and Service Committees declaring assets surplus. It is considered all assets are a Corporate resource and accordingly once the building is vacated it

should pass from the Service to the CAG without a need for the Service Committee approval. This would require a change to Standing Orders. Rather than change Standing Orders the proposed solution depends on how the asset comes to be surplus:-

- If property is declared surplus as part of the Service Asset Management Plan (SAMP) do not require to be declared surplus again by the Service Committee .
- Where a property is closed and not part of the SAMP, any Committee Report in relation to this should automatically declare the property surplus unless the Service has an alternative use and budget for that use.
- Where no Committee Report is required to vacate the premises the service will have to demonstrated to the CAG that they have an alternative budget and use, otherwise a Report will be presented to the next Service and F + R Committee declaring the property surplus.

### **Marketing Period**

Whilst properties are being marketed ongoing discussions take place between officers and our marketing agents with regard to appropriate marketing periods. These vary depending on type of property/ level of market activity/ complexity of sale. Closing dates will be continue to be set only when it is felt 'best value' can be achieved.

### **Property Transaction Protocol**

The property transaction protocol has in practice created time delays in key stages of the process, mainly of an administrative nature. A trial has been undertaken in trying to merge PTP sign off with other instruction forms, to avoid duplication, however whilst reducing the administration it is still deemed to unnecessary add time to the sale process.

It is proposed that the PTP process is abandoned and replaced with the following measures:-

PTP1 – process abandoned altogether as without prejudice discussion over land lie with the delegated powers of the Head of Asset Management and Operations.

PTP2 – Rather than a separate sign off being in place statutory officers are asked to sign a copy of the final Committee Report to evidence that they are satisfied with the recommendations (they have always been a consultee).

PTP3 – If the Committee approves recommendations in full, without any amendment or alteration no further sign off is required. If recommendations change the Instruction to legal (Property Transaction) should be countersigned by the Statutory Officers.

## **Legal Timeframe/ Planning**

By quickening other elements of the timeframe it will be easier for Officers to push purchasers into acting quicker when instructions are in place.

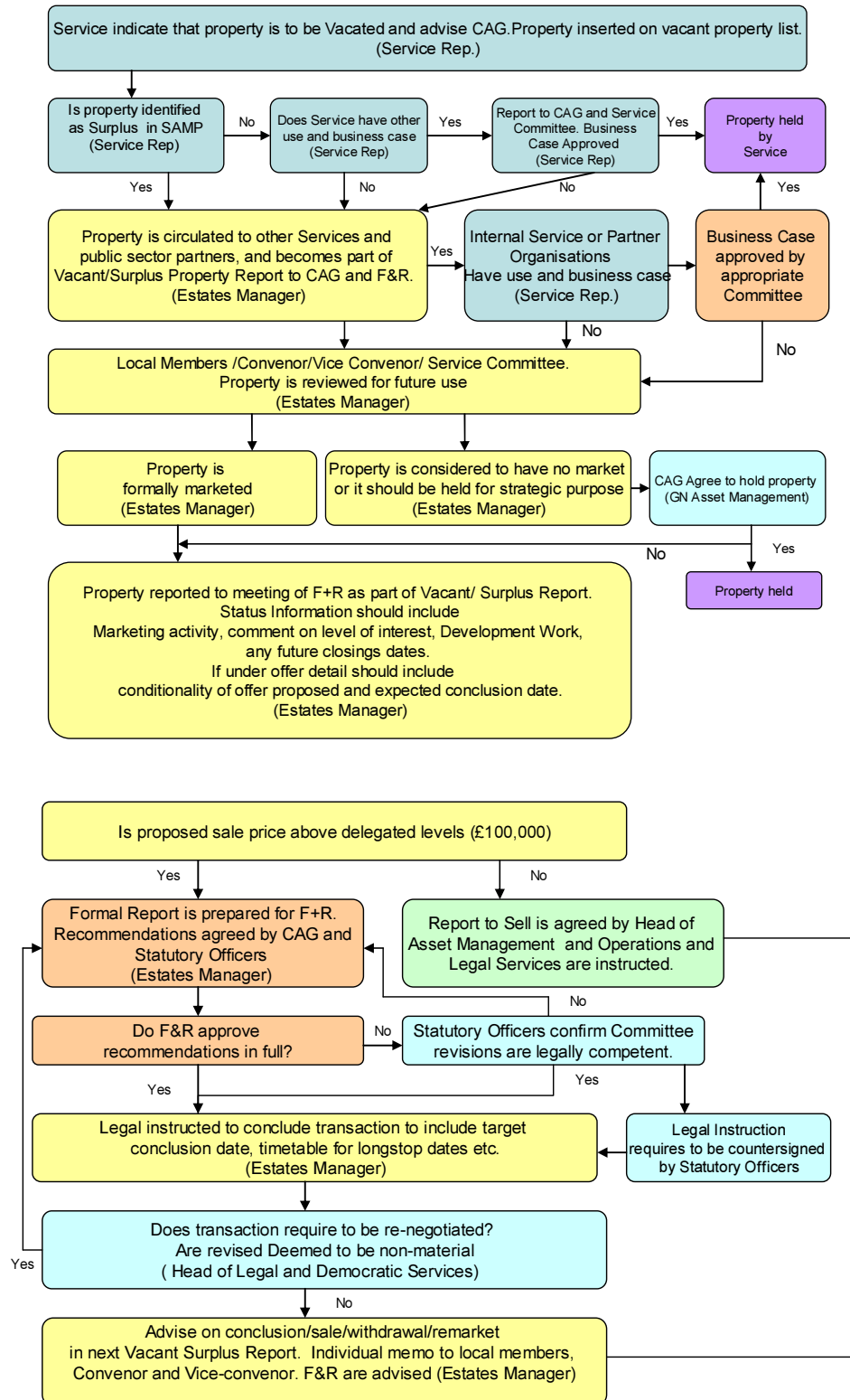
A revised system of case allocation is being agreed between Asset Management and Legal and Democratic Service, which will involve a designated legal case officer being appointed earlier (prior to marketing rather than after Committee decisions) which will allow earlier dialogue with successful bidders. A clear agreement on the level of service and associated timescales is also being discussed.

Asset Management Officers also accept that in some instances it is in the Council's best interests to withdraw from potential sales and either re-market properties, or enter dialogue with unsuccessful bidders rather than spend significant time in legal discussions with preferred bidders.

In many instances offers for sites are made subject to planning for an enhanced or alternative use. It is often in the Council's best interest to accept these offers in the knowledge that this may extend the time taken deliver a receipt by up to 12 months. In some instances sites are sold with planning briefs to assist developers and enable matters to progress quicker post closing dates. Consideration has been given to the Council applying for planning for say a residential use in advance of marketing. This however incurs additional costs and in many ways relies on the Council second guessing the needs of a developer. It is proposed that planning strategy continues to be considered on a case by case basis. Any offers subject to planning should have an agreed timescale for key actions and a missive being concluded.

Taking the above factors into account the following revised procedure is proposed.

## Proposed Surplus Property Procedure



### Additional Information

SAMP – Service Asset Management Plan  
 CAG – Corporate Asset Group  
 NEPG – North East Property Group  
 F&R – Finance and Resources Committee



## 6. IMPACT

Corporate – Within the single Outcome Agreement there is a requirement for the Council to make the best use of all resources a streamline surplus property and sales procedure helps achieve this.

Public – Any issue regarding the sale of Council Assets is likely to be considered newsworthy given the history surrounding land sales in both Aberdeen and other Local Authorities.


It is not considered that an Equality and Human Rights Impact Assessment is required for this report.


## 7. BACKGROUND PAPERS

Appendix - Corporate Asset Group – terms of reference

## 8. REPORT AUTHOR DETAILS

Stephen Booth, Property Estates Manager

 [stbooth@aberdeencity.gov.uk](mailto:stbooth@aberdeencity.gov.uk)

 01224 52(2675)

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## APPENDIX 7

The Corporate Property Group on 7 April 2008 agreed that the terms of Reference for the Group should be:-

- 1) Developing, reviewing and updating the Corporate Asset Management Plan and Service Asset Management Plans.
- 2) To translate Service implications from Corporate Aims, Transformation Programmes and Service Plans into the AMP process to ensure the development of Service Asset Management Plans and a Corporate Asset Management Plan.
- 3) Monitoring attainment of Service outputs.
- 4) Defining the property review programme, the parameters for each review and making recommendations on the outcomes.
- 5) To produce annual out-turn Reports which include Performance Indicators and benchmarking for a range of property projects and programmes to the Resources Management Committee.
- 6) To assist in the preparation of annual property reports, with appropriate recommendations to the Resources Management Committee.
- 7) Assist in advising on the prioritisation of capital projects.
- 8) To present Corporate Asset Management Plan and other appropriate issues to the Resources Management Committee for consideration.
- 9) Identifying and promoting multi-use of buildings, home working, hot desking and other space saving initiatives with a view to reducing property costs associated with service delivery including joint initiatives with other public sector partners.
- 10) Obtaining feedback from projects/stakeholders and the AMP process to facilitate continuous improvement.
- 11) Raising the profile of Asset Management and associated good practice.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan Update 2011
REPORT NUMBER:	EPI/11/244

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### 1. PURPOSE OF REPORT

Update members of the progress made since the approval of the Property Asset Management Plan in 2009 and the subsequent update in 2010.

### 2. RECOMMENDATION

That the Committee approves the Property Asset Management Plan Update 2011.

### 3. FINANCIAL IMPLICATIONS

There are no immediate financial implications flowing from this Report.

### 4. OTHER IMPLICATIONS

Staff resources will have to be identified to undertake the detailed property reviews. All other work associated with the PAMP will be undertaken by the Asset Management Team.

### 5. BACKGROUND/MAIN ISSUES

The Council's first Property Asset Management Plan (PAMP) was approved by the Resources Management Committee in June 2009. It was subsequently updated and approved by this Committee in September 2010. It is recommended good practice to update the PAMP every year. This ensures elected members are kept informed on progress and helps refocus attention on key areas. This update identifies key areas of progress since 2010 as well as highlighting areas for development.

The attached shows the completed Property Asset Management Update 2011. This document was presented at a meeting of the Corporate Asset Group meeting on 29 August and subsequently

approved, with minor alterations. The document will also approved at CMT on 15 September. Some of the key points/findings from the PAMP Update are as follows:-

### Objectives & Priorities

Those stated in the 2009 PAMP remain active and are restated below, with some appropriate amendments, including the need for all property reviews to consider the implications of the Priority Based Budget exercise.

### Current Asset Management performance

- 82% of operational assets are rated as suitable – Decrease
- 89% of operational assets are in satisfactory or good condition - Improvement
- 72% of operational assets are in both suitable and in satisfactory/good condition – Improvement
- 86% of operational assets are publicly accessible - Improvement
- There is £66 million of required maintenance in our operational assets, equating to £122 per sqm - Improvement

### Key Challenges & Achievements

Challenges – The most significant challenges are financial, with a reduction in the Council's General Services Capital Programme and the continued revenue pressures making effective Asset Management very challenging.

Achievements – These include the completion of the 3R's project and the opening of Marischal College. Improvements across a number of key performance indicators and the completion of Service Asset Management Plans for all Services.

### Delivery Arrangements

During 2010/11 Asset Management has become more embedded within the Council's corporate structure with the recognition of the importance of the Corporate Asset Group, and the importance of this Group in the management of the Capital Programme. Furthermore the Group has been instrumental in supporting all Services to develop Service Asset Management Plans, which will allow Services to understand how properties assist in the delivery of their services.

Services have developed their Service AMP's using the abbreviated SAMP as recommended in the 2009 PAMP. They have all been approved by the relevant Service Committee and are being used in asset management decision making processes.

A new structure for the future delivery of Asset Management was approved in April 2011 and has now been implemented. The structure brings together the Estates Service, Fleet Services, Asset & Capital Management and the management of the Tenanted Non Residential Portfolio (TNRP).

### Investment Planning

For the current and forthcoming financial year the review of capital projects is being linked with the Priority Based Budgets project and the 5 Year Business Plan. The timetable for this year is:-

<b>Report</b>	<b>Key dates</b>
Discussions with Directors / Key Members	June
Completion and submission of Capital Pro forma to SMTs	August
Submission of Capital Business Case to the Corporate Asset Group	October
Report to CMT	October / November
Report to Council as part of overall budget setting process	December
CMT	Monthly

In the financial year 2010/11 there was no set target for capital receipts given the level of market activity. £1,430,986 was generated for the General Services Account through sales on the open market with a further £2,597,00 through transfers of surplus assets to the Housing Revenue Account. A further £103,000 was generated in receipts for the City Improvement Fund.

The target for the General Services Account in 2011/12 is £6.735 million. Current projections indicate that we are on target to achieve this. However, there is one significant Receipt that accounts for almost 50% of the projected £6.735 million total. The timing of the conclusion of this receipt has a significant impact on the overall Capital Programme and will require to be carefully monitored and managed.

### Performance Management

Education Culture & Sport completed a review of the Secondary schools with assistance from the Asset Management team. The recommendations have not been implemented to date. The provision

for Children with Additional Support Needs has been the subject of a review resulting in the identification of a requirement for a new school. A Primary School review is set to commence in 2011. Community Centres are the subject of a lengthy review which has yet to reach its conclusion.

A programme of reviews for the TNRP portfolio was established and is now at an advanced stage. Among the first grouping reviewed was the Shop portfolio, parts of which were not performing well. This review resulted in a report recommending the disposal of number of these assets which was approved by the Finance & Resources Committee on 10 February 2011. These assets are now being actively marketed, with a report on today's agenda on their possible sale.

### Key Priorities

- Expand accessibility of Corporate Asset Management System (CAMS) to all Services and specific Elected Members
- Complete Non-School Suitability Assessments
- Continue Commercial Property Review (TNRP)
- Implement Asset Management pages within the Zone and Website
- Continue Implementation of Capital Prioritisation Process
- Identification of Projects for inclusions within Condition & Suitability Programme

## 6. IMPACT

Corporate - The continued implementation of the Property Asset Management Plan will ensure that the Council is utilising its property portfolios to support Services in implementing the Single Outcome Agreement. The approved property visions and asset objectives already support *Vibrant, Dynamic & Forward Looking*. They will also be reviewed by the Corporate Asset Group to link to the 5 Year Corporate Business Plan.

Public – The continuing improvement to the Council's properties through good asset management practices will help ensure that services are being delivered from buildings that are "fit for purpose".

## 7. BACKGROUND PAPERS

Property Asset Management Plan 2009 (Non-Housing)  
Property Asset Management Plan Update 2010  
RICS: Public Sector Asset Management Guidance 2008  
CIPFA: A Guide to Asset Management & Capital Planning 2008  
Audit Scotland: Asset Management in Local Government 2009

## 8. REPORT AUTHOR DETAILS



Alastair Reid  
Team Leader – Asset Management  
✉ [alareid@aberdeencity.gov.uk](mailto:alareid@aberdeencity.gov.uk)  
☎ 01224 52(2627)

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## **Property Asset Management Plan Update 2011**

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## **1. Background**

### **1.1 Property Asset Management Plan**

- 1.1.1 The Council's first Property Asset Management Plan (PAMP) was approved by the Resources Management Committee in June 2009 and subsequently updated in 2010. Significant progress has been made across a number of areas and the staffing structure within Enterprise Planning & Infrastructure has been redesigned to support its continuing growth.

### **1.2 Context of Update**

- 1.2.1. It is recognised as good practice to update the Property Asset Management Plan on an annual basis. This ensures elected members are kept informed on progress and helps refocus attention on key areas. This update identifies key areas of progress since 2010 as well as highlighting areas for development.
- 1.2.2. It should be noted that the key document, with its associated strategic policies and procedures is the PAMP 2009. This will be replaced by the 2012 PAMP, which will be a complete review of all the strategic policies and procedures.

### **1.3 Corporate Asset Management Plan**

- 1.3.1. The Corporate AMP is scheduled to be produced during the course of 2012. This will be an overarching document covering not only Property but also Fleet, Open Space, Housing, ICT and Infrastructure Assets. AMP's for each of these asset groups will support the Corporate AMP.

## 2. Corporate Property – Objectives and Priorities

### 2.1 Council's Vision and Asset Objectives

2.1.1 Those stated in the 2009 PAMP remain active and are restated below, with some appropriate amendments, including the need for all property reviews to consider the implications of the Priority Based Budget exercise.

2.1.2 To deliver our vision for the City we are focusing on key priorities that we have shaped around:

The national outcomes set out in the Single Outcome Agreement Partnership Agreement 'Vibrant, Dynamic, and Forward Looking'  
The constant desire to provide efficient, effective and joined up public resources

2.1.3 Within the Council's Single Outcome Agreement we have an aspiration that people who live and work in Aberdeen will:

be well informed and actively supported to achieve their full potential  
acknowledge, and act on, their shared responsibility to shape the City's future  
support and celebrate cultural diversity, and share a commitment to social justice  
have access to services of a high quality that meet their needs

So that Aberdeen will be a City with a strong, vibrant local democracy and a sense of civic pride.

2.1.4 In effectively managing the Council's financial resources and assets it has further been identified that the aim is to produce a coherent balanced budget which is realistic and reflects the Council's priorities and encourages the efficient and effective use of the Council's resources, by:

#### **Budget Monitoring**

Rigorous monitoring of spend income against budget (revenue; capital; headcount; savings programme)  
Ensure rigorous challenge of monitoring by Officers and Members  
Rigorous monitoring and review of income/charging

#### **Budget Planning**

Develop and observe a budget timetable for planning, consulting and deciding on options necessary to produce a balanced budget

#### **Financial Planning**

Develop and continuously review Medium Term Financial Plan

## Use of Resources

Develop a rigorous programme of change aimed at improving the efficiency of the Council; and ensure that the programme is properly resourced and performance managed for complete and timely delivery  
Asset management strategy to be developed and implemented for the effective management of the property portfolio  
Benchmarking information used to improve decisions on effective planning and budget choices

### 2.1.5 In order to do this we need to:

Identify areas where robust asset management can help support the delivery against these priorities

Develop alignment between asset management and our strategic priorities into property strategies, plans and programmes

Ensure that our approach to performance management is appropriately focused on priority areas

### 2.1.6 The above approach is being progressed as part of a Priority Based Budget project which has identified that the City Council's six key priorities are:-

Provide for the needs of the most vulnerable people;

Help to ensure that all schoolchildren reach their potential;

Manage our waste better and increase recycling;

Encourage the building of new affordable housing;

Ensure a sustainable economic future for the city;

- Ensure efficient and effective delivery of services by the council and with its partners.

## 2.2 Asset Objectives

2.2.1 We had previously developed a vision for our property assets to assist us to deliver the Council's overall vision. The developed vision and property aims for our property assets are still relevant in 2011. They are restated below.

2.2.2 Our approved vision for property assets is:-

**“The Council will provide property, working with partners, where appropriate, which supports the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable and sustainable.”**

2.2.3 In designing our approach to asset management within Aberdeen, in order to deliver our Strategic Priorities, we have identified 5 overarching property aims and objectives that will seek to ensure that the Council's assets are fit for purpose within the current budgetary restraints.

**Assets must meet the needs of those that use them.** This includes staff, members, visitors, customers and the general public, people with disabilities or special needs and other minority groups. This means creating a comfortable and accessible environment that makes a positive

contribution to the use to which the asset is put. It also means asking people what they think about our property assets and responding to their needs.

**Assets must be economically sustainable.** This means keeping running costs down, prioritising capital spending, proper option appraisal incorporating whole life costing and assessing opportunity costs.

**Assets must be safe and comply with current legal requirements and any future requirements.** This means ensuring that regular surveys and inspections for asbestos, legionella, fire and health and safety as well as physical conditions surveys and Disability Discriminations Act (DDA) audits are undertaken.

**Assets must make a strategic impact.** Ensuring that our property decisions are linked to decisions on other Council resources (staff, IT, finance) and that asset management contributes to our strategic priorities and challenges.

**Assets must be environmentally sustainable.** Monitoring and reducing energy consumption and CO<sup>2</sup> emissions, ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.



### 3. Current Asset Management Performance

#### 3.1 Statutory Performance Indicators

3.1.1 The Statutory Performance Indicators (SPI's) submitted for 2010/11 to Audit Scotland were Suitability, Condition and Public Access. Required Maintenance is also reported on an annual basis. Although not a statutory indicator it is subject to the same level of audit and is reported in an identical manner.

#### 3.2 Suitability

3.2.1 Primary and secondary schools were assessed during 2009 by using the "Suitability Core Fact" spreadsheets issued by the Scottish Government. As recommended the spreadsheets were completed by the Head Teachers and then consistency checked by appropriate Council officials. Since then a number of 3R's schools have been opened and these are subject to the same process. The non-school proforma has been made available to all the Services. It is estimated that around 60% of properties have now been assessed in this way. The remainder will be completed by the end of 2011.

3.2.2 Properties rated A and B are deemed as suitable (performing well and operating efficiently, or performing well but with minor issues), with those properties rated C and D being unsuitable.

3.2.3 The results for 2008/09, 2009/10 and 2009/11 are based on the operational portfolio during those periods and are as follows:

SUITABILITY	2008/09	2009/10	2010/11
Suitable Schools*	63	44	42
Unsuitable Schools*	4	21	22
Suitable Non-Schools	240	236	219
Unsuitable Non-Schools	38	36	37
Total	345	337	320

\*School Nurseries are not part of the School Estate core facts and are classed as Non-Schools.

3.2.4 Suitability as a percentage dropped from 83.1% to 81.6%. A drop in the figure was anticipated due to the implementation of the non-school suitability form. The majority of the closures/transfers were rated as suitable which will have impacted on the figure as well. The non-school assessments will continue to be completed over the next few months. It is likely that this will result in a drop in the number of suitable properties. A target of 71% has therefore been set for next year.

#### 3.3 Condition

3.3.1 The first condition survey programme was completed in late 2009, with the current programme underway. Due to the departure of the officer responsible for carrying

out the surveys the programme has not advanced as anticipated. However, the programme will still be completed within the recommended five-year cycle.

3.3.2 The surveys are based on the Scottish Government guidance but with additional notes taken on specific condition issues, which are available for Services use. Properties rated A and B are deemed as being satisfactory (performing as intended and operating efficiently, or performing as intended but showing minor deterioration), with those properties rated C and D being unsatisfactory.

3.3.3 The results for 2008/09, 2009/10 and 2010/11 are based on the current operational portfolio during those periods and are as follows:

<b>CONDITION</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Satisfactory Schools*	53	58	61
Unsatisfactory Schools*	14	7	3
Satisfactory Non-Schools	212	214	219
Unsatisfactory Non-Schools	66	58	37
<b>Total</b>	<b>345</b>	<b>337</b>	<b>320</b>

\*School Nurseries are not part of the School Estate core facts and are classed as Non-Schools.

3.3.4 This year's satisfactory condition figure of 89% surpasses the target of 86%, with the percentage improving by 5.2%. The increase was achieved predominately through the completion of the 3R's project which resulted in not only new schools but the opening of new/refurbished libraries and community facilities. There were also a significant number of closures and transfers to 3<sup>rd</sup> parties, which overall will have contributed to the improved figure. The most notable being the closure of Summerhill. A target of 91% has been set for next year.

### 3.4 Overall Property Performance

3.4.1 The updated Property Appraisal Grids are shown below using a combination of the Condition and Suitability SPI data for 2010/11 to show the percentage of buildings and number which are performing well in both Suitability and Condition. The data for 2009/10 is shown alongside for comparison. Schools, although included in the All Properties grid also have their own grids, as they represent a significant proportion of the portfolio.

Suitability Grade	D	0	4	4	0
	C	1	33	15	0
	B	17	121	40	1
	A	33	63	5	0
Per Building		A	B	C	D
		Condition Grade			
2009/10 – All Properties					

Suitability Grade	D	0	3	1	0
	C	0	46	9	0
	B	18	133	25	1
	A	41	39	4	0
Per Building		A	B	C	D
		Condition Grade			
2010/11 – All Properties					

Suitability Grade	D	0	1.2	1.2	0
	C	0.3	9.8	4.4	0
	B	5.0	35.9	11.9	0.3
	A	9.8	18.7	1.5	0
As a %		A	B	C	D
		Condition Grade			
2009/10 – All Properties					

Suitability Grade	D	0	0.9	0.3	0
	C	0	14.4	2.8	0
	B	5.6	41.6	7.8	0.3
	A	12.8	12.2	1.3	0
As a %		A	B	C	D
		Condition Grade			
2010/11 – All Properties					

Suitability Grade	D	0	1	0	0
	C	0	20	0	0
	B	3	25	7	0
	A	4	5	0	0
Per Building	A	B	C	D	
	Condition Grade				
2009/10 – Schools					

Suitability Grade	D	0	1	0	0
	C	0	21	0	0
	B	3	24	3	0
	A	10	2	0	0
Per Building	A	B	C	D	
	Condition Grade				
2010/11 – Schools					

Suitability Grade	D	0	1.5	0	0
	C	0	30.8	0	0
	B	4.6	38.4	10.8	0
	A	6.2	7.7	0	0
As a %	A	B	C	D	
	Condition Grade				
2009/10 – Schools					

Suitability Grade	D	0	1.6	0	0
	C	0	32.8	0	0
	B	4.7	37.5	4.7	0
	A	15.6	3.1	0	0
As a %	A	B	C	D	
	Condition Grade				
2010/11 – Schools					

3.4.2 The 2011 grids show 72.2% of the portfolio (comprising 231 properties) is in a satisfactory position, which is in good/satisfactory condition and high/medium suitability. This is an improvement of 2.8%, which is predominantly as a result of the 3R's project which is particularly evident in the school only tables.

3.4.3 **Appendices 1 and 2** Shows these tables across the last 3 years.

### 3.5 Public Access

3.5.1 The Public Access SPI is a well established reporting tool. This has aided services in the identification of assets requiring investment, with work being carried out through the Corporate Property Condition and Suitability programme.

3.5.2 The criteria used to assess properties were previously agreed by the Council's Disability Task Group and the Disability Advisory Group. It is considered to be a well tested and robust method of assessing a building's accessibility and has been retained for the 2010/11 evaluations. The existing assessment criteria is however currently under review and may be amended prior to the preparation of next years SPI. This may impact on the outcome of next years indicators. It should be noted that accessible does not mean that the building is fully adapted to all needs of disabled people.

3.5.3 The results for 2008/09, 2009/10 and 2010/11 are shown as follows:

PUBLIC ACCESS	2008/09	2009/10	2010/11
No. required to be compliant	155	152	137
No. of compliant buildings	125	128	118
%	80.6	84.2	86.1

3.5.4 The Public Access SPI figure has continued to improve with an increase of 1.9% compared to 2010/11. The increase is purely down to the closure/transfer of a number of not-accessible assets, although there were some accessible properties also removed from the list. No properties were moved from not-accessible to accessible as the Capital Budget was effectively frozen mid-way through the year because of the pressures on the overall Capital Plan.

3.5.5 A number of new assets have not been assessed as yet but will be included in next year's return. This will include a number of assets associated with the 3R's project, which will be fully accessible. No major DDA work has been included in the Condition & Suitability Programme for 2011/12, so this will not be a source of improvement. Closures of assets are being considered in various services and some additional asset needs have been identified. It is difficult to predict the effect these will have on the figure. Taking this into account a target of 88% has been set for next year.

### 3.6 Energy Consumption/Carbon Emissions

3.6.1 The Council spends approximately £8 million per year on energy related costs in our public buildings. This is based on the following fuel consumption and carbon emissions (figures are taken from our CRC report for consumption in 2010/11):

Electricity consumption: 32,616,241 kWhs/yr; 17,645 tonnes CO<sup>2</sup>/yr

Gas consumption: 77,990,063 kWhs/yr; 14,318 tonnes CO<sup>2</sup>/yr

Oil consumption: 999,200 litres/yr; 2,759 tonnes CO<sup>2</sup>/yr.

3.6.2 In addition to direct fuel costs, the Council pays the Carbon Reduction Commitment (CRC) at a rate of £12 per tonne of CO<sup>2</sup> emitted, resulting in an additional annual "carbon tax" of £420,000.

- 3.6.3 There are 383 properties purchasing fuel (electricity, gas, oil or heat) and of these, 304 are heated. At the beginning of 2011/12 the split of primary heating fuel types used was:
- Gas heating: 179
  - Electric heating: 103
  - Oil heating: 12
  - Heat from CHP district heating schemes: 8
  - Ground source heat pump: 2
- 3.6.4 Improvements in consumption are being sought through a rolling programme that will ensure all the heated properties have adequate loft, cavity wall, pipe and tank insulation. Proportionately oil is the highest carbon emitter, followed by electricity. To address this, work is planned, funded and on-going in 2011 to replace 3 oil heated sites with more cost and carbon efficient systems. There are also 10 sites (schools and offices) over 1200 m<sup>2</sup> that are electrically heated. These 10 sites, along with the remaining 9 oil heated sites are being assessed in detail to identify the most cost efficient ways of reducing both carbon emissions and fuel costs going forward. 8 of these sites have been identified as potentially suitable for photo-voltaic (PVs) and have been included in the PV contract which is about to be awarded.
- 3.6.5 The Council is moving to a position where running costs are easily obtained, compared and reviewed. This will allow methods of assessing individual assets to be considered as well as benchmark effectively against other local authorities.

### **3.7 Required Maintenance**

- 3.7.1 This is the second year that this figure has been reported through the SPI process, so it is now possible to have a comparison. This year's figures of £66.1m and £122 sqm are well below the figures of £82 million and £156 sqm, reported last year. This surpasses the target of £146 by £24.
- 3.7.2 Improvements to the figure will only come through the Condition & Suitability Programme. This will improve some assets but assets not included in the programme may decline. The resurvey of assets during the second cycle of the condition survey programme may pick up such decline in condition.
- 3.7.3 Outwith this programme there are no other property related capital projects other than Marischal College. Although the move to Marischal College will result in a small improvement, the lack of capital projects will not provide any further improvements. Closures of assets are being considered in various services and some additional asset needs have been identified. It is difficult to predict the effect these will have on the figure. Taking this into account a target of £117 has been set for next year.
- 3.7.4 The breakdown against Service and property type is shown in **Appendix 3**. It should be noted that these figures are for properties that were open at that time of the data submission.

### 3.8 Core Performance Data

3.8.1 Assessing the wider performance of the estate is essential. Taking this into account the data listed below will be collected on an annual basis. This will be available to all Services and will be of invaluable assistance when it comes to reviewing the Service Asset Management Plans.

- Suitability
- Condition
- Energy Costs per square meter
- Energy Consumption per square meter
- Water Costs per square meter
- Water Consumption per square meter
- Required Maintenance per square meter
- Property Costs per square meter

3.8.2 The Asset Management Team is investigating the potential of rating the costs using a traffic light system. This will have to be tailored to property types to reflect the variances in consumption between types. Condition & Suitability already lends itself to this type of system. The use of such a system will make it easy to identify assets performing poorly across a number of factors. **Appendix 4** gives further details of the performance assessment as well as how these figures may be presented.

3.8.3 This information will also form the basis for a detailed review of property groupings. In addition analysis of the utilisation of the assets is seen as an important factor. This can be a difficult area to develop, so the Asset Management Team will work closely with Services to identify an appropriate method for each property type.

### 3.9 Corporate Office Performance

3.9.1 A yearly review of all corporate staff accommodation will be undertaken by the Asset Management Team, reporting in the first instance to the Corporate Asset Group. Due to the flux of pending moves as a result of the opening of Marischal College this review will commence in 2012.

3.9.2 To assess the performance, a number of Performance Indicators will be applied against the properties in the review, which will assess the functionality, suitability and space utilisation of the properties. The indicators shown in **Appendix 5** will assess the operation of the office on net useable space, staff occupation and number of workstations against running costs. Through the CIPFA Benchmarking Group which utilises some of these indicators, it will be possible to ensure that our performance is measured against our peers.

## 4. Key Challenges and Achievements

### 4.1 External Change

4.1.1 The financial challenges identified in the previous PAMP's have not lessened. There is now even more pressure on both capital and revenue expenditure, which highlights the importance of asset management throughout the Council. Underperforming or underutilised properties (either investment or operational) must be identified and challenged to ensure that the Council's overall property portfolio is as efficient as possible.

### 4.2 Key Asset Management Challenges

4.2.1 The challenges still are:-

**Capital Programme:** The reduction in the Council's General Services Capital Programme has increased the importance of asset management in identifying priorities for future expenditure. However the limited capital budgets will also delay/ stop investment in projects/properties which have been highlighted by Service Asset Management Plans as essential to improve the delivery of services. Asset management skills will also assist in reviewing all projects to identify whether or not there are other delivery models to allow projects to proceed. The development of detailed Business Plans and Option Appraisal will ensure that projects are properly assessed.

**Priority Based Budget:** The Priority Based Budget has resulted in all Services reviewing how services are delivered. Future Serve AMP's must be more closely linked to this, to ensure that property utilisation (which is the second highest Council cost after staff) is challenged, and potentially additional revenue and capital savings are identified.

**Revenue:** The future detailed analysis of how individual properties are "performing" in relation to space utilisation, energy costs, etc will, in association with the reviews of SAMP's help Services identify underperforming inefficient properties.

**School Estate rationalisation:** School buildings account for approximately 56% of the Operational portfolio with revenue costs to match. There is a need to address issues of under and over-occupancy, condition and suitability. A secondary school review has already taken place and a primary school review is now set to follow. Falling school rolls are a key aspect of planning the pattern and provision of school places to ensure that surplus places are removed in order to make local authority education provision cost effective and demonstrate best value. Maintaining high numbers of surplus places results in a disproportionate amount of the available budget being expended on buildings, management and administration compared to investment in quality teaching and learning provision. A review of the provision for Children with Additional Support Needs has identified significant investment needs also.

**Required Maintenance & Condition:** This currently stands at £66m, with a budget spend for revenue maintenance of around £4m and £6.245m from the Non-Housing Capital Programme identified for 2011/12. From our survey



programmes it can be seen that 89% of the operational portfolio is classed as either in good or satisfactory condition. A further 10.96% is classed as poor and is showing major defects and/or not operating as intended. A very small proportion is categorised as bad and is life expired. The amount the Council allocates to the maintenance of buildings makes reducing the required maintenance figure very challenging. Property rationalisation can lead to improvements and more effective targeting of spending will also help, however there is still a real danger that our properties will continue to deteriorate faster than we can repair them.

**Planned Maintenance:** Maintenance associated with statutory obligations (including cyclical) and imminent health & safety risks are given priority. The remaining budget is limited and goes primarily to essential maintenance. Other than cyclical maintenance, which accounts for 10% - 15% of the maintenance budget, there are no planned maintenance programmes in place. With the identified improvements to the Council's property portfolio by the utilisation of the Condition & Suitability Capital programme, there is a need to ensure that properties thereafter do not deteriorate; this is traditionally one of the main functions of a Planned Maintenance programme and accordingly this is an area which will require to be reviewed to ensure efficient uses of resources over the life span of the properties.

**Disability Discrimination Act (DDA):** We now have accessibility audits in place for all publicly accessible buildings and from these it can be seen that 86% of these are DDA compliant.

**Office Accommodation:** The Council's corporate office accommodation on the whole, provides modern, flexible accommodation, particularly within the two main facilities at Marischal College and Balgownie 1. Furthermore this flexibility will assist in the future development of new ways of working. Office accommodation must however continue to be flexible to meet the Council's ever evolving use of accommodation. Therefore the Corporate Asset Group has already instructed that it will be the Asset Management Unit's responsibility to monitor space utilisation within all Council offices. As part of this ongoing review Asset Management will be challenging how all office accommodation is utilised by the Council. This will also ensure that advice is available to all Services to ensure compliance with all statutory requirements.

**Energy Consumption:** This remains a key issue and the Council is committed to reducing carbon emissions. The aim is to achieve a reduction in fuel consumption to at least offset the increases in fuel costs.

**Commercial Estate:** An important area of asset management is the tenanted non-residential portfolio, commonly known as the commercial estate. The Council needs to consider whether or not the income streams delivered from this portfolio are being best utilised to maximise the benefits for the Council.

### 4.3 Key Asset Management Achievements

The completion of the 3R's project leading to the opening of two new secondary's, seven primaries and the complete refurbishment of one primary

Completion of 86% of the Energy Performance Certificate (EPC) Programme and the medium/long term plan being built around this work

The completion of Service Asset Management Plans for all Services

The use of Condition, Suitability, DDA, Fire Risk Assessments and Asbestos Data for the identification of projects for the Condition and Suitability Programme  
The roll out of the new Capital Monitoring process  
The advancement of the TNRP Review  
The opening of Marischal College  
The completion of the associated Office Accommodation Review  
Improvement in the Condition/Suitability, Required Maintenance and Public Access SPI's

## **5. Delivery Arrangements**

### **5.1 Embedding Asset Management**

During 2010/11 Asset Management has become more embedded within the Council's corporate structure with the recognition of the importance of the Corporate Asset Group, and the importance of this Group in the management of the Capital Programme. Furthermore the Group has been instrumental in supporting all Services to develop Service Asset Management Plans, which will allow Services to understand how properties assist in the delivery of their services.

### **5.2 Service Asset Management Planning**

5.2.1 Services have developed their Service AMP's using the abbreviated SAMP as recommended in the 2009 PAMP. They have all been approved by the relevant Service Committee and are being used in asset management decision making processes.

### **5.3 Corporate Property Officer**

5.3.1 Under the new organisational structure the post of Corporate Property Officer was disestablished. The Head of Asset Management & Operations selected the post of General Manager, Asset Management to fulfil this role.

### **5.4 Asset Management Team (Function)**

5.4.1 A new structure for the future delivery of Asset Management was approved in April 2011 and has now been implemented. The structure is shown in **Appendix 6**. The approved revised structure identifies Asset Management is split across four managerial areas. These are:-

- Estates Service
- Fleet Services
- Asset and Capital Management
- Property Investment Portfolio (TNRP)

5.4.2 The Asset and Capital Management function brings together Asset Management, Design, Corporate Asset Management System and Energy. This has paved the way for even closer joint working in areas such as property performance, management of the Condition & Suitability Programme and data management.

### **5.5 Engagement of Elected Members**

5.5.1 Both the Convenor and Vice-Convenor of the Finance & Resources Committee will attend Corporate Asset Group meetings. The Asset Management Team, in conjunction with Human Resources, is actively sourcing appropriate training for elected members and officials.

## **5.6 Corporate Asset Group**

5.6.1 The Head of Asset Management & Operations continues to chair the group, with the following officials representing each Service:-

- Head of Finance, Corporate Governance
- Head of Environment Services, Housing & Environment
- Head of Regeneration and Housing Investment
- Head of Service, Office of Chief Executive
- Head of Customer Service and Performance
- Head of Adult Services
- Head of Educational Development, Policy and Performance
- Programme Director, Enterprise Planning & infrastructure
- General Manager, Asset Management

5.6.2 The group now meet on a monthly basis with support coming from the Asset Management Team.

## **5.7 Partnership & Collaboration**

5.7.1 The Council continues to work closely with its public sector partners. The Public Sector Property Group (PSPG) has been recognised as being in the forefront of the development of joint working in the UK. A recent major area of work which the Group undertook was the development of a shared database allowing partners to see the location of all public sector assets as well as the key property information associated with them.

5.7.2 The PSPG has also developed policies to allow public property assets to be used more efficiently between partners including model occupancy agreements (used by the Council to regularise occupation of 3R schools by Grampian Police and NHS Grampian) and sharing information on potentially surplus assets.

5.7.3 The PSPG recently reviewed its role. It was unanimously agreed that it needed to concentrate on its core activity, which was identified as strategic property asset management. Accordingly it was agreed to rebrand the Group as the Grampian Public Sector Property Asset Group.

## **5.8 Communication**

5.8.1 Awareness and promotion of Asset Management is essential to it's success. A Communication Plan was approved by the Corporate Asset Group in July 2011. One of the main approved recommendations was that a section on Asset Management section will be included within the zone and the Councils website. The Zone page will have a toolkit for Services which will include forms, guidance and templates, as well as the approved PAMP's. The website page will have the PAMP's and a general summary.

## 6. Investment Planning

### 6.1 Capital Prioritisation Approach

6.1.1 Addressing a major weakness identified in the PAMP 2009, the Finance & Resources Committee agreed in 28 January 2010 to the introduction of a new Capital Prioritisation Process, allowing all future capital bids to be developed and reviewed corporately.

6.1.2 The Capital Prioritisation Process and Procedures seek to regularise all future bids for capital funding including improving the monitoring of capital projects and the post evaluation of completed projects. The Corporate Asset Group is responsible for:-

- Initial review of the proposed scheme and sources of finance for each scheme;
- Priority re-scoring of Capital Bids
- Approval or rejection of Capital Bids where the criteria is not met;
- Timescales for the preparation of reports to members;
- Consultation on the preparation of reports to members;
- Review proposed new emergency in year schemes, and make recommendations to the Corporate Management Team and Council for the inclusion of such new schemes in the Capital programme
- Review and challenge slippage and variance in the Capital Programme
- Review closure and outcomes of completed capital schemes, and to prepare and present regular reports to the Corporate Management Team and elected members as appropriate.

6.1.3 Staff within the Asset Management Team are responsible for the following areas of work:-

- Monthly progress of each scheme, with comments relating to expenditure to date, anticipated completion date and projected outturn position to be provided to the Head of Finance;
- Review closure and outcomes of completed capital schemes;
- Quarterly monitoring of expenditure of all capital schemes within the Capital Programme, and the preparation of quarterly update reports to the Corporate Management Team and elected members (the process for this is shown in **Appendix 7**);
- Review of proposed new emergency in-year schemes, and make recommendations to the Corporate Asset Group for the inclusion of such schemes in the programme
- In conjunction with the Head of Finance a detailed review of the appropriate source of finance for each scheme;
- Review and challenge slippage and variances in the Capital Programme;
- Review closure and outcomes of completed capital schemes, and to prepare and present regular reports to the Corporate Management Team and elected members as appropriate.

6.1.4 One of the main changes is the introduction of a clear Options Appraisal process which includes Whole Life Costing. The Appraisal process for larger projects is

based upon the “Green Book” which is HM Treasury’s Option Appraisal for all Capital Projects. The Corporate Asset Group have liaised with the Programme Management Office to prepare an Option Appraisal Guidance (see **Appendix 8**) Furthermore Whole Life Costing will ensure that the long term revenue costs are evaluated, allowing the Council to consider potentially approving an option which whilst costing more initially, from a capital point of view, may have significant reduced revenue costs through out its projected life.

6.1.5 For the current and forthcoming financial year the review of capital projects is being linked with the Priority Based Budgets project and the 5 Year Business Plan. The timetable for this year is:-

<b>Report</b>	<b>Key dates</b>
Discussions with Directors / Key Members	June
Completion and submission of Capital Pro forma to SMTs	August
Submission of Capital Business Case to the Corporate Asset Group	October
Report to CMT	October / November
Report to Council as part of overall budget setting process	December
CMT	Monthly

6.1.6 The Asset Management Team are responsible for the monitoring of all new Planning Gain monies which are the responsibility of the Council. This will allow these monies to be managed as part of the Capital Programme, helping to identify expenditure which could be “linked” to other Council initiatives. Furthermore the monitoring process will be identical to that introduced for the capital programme, allowing more detailed assessment to be made of the progress of all such projects.

## 6.2 Capital Receipts and Surplus Assets

6.2.1 In the financial year 2010/11 there was no set target for capital receipts given the level of market activity. £1,430,986 was generated for the General Services Account through sales on the open market with a further £2,597,00 through transfers of surplus assets to the Housing Revenue Account. A further £103,000 was generated in receipts for the City Improvement Fund.

The target for the General Services Account in 2011/12 is £6.735 million. Current projections indicate that we are on target to achieve this. However, there is one significant Receipt that accounts for almost 50% of the projected £6.735 million total.

The timing of the conclusion of this receipt has a significant impact on the overall Capital Programme and will require to be carefully monitored and managed.

- 6.2.2 A Capital Receipts program for the next 5 years is being developed and will be finalised in draft when follow up work to the SAMP's is completed. The current surplus property list is shown on **Appendix 9**.
- 6.2.3 In the last year a number of problems in relation to vacant buildings have escalated particularly in relation to vandalism and in many instances the targeted theft of building material and fittings. This has led to significant damage to some vacant properties and health & safety implications. To mitigate these problems a number of properties were identified for demolition through the Condition & Suitability Programme. Negotiations are currently advanced with the prospective purchaser for Summerhill Academy (a suspensive missive is in place) for them to demolish the building in advance of the formal sale. It is recommended that a program of demolition of such properties be implemented on an annual basis.
- 6.2.4 In order to mitigate the risks associated with vacant/ surplus properties the procedure for declaring properties surplus and there disposal thereafter has been devised and will be reported to the Finance and Resources Committee.

## **7. Performance Management**

### **7.1 Performance Management**

- 7.1.1 The authority continues to be a member of the Scottish Benchmarking Group which is run by Chartered Institute of Public Finance and Accountancy (CIPFA). We are now entering a fourth year of inputting data, which will start to make it possible to assess long term trends.
- 7.1.2 The benchmarking figures for 09/10 have been inputted where data was available, with the 10/11 module set to be available shortly. It is anticipated that improvements in data quality and working relationships will allow the Asset Management Plan Team to compile data for the vast majority of the indicators.
- 7.1.3 CIPFA produced their annual report in June of this year (**Appendix 10**). It identifies some of the overall trends across Scotland and shows that Council performs very well in some areas. In the tables this Council is shown as number 1.

### **7.2 Programme of Property Reviews**

- 7.2.1 Education Culture & Sport completed a review of the Secondary schools with assistance from the Asset Management team. The recommendations have not been implemented to date. The provision for Children with Additional Support Needs has been the subject of a review resulting in the identification of a requirement for a new school. A Primary School review is set to commence in 2011. Community Centres are the subject of a lengthy review which has yet to reach it's conclusion. Issues regarding the transfer of these assets and in particular the maintenance of these assets has made it problematic.
- 7.2.2 The corporate office accommodation review was completed. The completion of the Service AMP's has identified the need for a number of Property Reviews. This includes a review of off-street parking, swimming pools and libraries.

### **7.3 Tenanted Non-Residential Portfolio**

- 7.3.1 A high level review of the Council's Tenanted Non-Residential Property Portfolio (TNRP) was carried out as part of the 2010 PAMP Update. It identified that large groupings of assets were performing well and should be retained. However, there were groups of assets that were not performing well and that consideration should be given to disposing of some of the assets within those groups.
- 7.3.2 A programme of reviews was subsequently established and is now at an advanced stage. Among the first grouping reviewed was the Shop portfolio, parts of which were not performing well. This review resulted in a report recommending the disposal of number of these assets which was approved by the Finance & Resources Committee on 10 February 2011. These assets are now being actively marketed in three portfolios of units as well as some stand alone units.
- 7.3.3 A number of the Advance Factory Units have been identified as investment needs. Investment is required to avoid the premises deteriorating and creating risk to the



revenue earning potential. Further work is ongoing to quantify the extent and cost of the required works with a report scheduled to be considered by the Finance & Resources Committee in the near future.

- 7.3.4 The Asset Management & Operations Service Plan has identified that all property leased by the Council should be reviewed as part of a TNRP analysis, with particular reference to property owned by the Common Good. This work is scheduled to be undertaken during 2012.
- 7.3.5 **Appendix 11** outlines the progress of the review and identifies the timetable for the remaining reviews.

## **7.5 TNRP Customer Questionnaire**

- 7.5.1 A Customer Satisfaction survey was completed in 2010 and the findings of these were reported in the 2010 PAMP Update. There were three key actions identified from the process:-

Complete Tenant Handbook by end of 2010  
Ensure all tenants are advised of timescales associated with their queries and expectations are managed accordingly  
Programme a further questionnaire for 2013

- 7.5.2 The Handbook is to be placed on the Council's website by the end of October 2011. This will allow it to be updated and avoid the need to issue corrected copies as and when required by relevant changes. A section within the handbook will identify timescales for a response to queries.

## 8. Key Priorities 2011 – 2012

### 8.1 Key Priorities

- 8.1.1 Future Corporate Property Asset Management Plans to continue to clearly show the linkages between the Financial Plan and the utilisation of property (in both capital and revenue terms). This will be reflected not only with the management of the Capital Prioritisation Process but also in the development and implementation of Service Asset Management Plans, which are fundamental in the development of Asset Management throughout the City Council. Due to the need to fully develop/analyse SAMP's and the fact that there is not yet complete data on the overall estate, it is not possible at this stage to set out the complete investment requirement in the property portfolio.
- 8.1.2 The AMP Team to continue to audit relevant property related data to help inform the future investment strategy of the Council as there are still some concerns over the reliability of sections of data, e.g. running costs.
- 8.1.3 The effective use of the funds available to maintain the existing building portfolio. Based on current condition data alone there is a required need of some £66m to maintain the existing building stock. This does not allow for any investment in new buildings. It is therefore essential for investment to be carefully prioritised.
- 8.1.4 Improve the strategic operational management of the large and valuable asset base which the Council uses to deliver services and outcomes for the communities in Aberdeen. Successful delivery of this priority could have a tangible impact on the financial resources available to the Council as well as to other public sector bodies which collaborate with the Council in Community Planning in order to secure cross-public sector efficiencies in pursuance of the Scottish Government's Efficient Government agenda.
- 8.1.5 Asset management plans to be effectively integrated with the rest of the policy decision making and corporate service planning activities and to fully complement and integrate with the financial management processes of the Council. The way that the assets are managed will impact upon the ability to deliver key aims and objectives.
- 8.1.6 Asset Management Planning to be embraced to ensure the proper management and monitoring of assets as well as being used as a tool for robust and sound investment decision making.
- 8.1.7 Effective asset management to be utilised to ensure that the front line services provided by the Council are delivered from the most effective and efficient property portfolio. Asset Management is a key element for achieving and demonstrating Best Value. The appropriate use of assets in the right location can make the difference between good or poor service delivery.
- 8.1.8 The Council is fully signed up to the principles of asset management. It is however not possible at this time to accurately set out the investment requirement in the property portfolio for the aforementioned reasons. In addition there is also a considerable amount of work to be done to put in place the necessary systems and

processes that are required for the Council to fully embrace strategic asset management.

8.1.9 Service Asset Management Plans to be fully developed to enable the Property Asset Management Plan to be fully effective. The PAMP is dependent on the output from the SAMP's. Development work on SAMP's, under the supervision of the Corporate Asset Group, is now being carried out as a matter of urgency.

8.1.10 To continue the implementation of the property modules of the Corporate Asset Management System (CAMS), which is already at an advanced stage. In particular to expand the access to the data to all Services and also Elected Members in some cases.

8.1.11 The updated priority areas are as follows:-

<b>Priority Area</b>	<b>Revised Start Date</b>	<b>Revised Completion Date</b>
Expand accessibility of CAMS to all Services and specific Elected Members	October 2011	March 2012
Non-School Suitability Assessments	Commenced	December 2011
Commercial Property Review	Commenced	
Implement Asset Management pages within the Zone and Website	September 2011	October 2011
Implementation of Capital Prioritisation	Commenced	Ongoing
Identification of Projects for inclusions within Condition & Suitability Programme	Commenced	September 2011

## 9. Glossary of Terms

ACROYNM	TITLE	SUMMARY
	Audit Scotland	Statutory body providing services to the Auditor General fro Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.
CIPFA	Chartered Institute of Public Finance & Accountancy	Accountancy body for public services, whether in the public or private sectors.
CAMS	Corporate Asset Management System	Software being implemented and developed within a variety of Council services.
CMP	Carbon Management Plan	Document setting out the Councils plans to reduce carbon emissions.
CRC	Carbon Reduction Commitment	UK wide mandatory carbon trading scheme.
EPC	Energy Performance Certificate	Statutory document that requires to be produced for public buildings that have a floor area above 1000sqm.
PSPG	Public Sector Property Group	Sub-group of the North East Scotland Joint Public Sector Group.
PAMP	Property Asset Management Plan	Strategic document covering the management of all property assets.
SAMP	Service Asset Management Plan	Asset Management Plan looking specifically at individual services and their requirements.
SPI	Statutory Performance Indicators	Suite of National Performance Indicators administered by Audit Scotland.
TNRP	Tenanted Non-Residential Property	Assets not held for operational purposes and leased to third parties. Excludes housing including Staff Houses.

Appendix 1  
Property Performance Grids – All Properties

Suitability Grade		D	0	3	6	0
		C	1	17	15	0
		B	13	124	43	2
		A	27	80	14	0
Per Building		A	B	C	D	
2008/09 – All Properties						
		Condition Grade				

Suitability Grade		D	0	4	4	0
		C	1	33	15	0
		B	17	121	40	1
		A	33	63	5	0
Per Building		A	B	C	D	
2009/10 – All Properties						
		Condition Grade				

Suitability Grade		D	0	3	1	0
		C	0	46	9	0
		B	18	133	25	1
		A	41	39	4	0
Per Building		A	B	C	D	
2010/11 – All Properties						
		Condition Grade				

Suitability Grade		D	0	0.9	1.7	0
		C	0.3	4.9	4.4	0
		B	3.8	35.9	12.5	0.6
		A	7.8	23.2	4.0	0
As a %		A	B	C	D	
2008/09 – All Properties						
		Condition Grade				

Suitability Grade		D	0	1.2	1.2	0
		C	0.3	9.8	4.4	0
		B	5.0	35.9	11.9	0.3
		A	9.8	18.7	1.5	0
As a %		A	B	C	D	
2009/10 – All Properties						
		Condition Grade				

Suitability Grade		D	0	0.9	0.3	0
		C	0	14.4	2.8	0
		B	5.6	41.6	7.8	0.3
		A	12.8	12.2	1.3	0
As a %		A	B	C	D	
2010/11 – All Properties						
		Condition Grade				

Appendix 2  
Property Performance Grids – Schools

Suitability Grade		D	0	1	0	0
		C	0	2	1	0
		B	0	26	8	0
		A	3	21	5	0
Per Building	A					
	B					
		C				
		D				
2008/09 – Schools						

Suitability Grade		D	0	1.5	0	0
		C	0	3	1.5	0
		B	0	38.8	11.9	0
		A	4.5	31.3	7.5	0
As a %	A					
	B					
		C				
		D				
2008/09 – Schools						

Suitability Grade		D	0	1	0	0
		C	0	20	0	0
		B	3	25	7	0
		A	4	5	0	0
Per Building	A					
	B					
		C				
		D				
2009/10 – Schools						

Suitability Grade		D	0	1.5	0	0
		C	0	30.8	0	0
		B	4.6	38.4	10.8	0
		A	6.2	7.7	0	0
As a %	A					
	B					
		C				
		D				
2009/10 – Schools						

Suitability Grade		D	0	1	0	0
		C	0	21	0	0
		B	3	24	3	0
		A	10	2	0	0
Per Building	A					
	B					
		C				
		D				
2010/11 – Schools						

Suitability Grade		D	0	1.6	0	0
		C	0	32.8	0	0
		B	4.7	37.5	4.7	0
		A	15.6	3.1	0	0
As a %	A					
	B					
		C				
		D				
2010/11 – Schools						

Appendix 3 - Required Maintenance Costs per Service

Service	Total	Total GIFA	Cost per Sqm	Total as %	Property Grouping	Required Maintenance Per Grouping
Corporate Governance	£60,400	2407	£25	0.09	Depots/Stores Offices	£43,150 £17,250
Education Culture & Sport	£55,566,471	427709	£130	83.99	Aberdeen Performing Arts Community Centres Depots/Stores/Workshops Education non-schools Leisure Facilities Libraries Museums & Galleries Offices Schools Sport Aberdeen Remaining Sports Facilities	£1,435,080 £5,651,159 £457,950 £333,920 £1,929,880 £607,430 £1,560,000 £12,000 £41,957,237 £1,444,195 £177,620
Enterprise Planning & Infrastructure	£2,287,931	58212	£39	3.46	Depots/Stores/Workshops Multi-Storey Car Parks Offices	£302,356 £1,233,260 £752,315
Housing & Environment	£6,959,509	29707	£234	10.52	Crematoria/Mortuary Depots/Stores/Workshops Hostels Leisure Facilities Offices Public Conveniences	£15,550 £3,372,241 £521,420 £2,695,595 £211,118 £143,585
Social Care & Wellbeing	£1,284,510	25759	£50	1.94	Depots/Stores/Workshops Family/Health Centres Homes/Hostels/Day Care Offices	£271,755 £458,260 £477,395 £77,100
	<b>£66,158,821</b>	<b>543794</b>	<b>£122</b>	<b>100</b>		<b>£66,158,821</b>

**Suitability**

Description – How suitable the building is for its current use.

Assessment – Services complete a proforma which asks them to rate eight factors. A grade for each factor is calculated as well as an overall grade. A is Good, B is Satisfactory, C is Poor and D is Bad.

**Condition**

Description – The condition of the building and the elements that make up that building.

Assessment – A spreadsheet based on Scottish Government Guidance is completed for each building. A grade A-D is assigned for each element which in turn calculates an overall grade. A is Good, B is Satisfactory, C is Poor and D is Bad.

**Energy Costs per square meter**

Description – The annual cost of Gas, Electricity, Oil and Heat added together, divided by the Gross Internal Floor Area of the building (GIFA).

Assessment – The GIFA is measured from AutoCAD or paper plans as available. Energy costs are recorded throughout the year for each energy type. Each type is then added together. The total cost is then divided by the GIFA.

**Energy Consumption per square meter**

Description – The annual consumption of Gas, Electricity, Oil and Heat added together, divided by the Gross Internal Floor Area of the building (GIFA).

Assessment – The GIFA is measured from AutoCAD or paper plans as available. Energy consumption is recorded throughout the year for each energy type. Each type is converted to a common unit and added together. The total consumption is then divided by the GIFA.

**Water Costs per square meter**

Description – The annual cost of water use, divided by the Gross Internal Floor Area of the building (GIFA).

Assessment – The GIFA is measured from AutoCAD or paper plans as available. Water costs are recorded throughout the year and are then added together. The total cost is then divided by the GIFA.

**Water Consumption per square meter (metered supplies only)**

Description – The annual consumption of water, divided by the Gross Internal Floor Area of the building (GIFA).



Assessment – The GIFA is measured from AutoCAD or paper plans as available. Water consumption is recorded throughout the year for each energy type and is then added together. The total consumption is then divided by the GIFA.

**Required Maintenance per square meter**

Description – The replacement costs for elements identified as C or D added to outstanding Asbestos and Fire Risk Assessment works. Then divided by the Gross Internal Floor Area of the building (GIFA).

Assessment – The GIFA is measured from AutoCAD or paper plans as available. Required maintenance costs are calculated every year for every operational property as part of the Statutory Performance Indicator process.

**Property Costs per square meter**

Description – The annual cost of maintenance, rates, cleaning and grounds maintenance.

Assessment – The GIFA is measured from AutoCAD or paper plans as available. Annual running costs for key areas are obtained on an ongoing basis and recorded within the Property Asset Management System. These are then added together. The total cost is then divided by the GIFA.

**Comparing Assets**

Using the data collected it will be possible to compare similar assets. In the example shown below each core data element is assigned a colour using the traffic light system to give a general indication of how well the asset performs in that area. In terms of Condition and Suitability, an A grade is green, B is amber and C or D is red. Required maintenance will be green for low, amber for medium and red for high. These low/medium/high levels will be based on all assets. All other data elements are assigned a colour which will be based on a low/medium/high rating specific to that property type. This is because not all costs/consumption are comparable across different property types. e.g it would be reasonable to expect water consumption to be considerably higher for swimming pools than offices. A benchmark will be applied for consumption to each property type which will then be used to establish low/medium/high bandings.

The colour coding helps highlight buildings performing poorly. In the example it can be seen that School 2 performs poorly across a number of areas.

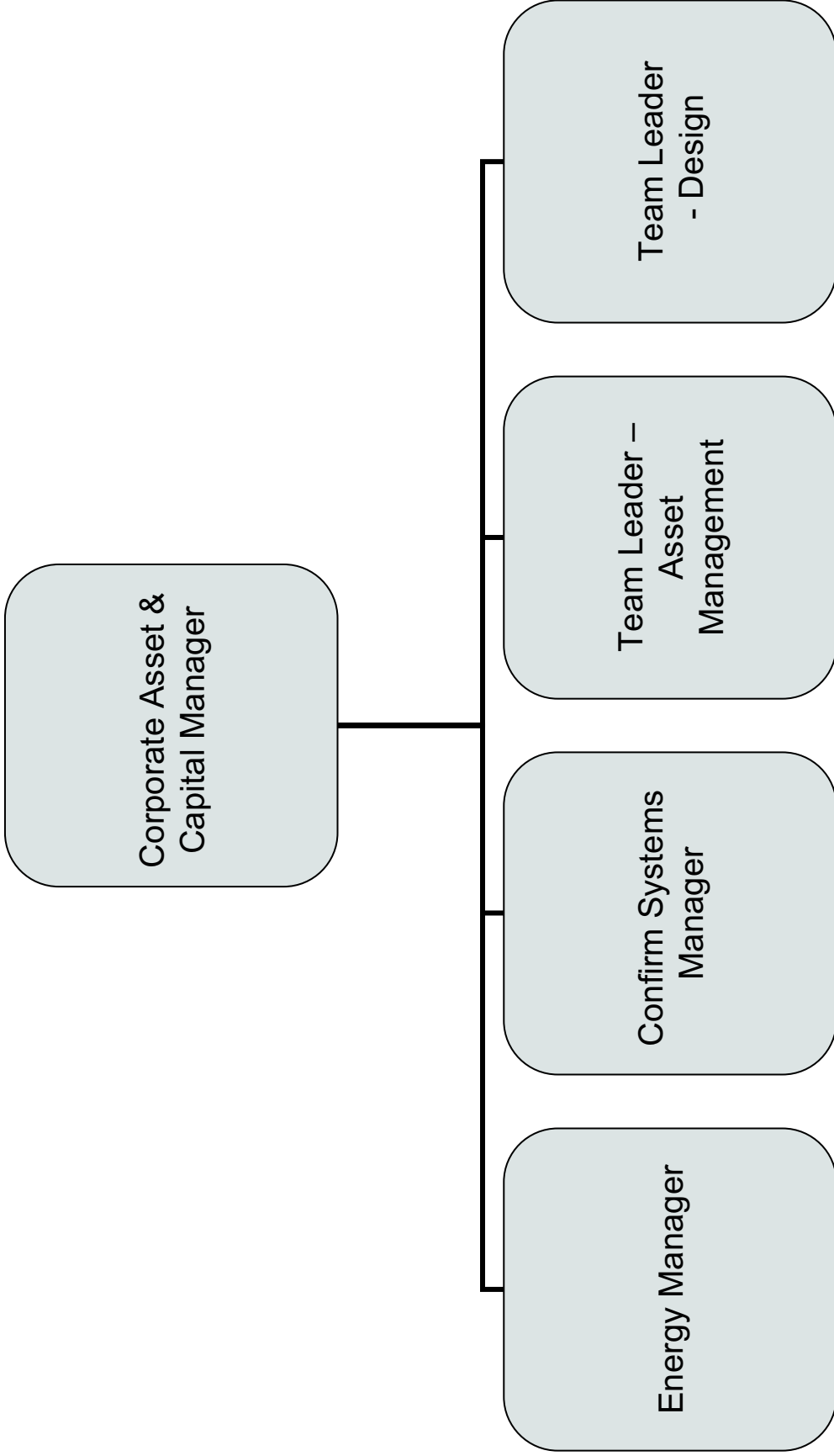
Appendix 4 – Core Performance Data

Asset	Suitability	Condition	Energy Costs sqm	Energy Consumption sqm	Water Costs sqm	Water consumption sqm	Required Maintenance sqm	Property Costs sqm
School 1	A	A	20	190	1.8	0.34	0	33
School 2	C	C	24	210	2.3	0.47	122	42
School 3	B	B	28	250	1.5	0.38	44	33

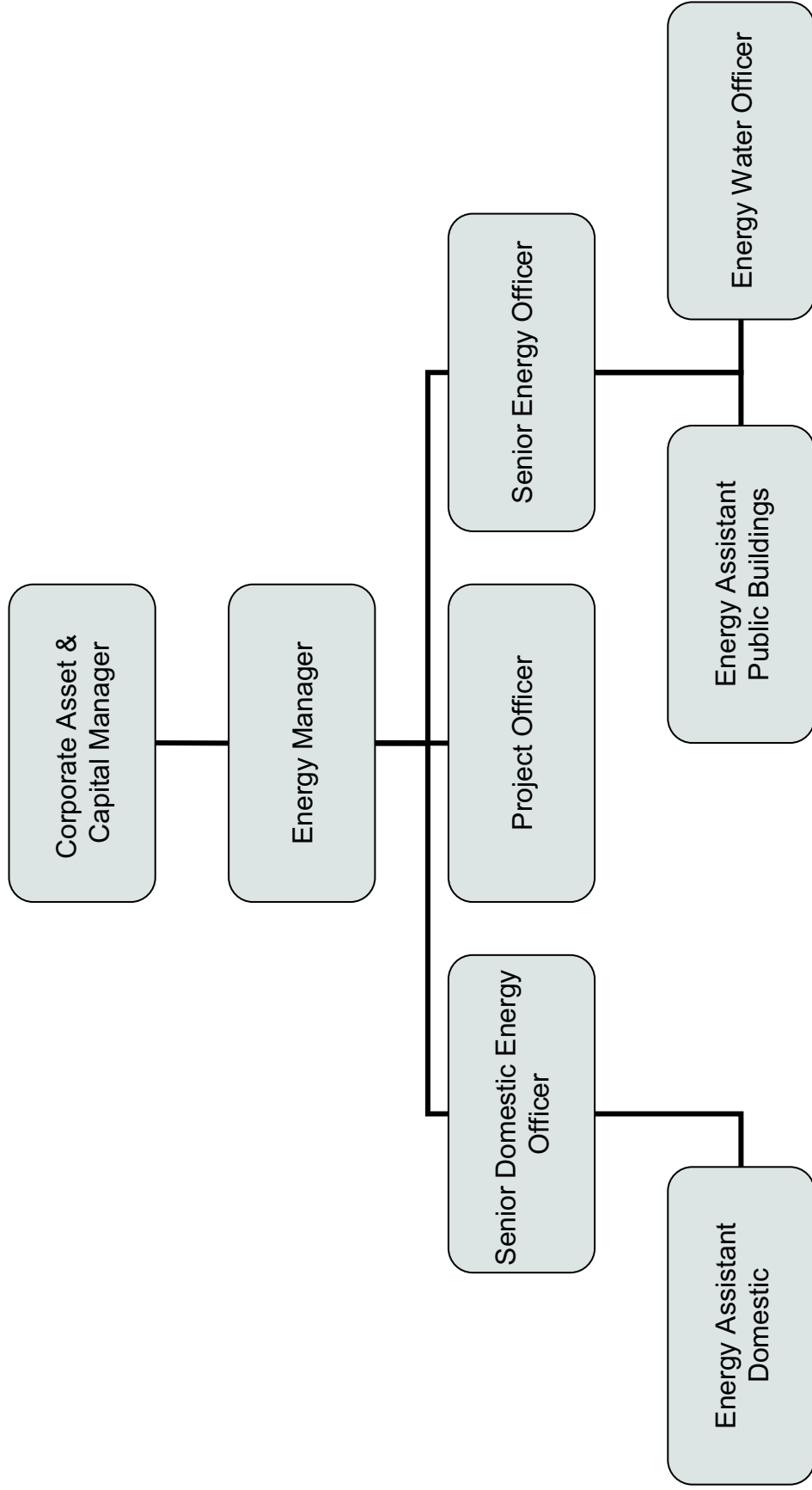
Appendix 5 – Corporate Office Performance Indicators

1. Gross Internal Floor Area of property (m <sup>2</sup> )
2. Net office space (m <sup>2</sup> ) as defined in the RICS code of measuring practice
3. Number of staff based in office (FTE)
3i. Net office space v no. of staff (FTE/m <sup>2</sup> )
4. Number of workstations within office
4i. Net office space v no. of workstations within office (workstations/ m <sup>2</sup> )
5. Operating costs
5i. Operating costs of office v no. of staff (£/FTE)
5iii. Operating costs of office v gross useable area of office (£/ m <sup>2</sup> )
Definitions
Net office space - excludes circulations area, civic areas, meeting rooms, receptions, canteen facilities and basement storage includes break out areas and office space used as storage
FTE - Full time equivalent
Workspace - any location set up principally to provide a workspace for use by one person at a time
Operating costs - includes all utilities, repairs maintenance, rates and cleaning

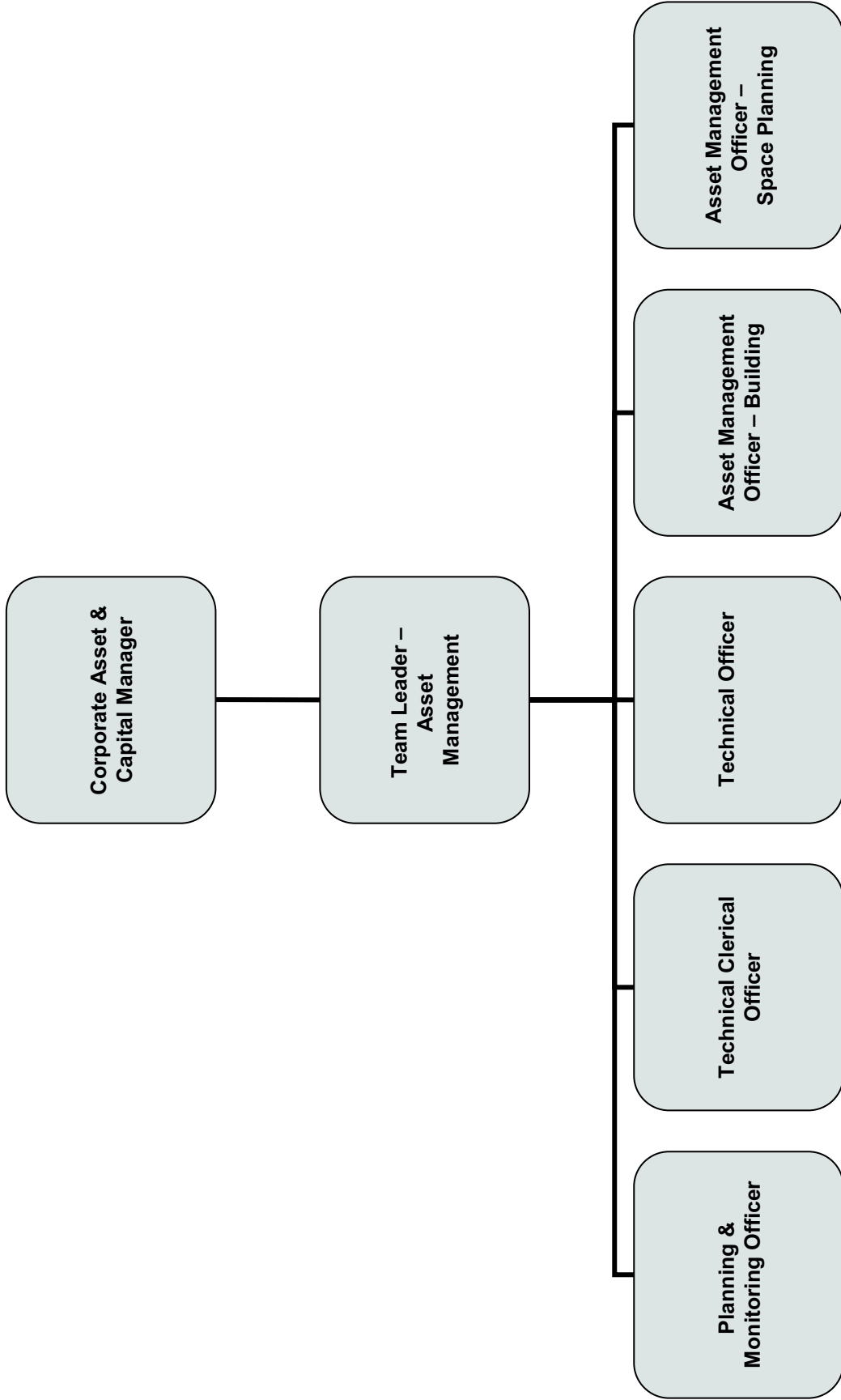
# Asset Management Team



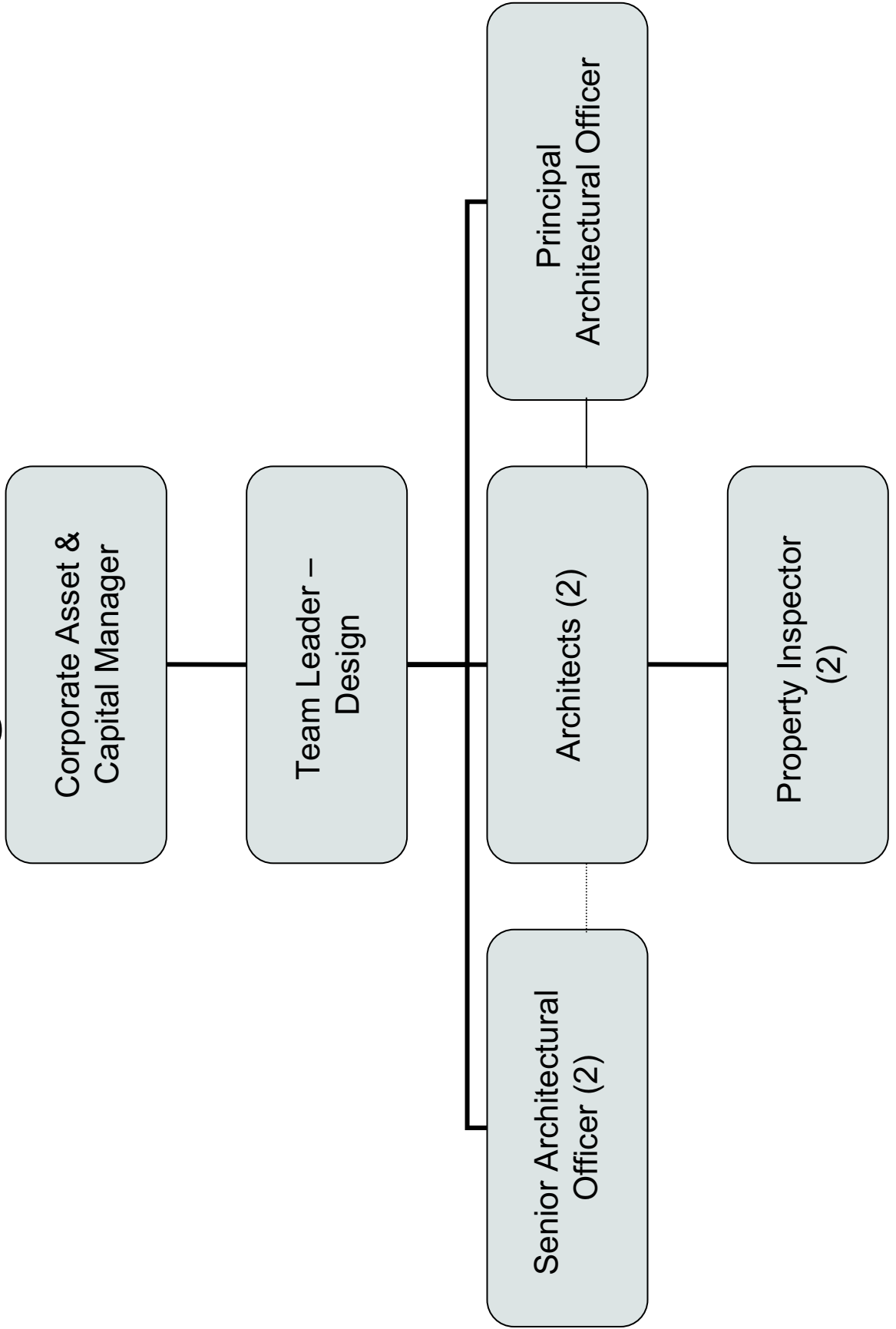
# Energy Team



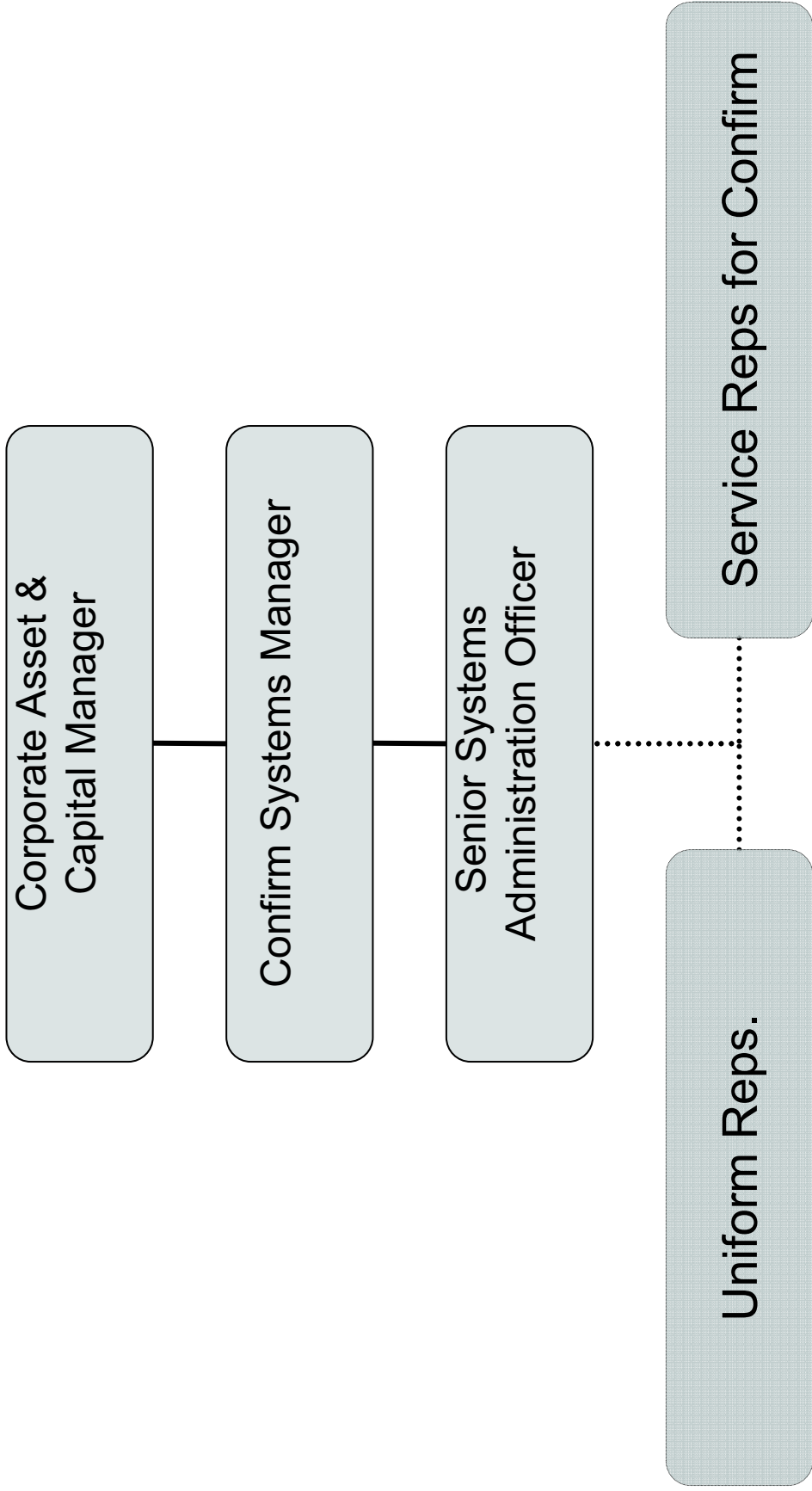
# Asset Team



# Design Team



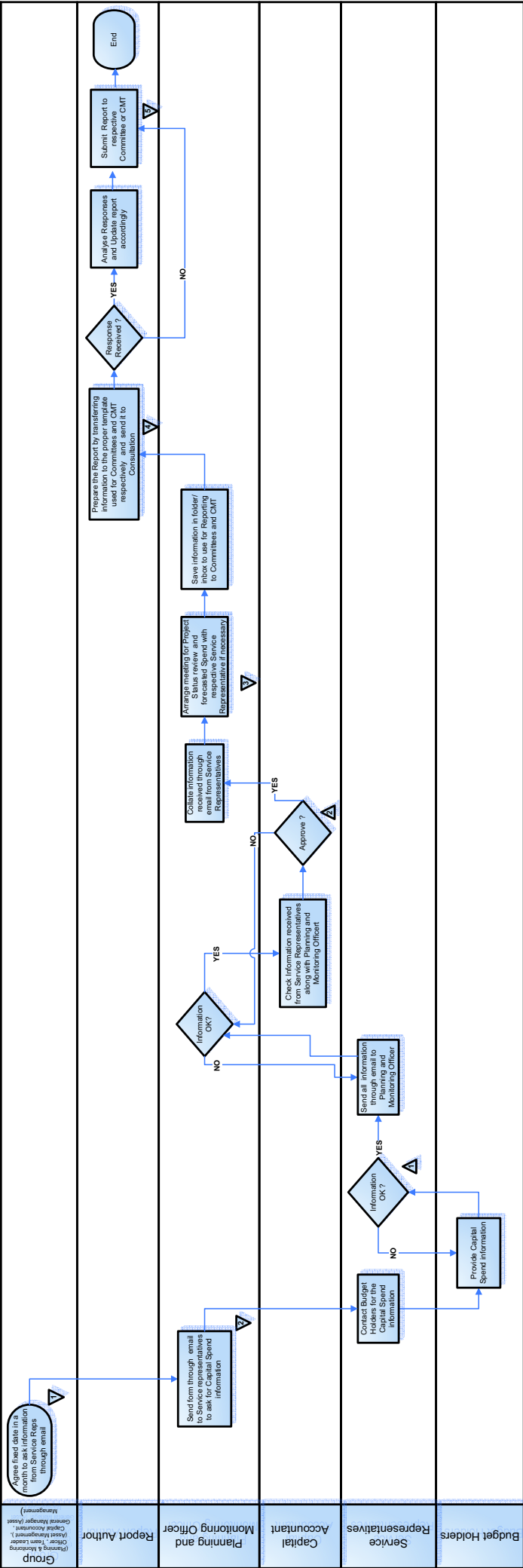
# Confirm Team



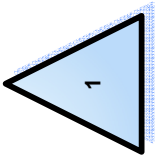


1.1 Capital Budget Monitoring Reporting Process (TO BE)

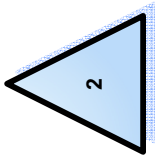
Monthly information related Capital spend and Project status is collected from Service Representatives and analysed by Corporate Asset Management Group along with Capital Accountant



**CONTROLS**



Service Representatives check Capital Spend information provided by Budget Holders.



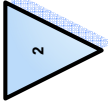
Planning and Monitoring Officer and Capital Accountant checks Capital Spend information provided by Service Representatives

## INFORMATION

The Date will be fixed by group and every month on this date information related to Capital Spend will be asked by Planning and Monitoring Officer from Service Representatives through email . The information needs to be provided in the designed form/template by Asset Management team.

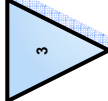


Planning and Monitoring Officer will wait 5 working days for Service Representatives to respond with the information asked by him through email . In mean time Service Representatives will contact Budget Holders for the information.

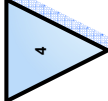


Service Representatives are as follows :  
Enterprise ,Planning and Infrastructure : Mike Cheyne  
Corporate Governance : Sandra Massey  
Housing and Environment : David Leslie  
Education ,Culture and Sport : David Wright  
Social Care and Well being : Graham Hossack

Meeting will be arranged by Planning and Monitoring Officer within 7 days once he received information from Service Representatives.



Capital Monitoring Reports are as follows :



### **1. Capital Budget Monitoring Report**

Report Author : Planning and Monitoring Officer

Information is transferred into appropriate template which is collected from Service Representatives

### **2. Capital Plan Progress Report**

Report Author :Mike Duncan

Committee :Finance and Resource Committee

Consultation done with following :

A) Convener B) Vice Convener C) Council Leader D) Head of Finance E) Corporate Governance Director F) Head of Asset Management G ) Head of Legal and Democratic Services H) Finance Managers

### **3. CMT Highlight Report**

Report Author :Mike Duncan

Consultation done with following :

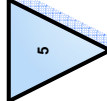
A) Finance Managers B) Service Accounting Manager C) Corporate Governance SMT D) Corporate Accounting Manager

### **4. Service Committee Reports**

Report Author :Mike Duncan

Consultation done with following :

A) Convener B) Vice Convener C) Head of Finance D) Respective SMT E) Head of Service F) G ) Head of Legal and Democratic Services H) Service Finance Manager



All the above reports except CMT Highlight report will be submitted by General Manager , Asset Management .CMT Highlight report will be submitted by Head of Finance

**OPPORTUNITIES FROM AS IS PROCESS**

1. According to the current procedure the information is being asked in various formats from Budget Holders. Also there is no single contact for Budget Holders. Information being asked by Capital Accountant and Finance Managers from Budget Holders. No controls in the Process.
2. No Guidelines regarding Process on Zone for Budget Holders and Service Representatives.
3. Training is essential for the Budget Holders to provide information fit for purpose.
4. No information on Project Status or forecast of Spend is known or provided by Budget Holders

## Appendix 8 - Option Appraisal Checklist

### APPRAISAL

#### 1. Define the objectives

Objectives and outputs should be set out clearly and relate explicitly to policy or strategy. They should be defined so that it can be established by evaluation after the event whether and to what extent objectives have been met. It is important that objectives are not described in such a way as to exclude options. Ideally they should be specific, measurable, agreed, realistic and time-dependent (SMART).

#### 2. Consider the options

Consider the options (i.e. the alternative ways of meeting the policy objectives). These must include a "do nothing" or "do minimum" option which provide a benchmark against which other options can be judged. It also helps demonstrate the need for the action and exposes the consequences of no action. Factors below could influence the choice of alternatives:

- risk;
- timing;
- scale and location;
- scope for shared service arrangements with other public bodies;
- degree of private sector involvement;
- capacity of the market to deliver the required output;
- alternative asset uses;
- use of new or established technology; and environmental equality.

For **Major Investment** projects as wide a range of options as possible should be considered before preparing a short list for full appraisal. Where some options are dismissed before a full appraisal the reasons should be explained.

#### 3. Identify, quantify and, where possible, value costs, benefits, risk and uncertainties of options

Identify all significant costs and benefits likely to accrue from each option. Where possible, value in real terms on an "opportunity cost" basis (generally the market value of the resource). Costs and benefits should include adjustments for optimism bias, differential tax treatment (eg in comparisons of public private partnerships versus conventional procurement), and distributional implications. Where costs and benefits cannot be valued in monetary terms, record and, where possible, quantify them. Market values may not be available for some costs and benefits involving quality issues, including some relating to the environment. Assess associated risks and uncertainties, and who is best placed to manage each risk. Assumptions about the future are subject to a margin of error (eg the risk that the demand for the service to be provided will fall off). The risk inherent in the proposal should be identified and valued wherever possible.

#### 4. Analyse the information

Provide a discounted cash flow comparison of the monetised streams of costs and benefits. Also, provide an overview of the important issues, an assessment of costs and benefits that cannot be valued, and an examination of the risks and uncertainties.

#### 5. Decide what evaluation should be performed at a future date

This should include an assessment of criteria against which outcomes can be compared to show that agreed objectives have been met.

#### 6. Present the Results

## Appendix 8 - Option Appraisal Checklist

Summarise the objectives, options considered, results obtained and what the results imply for the final management or policy decision. Provide information on underlying assumptions and calculations, for example:

- causal relationships between immediate, intermediate and ultimate objectives and outputs;
- costs and benefits not valued;
- timing of costs and benefits;
- a sensitivity analysis of the effects of changing key assumptions;
- the price basis used;
- the base date for discounting or the discount rate used.

and describe the information needed to inform later evaluation.

### EVALUATION

#### 1. Establish what is to be evaluated and how past outturns can be measured

Specify the activity (project, programme, policy, particular aspects of one activity, or common issues affecting several activities) to be evaluated. It should be related to policy or management aims and objectives. It should not be so narrowly defined as to preclude alternative methods of meeting those aims and objectives. Define and quantify objectives and outputs as precisely as possible. Review the availability of output and performance measures and other monitoring data, and how they relate to objectives. Consider the need for additional data

#### 2. Choose alternative "states of the world" and/or alternative management decisions, for comparison with outturns

Define carefully what is being compared with what. Be aware that the outturn being better or worse than expected may be attributable to factors outside the control of the relevant body / organisation.

#### 3. Compare the outturn with the target outturn, and with the effects of the scenarios chosen for alternative "states of the world" and/or management decisions

As with appraisal, identify and measure where possible both the direct and indirect costs and benefits of the project, programme, or policy. Compare what happened with target outturn and with one or more alternative outturns which would have occurred if the state of the world and/or management or policy decisions had been different. Assess the success of the project, programme or policy in achieving its immediate and intermediate objectives, and how this achievement has contributed to the ultimate objectives.

#### 4. Present the results and recommendations

Summarise the following: why the outturn differed from that foreseen in the appraisal; how effective the activity was in achieving its objectives; its cost-effectiveness; and what the results imply for future management / policy decisions.

#### 5. Disseminate and use the results and recommendations

Results and recommendations from an evaluation should be disseminated widely and fed into future decision making. Evaluation reports should generally be placed in the public domain.

## Appendix 9 - Surplus Assets

### Potential Receipts 2011/12

Property Address	Notes
Woodlands Special School Craigton Road	ACC have a Leasehold interest only. Ryden have been jointly instructed by ACC and NHS to negotiate lease surrender/ clawback.
Bon-accord Baths Justice Mill Lane	UNDER OFFER - Preferred bidder is Carpe Diem. Legal instructed July 2011.
12 Devanha Gardens West Ferryhill	ON MARKET - Limited interest at this time.
20a Loirston Road, Cove	ON MARKET - Closing date of 06 September 2011.
30 Springfield Avenue	ON MARKET - Closing date of 06 September 2011.
Shop - 74 Urquhart Road	UNDER OFFER - preferred bidder Mr C Campbell. Sold by Delegated powers.
54 - 58 Frederick Street	Proposed sale to NHS for Health Village
Shop - 46-48 King's Crescent	ON MARKET - proposed closing date September. Delegated powers.
Victoria Road School Victoria Road Torry	ON MARKET - Limited interest at this time. Has also been advertised nationally.
Glamis Cottage 30 Merkland Road	UNDER OFFER - Legal instructed June 2011
Cornhill School Lodge 8 Beechwood Road	UNDER OFFER - Legal instructed June 2011.
Skene Square Primary School Lodge 61 Skene Square	UNDER OFFER - Legal instructed June 2011.
Bucksburn Area Office and Flat, 23 Inverurie Road	Declared surplus at F & R Committee on 17 June 2011. Availability previously circulated. To be marketed. Awaiting marketing report from Ryden.
Ashley Road School Lodge 45 Ashley Road	UNDER OFFER - Legal instructed June 2011.
Grazing Paddock Airyhall House Airyhall Road	UNDER OFFER - Legal instructed June 2011.
29 Redmoss Avenue Nigg	ON MARKET - Closing date of 06 September 2011.
Seaview Childrens Home 1 Seaview Road	UNDER OFFER - Legal instructed June 2011.
26 Netherhills Avenue Bucksburn	ON MARKET - Limited interest at this time.
Former Depot, Johnston Gardens East, Culter	UNDER OFFER - Legal instructed June 2010. However, Legal are currently determining whether or not Missives are concluded and, as such, the subjects sold.
Aberdeen Grammar School Lodge, Skene Street West	UNDER OFFER - Legal instructed June 2011.
Grove Cemetery Lodge, Mugiemoss Road	UNDER OFFER - Legal instructed June 2011.
Investment Retail Portfolio - 3 Lots	ON MARKET - Closing date of 30 August 2011.

### Potential Receipts 2012/13

Property Address	Notes
Mile-end Primary School Midsocket Road	UNDER OFFER - Report to F & R Committee on 29 September 2011. (subject to planning)
Industrial Site 105/107 Urquhart Road	UNDER OFFER - Report to F & R Committee on 29 September 2011. (subject to planning)
Causewayend Primary School and Lodge Causewayend	ON MARKET - Limited interest at this time. Has also been advertised nationally.
Dominies Road Hostel 1-3 Dominies Road & 26a Rowan	UNDER OFFER - Legal instructed June 2011(subject to planning)
Mains Of Dyce Steading Building Dyce	UNDER OFFER - Legal instructed June 2011. Negotiations likely to be aborted as potential purchaser refusing to accept terms of sale. Property will be re-advertised.
Peterculter Area Office 102 North Deeside Road Peterculter	Declared surplus at F& R Committee on 17 June 2011. Availability previously circulated. To be marketed when Staff Flat above becomes vacant.
Former Leadsid Hall & adjoining Workshop, 41 - 45 Leadsid Road	UNDER OFFER - Legal instructed May 2011(subject to planning)

## Appendix 9 - Surplus Assets

<b>Receipts Post 2012/13</b>	
Property Address	Notes
Grazing Off Great Northern Road Devil's Den	Local development plan allowance for 330 houses with adjoining site owned by LADS. Long term no dates of price info. at this time.
Hilton Nursery School Hilton Avenue	Whole site declared surplus Dec 2010. Terms agreed to surrender NHS lease. Committee 16 June 2011 instructed legal to review lease. Ongoing title issues with legal since Dec 2010 now resolved. Marketing likely to commence October 2011.
Former St Peters Nursery, Spital	ON MARKET - Remarketing following withdrawal of previous approved offer.
Craighill Primary School Hetherwick Road Kincorth	Declared surplus Dec 2010. Under discussion as part of National Housing Trust RSL model and subject of report to F&R 29 September 2011.
Burnside Centre Mastrick Drive	Declared surplus Dec 2010. On market via Ryden. Positive interest from house builders. Internal interest from Occupational Therapists (OT) April 2011. Options appraisal has indicated excessive costs to remodel. Active marketing of enlarged site to resume subject to adjoining Hillylands Centre being declared surplus by EC&S and no further interest from OT.
Carden School Gordon Terrace Dyce	Retained until Learning Estate Strategy finalised. No active marketing until EC&S review completed. Expected September 2011.
Lochinch Farm	Part of proposed JV with Hermiston Securities. Likely to be phased release over a number of years.
<b>Assets to be transferred to HRA</b>	
Property Address	Notes
St. Machar School Harris Drive	Full Committee approval (12 November 2008) given for transfer to Housing Account. HRA to confirm when they intend to purchase.
Braehead School (formerly Balgownie) Tarbothill Road Bridge Of Don	Declared surplus Dec 2010. Interest from HRA and awaiting formal feedback. Demolition complete. No current marketing activity.
Smithfield Community School Clarke Street	Declared surplus Dec 2010. Demolition complete. Interest from HRA and awaiting formal feedback. No active marketing.
Victoria Lodging House & Store 84 West North Street	HRA have Committee approval to buy. Application made to Scot. Gov. HELD FOR HRA.
Aberdon House Coningham Road	Transfer to HRA awaiting approval from Scottish Office.
<b>HRA Sales</b>	
Property Address	Notes
254 Queen's Road	Declared surplus by H and E on 01 March 2011. Needs Scottish Min. approval to sell.
Former Cairnfield Community Centre. 6 Balgownie Drive. Br of Don	Declared surplus by HRA 12 January 2011. Now awaiting Scot Minister approval.
5 Affleck Place	UNDER OFFER - Legal instructed August 2010
8G Walker Place	UNDER OFFER - Legal instructed December 2010
136G Walker Road	UNDER OFFER - Legal instructed December 2010
2 Elmbank Road	Declared Surplus - Application made to Scot. Minister for approval to sell.
<b>Common Good Assets</b>	
Property Address	Notes
Former Ruthrieston Depot. Ruthrieston Road	UNDER OFFER - Legal instructed October 2010. Planning application currently being considered.
Former WCs. High Street. Old Aberdeen	UNDER OFFER - Legal instructed October 2010.



## Scottish Local Authority Property Benchmarking Group



### Annual Report

July 2011

Within Scotland the condition of Local Authority buildings graded as good or satisfactory has improve by over 12% over the last three years and now stands at 79.4%. However during the same period the maintenance need in buildings rated as average or poor has also increased as shown by the rapid rise in the cost of maintenance per square metre of the estate which now stands at £158/m2.

These are the main results of the first annual report of the Scottish Local Authority Property Benchmarking Group. The group was formed three years ago by Local Authorities in Scotland working with CIPFA (Chartered Institute of Public Finance and Accountancy and NBVBS Ltd (National Best Value Benchmarking Scheme). The group has members from 24 of the 32 councils in Scotland together with Strathclyde Fire and Rescue and meets three times a year to consider the data that has been submitted and to discuss how they can learn from each other and improve their efficiency.

On the wider arena the group has worked closely with Audit Scotland on the development of Performance Indicators for property and were noted in the latest report Property Management.

The group use two sets of indicators to measure the performance of the building stock. Firstly the two Statutory indicators on Condition and Suitability which were developed jointly by the Federation of Property Societies in Scotland (FPS Scotland) and Audit Scotland and secondly the FPS Scotland Property indicators which were also develop in conjunction with Audit Scotland.

These indicators cover the areas of:

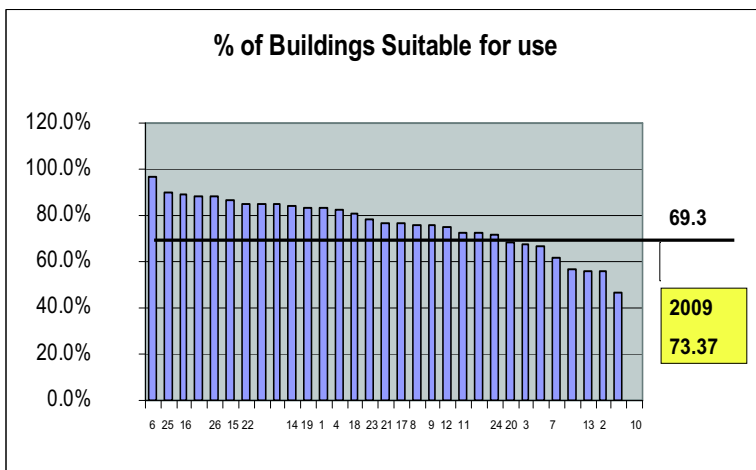
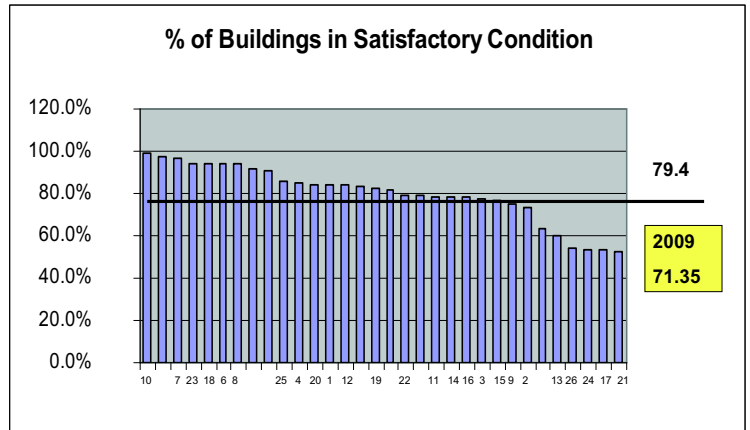
- ❖ Spend
- ❖ Stock
- ❖ Sustainability
- ❖ Suitability
- ❖ Sufficiency



## Trends in the year 2010-2011

Over the last three years the percentage of Local Authority buildings in a satisfactory condition has improved by 13% to 79.4% and the percentage of buildings suitable for use has increased by 7% to 69.3%

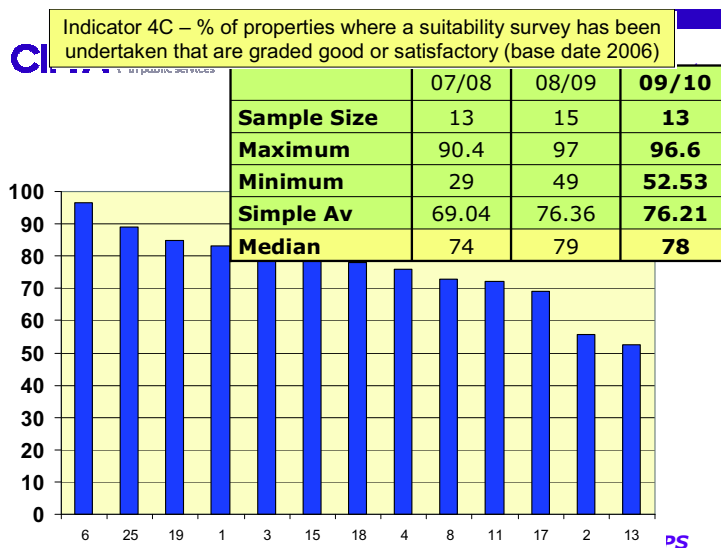
These figures are supported by the information from the group which show satisfactory condition at 77% but interestingly suitability at 76% which is



7% higher than the National figure.

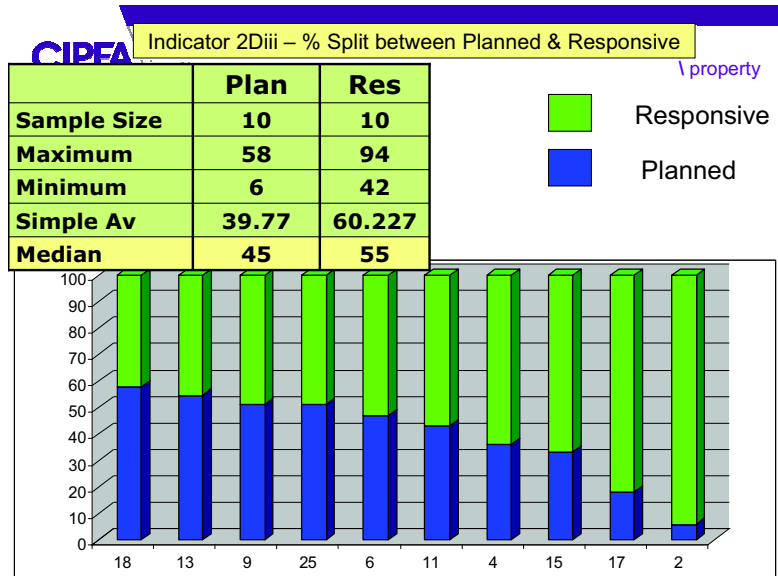
However over the same period the cost of required maintenance per square metre has risen and now stands at £158/m<sup>2</sup>. This would indicate that some buildings, particularly those in category D, are in a worse condition than previously.

The data shown in the chart on the right is the suitability figures for the Authorities in the group



## Planned and Reactive Maintenance

The relationship of planned to responsive maintenance also continues to get worse. Audit Scotland recommends a figure of 60% planned to 40% responsive. However the figures within the group show that an average of only 40% of the work is currently planned within Scottish Local Authorities. This likely to be due to reducing maintenance budgets due to reductions in overall spending.



## Sustainability

The group evaluates sustainability issues by collecting data on CO<sub>2</sub> emissions and usage figures for electricity and water. In relation to CO<sub>2</sub> emissions the data supplied by the submitting councils remain fairly constant over the past three years. However during the same period the usage of electricity per square metre of the stock has risen by 15%. This could well be as a result of increased IT usage in buildings.

The failure of the CO<sub>2</sub> figures to show a similar increase is likely to be due to the energy conservation work that has been carried out by councils.

The group meets three times a year with facilitators from both CIPFA and NBVBS to review the data that has been generated and to discuss the implications of the figures. Authorities learn from each other by sharing best practice, reports and developments. During the coming year the group will be looking at target setting and how this process can assist a more effective use of resources.

The group maintains close working relationships with other Asset Management Groups including FPS Scotland and the ACES asset management group.

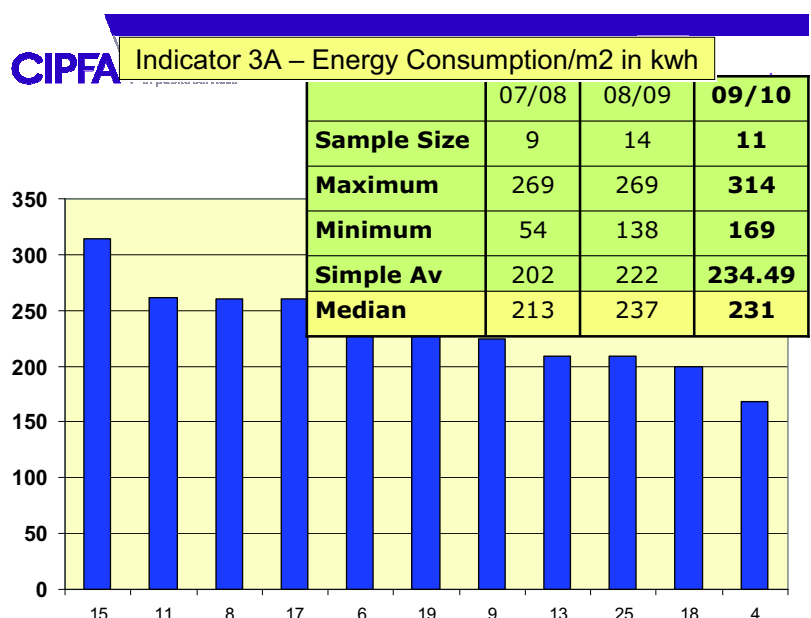
**Members of the Group:**

The following Authorities are members of the Scottish Local Authority Property Benchmarking Group.

Aberdeen City – Aberdeenshire – Argyll and Bute – Conhairle nan Eilean Siar – Clackmannanshire – Dundee City – East Ayrshire – East Lothian – East Renfrewshire – Edinburgh City – Falkirk – Glasgow City – Highland – Midlothian – Moray – North Ayrshire – North Lanarkshire – Perth and Kinross – Renfrewshire – Scottish Borders – South Ayrshire – South Lanarkshire – Strathclyde Fire and Rescue – West Lothian

If your Authority is not a member of the group you are missing out on developing Asset Management Best Practice in your Council

Details of membership from Susan Robinson (CIPFA) [susan.robinson@cipfa.org.uk](mailto:susan.robinson@cipfa.org.uk) or Alan Tyler (NBVBS) [abtyler@nildram.co.uk](mailto:abtyler@nildram.co.uk).



Appendix 11 – TNRP Progress Summary

Property Grouping	Report to F&R Committee	Outcome	Progress Since
Shops	02/12/10	Part retain / part sell	Preferred offer to be reported to Finance & Resources on 29/9/11
Farms	17/06/11	Retain pending planning opportunities	Watching Brief
Business Centres	02/12/10	Retain pending possible redevelopment of adjacent site at Granitehill. Seek to maximize income from both	Under review
Advance Factories	21/04/11	Retain and cost out required works	Costing being progressed
Advertising Sites	21/04/11	Retain pending eventual various redevelopment	Watching Brief
Offices	06/12/11	N/A	N/A
Licensed Premises	06/12/11	N/A	N/A
Premises (Industrial)	06/12/11	N/A	N/A
Sites (Industrial)	06/12/11	N/A	N/A
Common Good	19/6/12	N/A	N/A

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan - Review of Corporate Office Accommodation
REPORT NUMBER:	EPI/11/246

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### 1. PURPOSE OF REPORT

This report advises on the current situation of the Council corporate staff accommodation, the expectations of these properties given the move to Marischal College and the intended future space management control for all Council offices.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) instructs that a Corporate Office Accommodation Review is undertaken as part of the annual Property Asset Management Plan.
- b) instructs the Head of Asset Management & Operations to continue appropriate negotiations with Landlords of the leased properties which require early termination.
- c) instructs the Head of Asset Management & Operations to undertake an option appraisal in relation to the occupational requirements of the Services currently occupying Exchequer House, reporting back to this Committee within 6 months.
- d) instructs the Corporate Asset Group to undertake a review of the future utilisation of the Town House, reporting back to this Committee, in due course, on all the possible options and financial consequences.
- e) nominates representatives to work with the officers' review group of the Town House
- f) the Head of Asset Management and Operations is authorised to market suitable vacant office accommodation on the open market, that is identified as part of the future monitoring of space utilisation.

### 3. FINANCIAL IMPLICATIONS

There are no specific financial consequences identified within this report. Depending upon the results of the work which the report identifies as required in relation to the future of leased accommodation there may be significant implications, but these will be subject to separate reports in due course.

### 4. OTHER IMPLICATIONS

This report concentrates on the utilisation of space within properties, proposing the introduction of performance information to allow this to be assessed. It does not detail how performance can continue to improve by the introduction of new technology whereby there is theoretically less need for accommodation.

### 5. BACKGROUND/MAIN ISSUES

It had been identified within previous Property Asset Management Plans that there was a need for a comprehensive corporate review of all staff office accommodation, particularly given the relocation of staff to Marischal College. Furthermore a report from Internal Audit on Capital Investment to the Audit & Risk Committee on 29 March 2011 commented:-

*“Given the planned transfer of staff from St.Nicholas House to Marischal College in June 2011 there is an opportunity to improve use of office accommodation at ACC by taking account of new ways of working and health and safety requirements relating to the amount of space required per person”*

Table 1 of the attached Appendix shows a “snapshot” of corporate staff offices occupied by the City Council prior to the commencement of the Marischal College refurbishment. It also details appropriate annual property costs for the last full year of staff occupation. It should be noted that these costs have been reduced as offices became vacant (particularly where leases have expired). These costs will further reduce as we vacate other staff offices as part of office rationalisation. Table 2 shows the projected future of staff office accommodation (including anticipated annual premises costs) on the completion of the Marischal programme and corresponding staff office moves, subject to the Committee approving the recommendations in this Report.

It should be noted that comparing Table 1 directly with Table 2 would give a misleading impression. Table 1 shows the known premises cost for the last year the building was occupied. These costs have not been updated to today’s equivalent, and do not for instance reflect the



additional cost from the rise of energy prices and the recent rating revaluation.

The report considered by the City Council at its meeting on 29 June 2005 indicated that, after a detailed Option Appraisal, Marischal College was the best option for a new development, and that through careful asset management, could reduce the overall running costs for the Council for corporate office accommodation. However, this was coupled with the knowledge that additional revenue costs will be incurred through additional capital investment and the financing costs associated with this investment. This report also stated that the detailed work undertaken by officials and consultants had shown that there was a major risk if no major improvement/refurbishment was undertaken to St Nicholas House. Alternative accommodation would have been required for staff if substantial repair works to St Nicholas House were necessary to allow it to continue in use. The technical advice was that it would not be possible to do this work in a phased programme, and it would therefore have been necessary to completely decant all staff from the property for up to four years.

Whilst the Council has reduced the number of offices, the proposed remaining portfolio, on the whole, provides modern, flexible accommodation, particularly within the two main facilities at Marischal College and Balgownie 1. Furthermore this flexibility will assist in the future development of new ways of working.

These primary offices outlined in Table 2 will form the basis for future office accommodation reviews, which will look to establish how effectively properties are being utilised by individual Services and corporately. There is a need to benchmark the performance of these buildings not only to ensure that offices are meeting targets on space utilisation, but also that occupation levels justify the operational running costs of the building. This benchmarking exercise will also look to determine how effectively offices are operating based on energy costs for the property. Having reduced the number of offices staff occupy, the Council can also demonstrate how it has reduced its carbon footprint on the city. However this will need to be continually monitored against space utilisation and building condition. Furthermore by the adoption of such an approach the City Council will be able to compare our performance against other Scottish local authorities and similar size organisations. It is not intended that a full review will be carried out this year because of the flux of staff due to the Marischal relocations. However there is a need to agree how all offices are going to be monitored for performance in future years, and this is addressed below.

A property review of office accommodation will further strengthen the mission statement of the Council's Corporate Asset Management plan which states that:-

*“The Council will provide property, working with partners, where appropriate, which supports the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable and sustainable.”*

## **Key Changes**

One of the objectives in the refurbishment and relocation to Marischal College was to examine the possibility of terminating or allowing leases to lapse on a number of leased city centre offices. Table 3 details this accommodation.

Following the completion of all programmed staff moves into Marischal College and other corporate accommodation the position with the resulting leased properties will be:-

Kirkgate House – Social Care and Well Being staff to be fully decanted from the property to Marischal College, Balgownie 1 and Mastrick Area Office.

Crown House – Corporate Governance to be fully decanted from the property to Marischal College and Frederick Street, 1<sup>st</sup> Floor.

Exchequer House – Due to the specialised nature of some of the Social Care and Well Being teams occupying this property it was not possible to relocate these teams within Marischal. Officers propose to maximise space utilisation within the property to allow for staff currently based at St.Nicholas House and 137 Gallowgate to fully occupy this property. Discussed below is the requirement to review the future of Exchequer House.

Frederick Street – Currently the 2<sup>nd</sup> Floor of this property is operating as the Council’s corporate Training Suite. The 1<sup>st</sup> Floor has been refurbished and brought up to office standards for the relocation of the Customer Contact Centre from Crown House and Kittybrewster Depot office. Talks are on going between the Council and Grampian Police to expand this facility to include the Police’s call centre from Queen Street. The decision will have an ultimate bearing on the future use of the remaining 1<sup>st</sup> Floor accommodation, and potentially Ground Floor which is currently mothballed.

Office accommodation in the remainder of the Council’s corporate offices has been consolidated to allow for the resulting transfer of non allocated Marischal teams (or for any other to be confirmed uses). As a result of this, the future standings on the following properties will be:

74- 76 Spring Garden – Fully occupied by Enterprise, Planning & Infrastructure and the Trade Unions.

Balgownie 1 – To be fully occupied by mixture of several teams across Education Culture & Sport, Corporate Governance, Social Care & Well Being and Housing and Environment.

Town House – As a result of Legal Services move to Marischal is it proposed to consolidate Democratic Services to the one central location on the 1<sup>st</sup> Floor, Old Town House. The consequence of this proposal is discussed in more detail below.

Kittybrewster Depot Office – To be fully occupied by Housing and Environment, with the possibility of the building being transferred/leased to the proposed LLP in due course.

### **Future Management of Accommodation**

It is proposed that a yearly review of all corporate staff accommodation be undertaken by the Asset Management Team within Asset Management & Operations, reporting in the first instance to the Corporate Asset Group. Due to the flux of pending moves as a result of the opening of Marischal College this review will commence in 2012.

Table 4 outlines the Performance Indicators which will be applied against the properties in the review, and which will assess the functionality, suitability and space utilisation of the properties. These indicators will assess the operation of an office on net useable space, staff occupation, number of workstations against running costs. The City Council has for a number of years been a member of CIPFA's Asset Management Benchmarking Group which utilises some of these indicators. Accordingly it will be possible to ensure that our performance is measured against our peers.

In order to ensure consistency and good practice the Office Review will extend to those "satellite" offices occupied by individual Service control (see Table 5). Office accommodation must be flexible to meet the Council's ever evolving use of accommodation. Therefore the Corporate Asset Group has already instructed that it will be Asset Management Unit's responsibility to monitor space utilisation within all Council offices. As part of this ongoing review Asset Management will be challenging how all office accommodation is utilised by the Council. This will also ensure that advice is available to all Services to ensure compliance with all statutory requirements.

Should the consolidation of space in any office result in unallocated accommodation, the ongoing improvements to space planning/allocation opens up the possibility that some of the accommodation could be marketed for lease.

### **Accommodation Issues**

There are a number of issues that require to be addressed as a result of the above actions:-

Crown House, Kirkgate House and 137 Gallowgate – Negotiations have been initiated by the Head of Asset Management & Operations with the respective Landlord for the early termination (if possible) of the leases on all these properties. The outcome of these discussions will, if appropriate, be reported to future meetings of this Committee. It should be noted, however, that there are revenue consequences flowing from this work. Very early indications are that the Council's landlord at Crown House will not be minded to allow the Council early termination. Given the imminent pressure to decant St.Nicholas House Housing and Environment have taken on short term occupation of the building for Housing Regeneration staff. This stop gap measure will then allow appropriate time for alterations to take place at Kittybrewster for staff to permanently relocate to, subject to finance being identified.

Exchequer House – Whilst one of the original aims in the refurbishment of Marischal College was to terminate all city centre office leases, it has not been possible to replicate the facilities within Exchequer House at alternative accommodation owned by the Council. Consideration had been given as to whether or not the potentially vacant accommodation within the Town House could be suitable, however due to the layout of this accommodation, access and security with limited finance to overcome, these issues in the short to medium term, this option was discounted. Furthermore many of the teams currently based within this property have specialised location requirements which would restrict relocation out with the city centre. There is a need to review a long term solution to this issue, and accordingly it is proposed that a full option appraisal be undertaken

Town House – Following the consolidation of Democratic Service's staff accommodation there will be a need to consider a full review of all future office accommodation at the Town House. In addition to the needs of the Office of Chief Executive there may be the opportunity to look at possible improvements to the Civic offices and facilities throughout the building. With difficulties, although not impossible, there is the option for any additional accommodation to be utilised by any other external party, including the Scottish Courts. Accordingly it is proposed that the Corporate Asset Group sets up a review group to consider all the options.

This report was approved by the Corporate Asset Group at its meeting on 25 July and CMT at its meeting on 28 July 2011.

## 6. IMPACT



Corporate – The report will assist in ensuring that the Council is utilizing all its office accommodation as efficiently as possible

Public – The development of efficient office accommodation will assist in improving the environment of offices visited by the general public.

7. BACKGROUND PAPERS

Report from Internal Audit on Capital Investment to the Audit & Risk Committee on 29 March 2011  
Property Asset Management Plans 2009 & 10

8. REPORT AUTHOR DETAILS

Jennifer Elrick  
Asset Management Officer  
 [jenelrick@aberdeencity.gov.uk](mailto:jenelrick@aberdeencity.gov.uk)  
 01224 52(2631)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Whitemyres Stores – Future Use
REPORT NUMBER:	EPI/11/280

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### 1. PURPOSE OF REPORT

The report updates the Committee on the possible future of the soon to be vacated Central Stores. It advises that two Council uses have been identified.

### 2. RECOMMENDATIONS

It is recommended that the Committee approves:-

- a) the transfer of Units 3 & 4 to Social Care & Wellbeing for the replacement of the Occupational Therapy Equipment Store at Crombie Road
- b) the transfer of Unit 2 to Social Care & Wellbeing for the creation of a User Records/Archive Store;
- c) the transfer of the existing Occupational Therapy Stores at Crombie Road to the Property Account, with the Head of Asset Management & Operations instructed to advertise them for lease at the earliest opportunity

### 3. FINANCIAL IMPLICATIONS

It is understood from Social Care and Wellbeing that the cost of refurbishing Units 3 & 4 can be met from the Social Care & Wellbeing budget this financial year. It is further understood that the associated annual revenue costs for all three Units can be met from the Social Care & Wellbeing budget for subsequent financial years.

#### 4. OTHER IMPLICATIONS

There is an opportunity for the Council to investigate its requirements for both Corporate Archive Storage and Social Care & Wellbeing Archive/Record Storage. This matter will continue to be investigated to determine whether or not the Whitemyres units give the Council the opportunity to centralise all facilities at this location, in the longer term.

There is an urgency to relocate the Social Care & Wellbeing Service's User records from St Nicholas House, to ensure that the property can be closed within the originally agreed timeframe.

#### 5. BACKGROUND/MAIN ISSUES

The Finance & Resources Committee at its meeting on 17 June 2011 considered a report by the Director of Corporate Governance which provided a synopsis of the current situation at Whitemyres Centre (central stores), which proposed that the current Procurement operations cease to ensure that the Council did not encounter any financial loss.

The Committee instructed, inter alia, that:-

- i) current operations at the Whitemyres Centre cease as of 30 September, 2011;
- iv) the appropriate officers consider the future of this facility, and to report back to this Committee at the meeting of 6 December, 2011 in this regard.

The Central Store located at Whitemyres consists of three units extending to 2,035sq m. Two of the units (Units 3 & 4) are owned by the City Council, whilst the third (unit 2) is leased by the Council (along with the adjoining Unit 1) until 2024. Unit 1 is occupied by Corporate Governance for the Council's Corporate Archive Store. The current annual rent for units 1 & 2 is £85,000. These properties are identified in Appendix 1.

Two urgent uses for the three units being vacated, which fully takes cognizance of the industrial nature of the properties have been identified by Social Care & Wellbeing:-

Units 3 & 4:- Replacement Occupational Therapy Equipment Store  
Unit 2:- User Record User Storage for Social Care & Wellbeing

#### **Occupational Therapy Equipment Store**

This is currently located within two Council owned industrial stores at Crombie Road. It has been recognised that the property is no longer "fit for purpose" with staff having to work in very poor conditions due to the property now being too small to accommodate all the equipment required to meet the demands of Community Care. A move to the



premises at Whitemyres will enable Aberdeen City Council to provide an equipment service which is fit for purpose and meets the health and safety requirements to ensure the ever increasing demands placed on the Store facility can be met.

An adequately resourced and responsive equipment service is vital to ensure that service users remain safe and as independent as possible in their homes and Aberdeen City Council meets its target in respect of Community Occupational Therapy assessments and Delayed Discharges.

The Single outcome agreement and Community care plan are advocating:

1. Services need to be more responsive to the Community
2. The health and care needs of elderly people are important, as is the provision of services in a way that protects the personal dignity of people.
3. An increase in the percentage of older people aged 65+ with intensive care needs receiving services at home.
4. The maintenance of the number of delayed discharges within the six week delayed discharge planning period to 0.
5. The delivery of a comprehensive programme of care to those who need support and their carers

The present units at Crombie Road are small with no natural light. Due to the amount of equipment that requires to be stored the premises are very cramped, with too much equipment being stored above head height, with potentially long term Health & Safety issues for the City Council. The staff at the store have maintained a high standard of service under difficult conditions.

With the reablement and rehabilitation agenda, people should receive such care within their own homes rather than an acute setting. This has increased the demand for equipment. This increased use of assistive technology has also increased the demand for storage. The existing store at Crombie Road is unable to house any more equipment or staff.

The service recently acquired two decontamination units to carry out the essential cleaning of equipment. This will allow the service to recycle items of equipment with a projected saving based on 2010/11 financial year of £541,566.35. These machines were essential to meet the requirements specified by the Medical Devices Agency -MHRA DB2006(05) November 2006

Social Care & Wellbeing and Asset Management staff have undertaken detailed property searches to identify a suitable property that could be utilised for all the services that Occupational Therapy are statutorily obliged to undertake. Until the store at Whitemyres became available no property could be found which would meet the specification required or was affordable.

At the present time revenue funds, of up to £350,000, are available this financial year within the Social Care & Wellbeing budget to undertake necessary adaption work for the equipment store. Estimated costs prepared by staff in Enterprise Planning & Infrastructure indicate that it would be possible to refurbish this property for this specific use for approximately £250,000.

The annual revenue costs for Crombie Road is currently £34,000 whilst the estimated cost of the two units at Whitemyres is approximately £30,000pa. It is understood that this can be accommodated within the Social Care & Wellbeing budget. It should be noted that due to the intended use the Council would not pay rates for these properties.

A further additional revenue source would be the income received from the Council in leasing the Crombie Road units on the open market. This income would be in the region of £24,000pa. As the Council own all the adjoining units it would not be advisable to dispose of these units in isolation.

### **Social Care & Wellbeing Service User Records**

An urgent need has been identified to relocate all of the Service's User records held by Social Care & Wellbeing, currently stored in St Nicholas House and those already at Whitemyres in the Central store. Due to the imminent closure of St Nicholas House these files need to be moved by the end of October. It is imperative that these files are moved to allow St Nicholas House to be closed, thus achieving the required budget savings. It was originally intended to move the files to Marischal College, but it is understood that due to operational reasons this is no longer a practical solution.

The only property that has been identified which could be immediately utilised, and which has all of the necessary security measures which are required, is Unit 2 at the Whitemyres Centre. This unit adjoins the Council's existing Corporate Archive Store. Not only would this property accommodate the files, it also has the necessary office accommodation for the staff required to manage the facility. The estimated annual cost of this property is £75,000, and it is understood that finance is available to meet this cost.

The adjoining Corporate Archive Store is nearly at full capacity. There is an opportunity in the medium term to review how these two very similar facilities could be managed to increase efficiency for the Council.

Costs are currently being prepared for the relocation expenses and for the cost of moving the required racking and associated works, and today's Meeting will be advised of this information.

It should be noted that it would be difficult for the Council to sub lease Unit 2 as the adjoining Corporate Store has neither toilet facilities nor

the room to provide them. Staff working in the Corporate store (Unit 1) therefore require access to the welfare facilities in the proposed Social Care & Wellbeing Record Store (Unit 2).

## 6. IMPACT

Council – This report will ensure that Council property is being utilised to help assist in efficient delivery of services

Public – There will an improvement for the public due to the improvement of service delivery, particularly for occupational therapy.

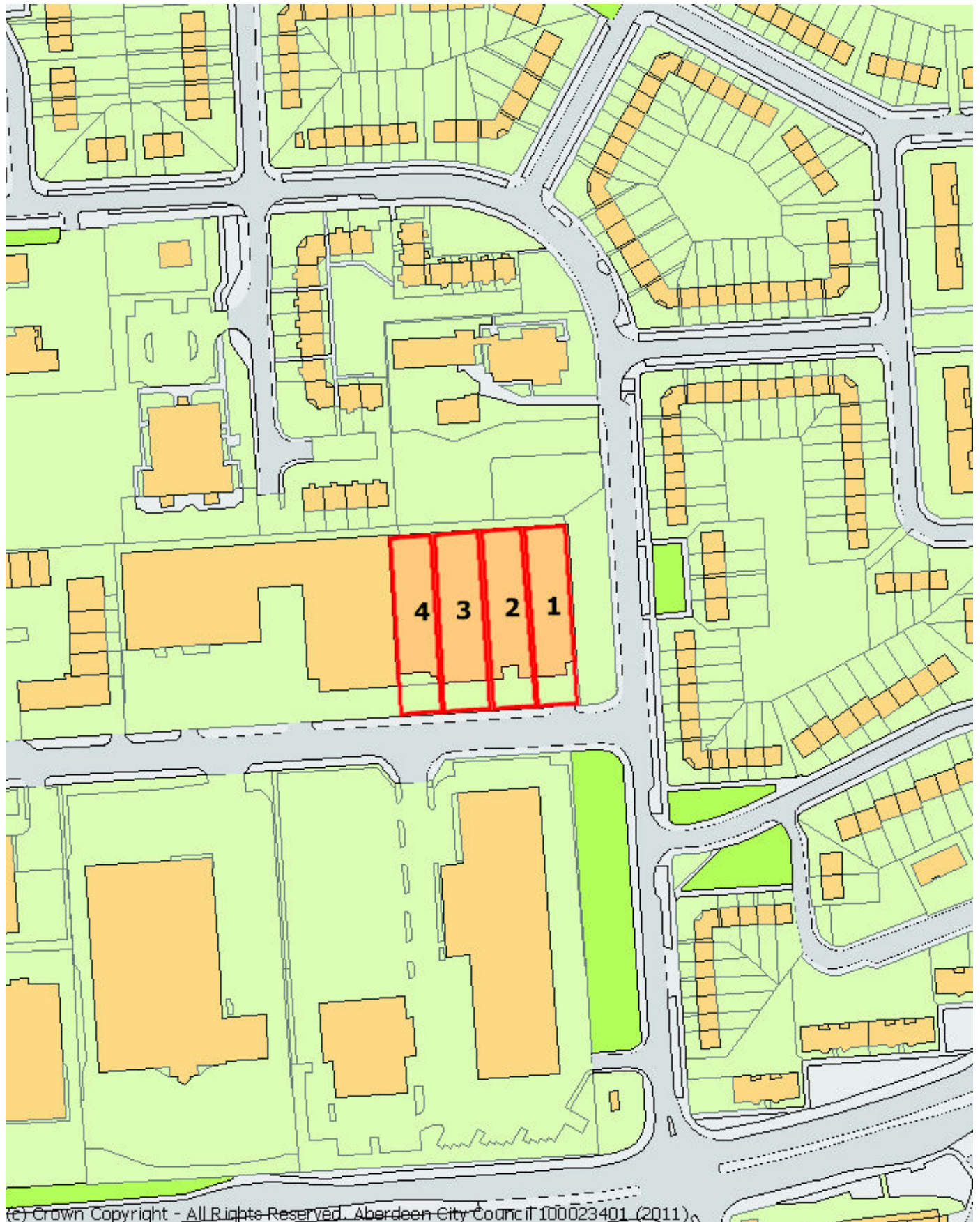
## 7. BACKGROUND PAPERS

None

## 8. REPORT AUTHOR DETAILS

Mike Duncan  
General Manager – Asset Management  
✉ [mjd@aberdeencity.gov.uk](mailto:mjd@aberdeencity.gov.uk)  
✉ 01224 52(2166)

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 <sup>th</sup> September 2011
DIRECTOR	Pete Leonard
TITLE OF REPORT	National Housing Trust Phase 2 (Developer Led)
REPORT NUMBER:	H&E/11/198

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### 1. PURPOSE OF REPORT

To seek Committee approval to participate in a second phase of the National Housing Trust (NHT) Initiative (the "Initiative") and sign a Participation Agreement with the Scottish Government and Scottish Futures Trust.

### 2. RECOMMENDATION(S)

It is recommended that Council agrees

1. to participate in the NHT Phase 2 procurement as developed by the Scottish Futures Trust subject to the Directors of Corporate Governance and Housing & Environment continuing to be satisfied that the legal and financial elements of the initiative do not expose the Council to undue risk;
2. that borrowing through the Council's Loan Fund for the scheme be agreed in principle, subject to a maximum of 50 units;
3. that Standing Orders 11 and 26 be exempted if the Participation Agreement does not contain clauses relating to the "Prevention of Corruption" and "Freedom of Information" clauses required by the Council's Standing Orders Relating to Contracts and Procurement;
4. to delegate authority to the Head of Legal and Democratic Services, or her nominated representative, to execute the Participation Agreement on behalf of the Council; and
5. to instruct officers to report to future Committee meetings as further decisions are required.

### 3. FINANCIAL IMPLICATIONS

If the Initiative leads to properties being delivered the Council will be required to borrow money to provide a loan to the Development Vehicle for up to 70% of the costs. This would be done through the Council's Loans Fund. The remaining 30% of the capital costs would be financed by the private sector developer, with 25% as equity and a 5% loan. The Council's borrowing would be a General Fund activity as the properties would not be owned or operated by the Council. The loan to be provided by Aberdeen City Council could potentially be up to £4.9 million.

The repayment of the borrowing would be serviced from the rental income from the properties, The Scottish Government will underwrite the loans provided by local authorities. This means that if there is a shortfall from the rental income for repayments at a fixed interest rate and future sale of the properties the Government will cover these losses. As previously required by the Finance and Resources Committee on 1<sup>st</sup> February 2011 the Head of Finance has assessed the financial risks for the Council and agreed with the Convener and Vice Convener of that Committee that there is minimal risk to the Council.

#### 4. OTHER IMPLICATIONS

Any increased provision of good quality affordable housing may make a contribution towards improving availability of housing for homeless households and make a contribution to meeting the housing needs and demands of our citizens.

#### 5. BACKGROUND/MAIN ISSUES

At the meeting on 18<sup>th</sup> August 2010 Council agreed

1. to participate in the NHT procurement as developed by the Scottish Futures Trust subject to the Directors of Corporate Governance and Housing & Environment being satisfied that the legal and financial elements of the initiative do not expose the Council to undue risk;
2. that borrowing through the Council's Loan Fund for the scheme be agreed in principle, subject to a maximum of 50 units;

At the meeting on 29<sup>th</sup> June 2011 Council agreed to award a call off contract which should deliver 41 units through the first stage of the Initiative. The call off contract and associated LLP documentation are currently awaiting signing. It is anticipated that the signing will happen by the date of this Committee.

In anticipation of a Phase 2 of the Initiative at the meeting on 1<sup>st</sup> February 2011 the Finance & Resources Committee agreed to:



- (i) instruct officers to consider the participation in a further phase of the NHT Initiative subject to the Director of Corporate Governance and the Director of Housing and Environment being satisfied that the legal and financial elements of the initiative do not expose the Council to undue risk;
- (ii) agree that borrowing through the Council's Loan Fund for the scheme be agreed in principle, subject to a maximum of 50 units; and
- (v) instruct officers to report to future Committee meetings as further decisions are required.

The Scottish Government has now decided to commence a further phase of the Initiative and the in principal agreement of Committee has been used to inform the Scottish Government of the Council's interest in participating in Phase 2 of the Initiative.

To formalise this position the Council is now required to sign a Participation Agreement by the end of September. The Participation Agreement is the same agreement as previously signed for Phase 1.

During the legal due diligence of the Participation Agreement for Phase 1 it was identified that the Participation Agreement did not contain the "Prevention of Corruption" and "Freedom of Information" clauses required by Standing Orders 11 and 26 of the Council's Standing Orders Relating to Contracts and Procurement. In addition, the Prevention of Corruption Clause required by Standing Order 11 does not form part of the other project documents for the NHT Initiative. Instead, the Scottish Futures Trust asked the Council to accept that the private sector developers involved in the scheme will be asked to complete a declaration at the time of tendering. This is not sufficient to comply with Standing Order 11.

The scheme involves a loan from the Council to a development vehicle (an LLP of which the Council is a member). The loan is guaranteed by the Scottish Ministers. However, the Guarantee involves a warranty by the Council that all the project documents comply with the Council's standing orders. The Guarantee Agreement forms part of the Participation Agreement. Therefore, a formal exemption from Standing Orders 11 and 26 was required and obtained in advance of signing the Participation Agreement.

The exemption was granted by the Chief Executive, the Head of Legal and Democratic Services and the Head of Finance in accordance with Standing Order 1(6)(b) of the Contract Standing Orders as the contract was urgently required to meet the exigencies of the Service. There was insufficient time to seek Committee approval in order to meet the deadline set by the Scottish Government.

The Scottish Futures Trust have been asked to add clauses to the Participation Agreement to satisfy our Standing Order requirements. If they do not agree then the Committee are asked to agree that Standing Orders 11 and 26 be exempted.

Further reports will be presented to Committee for decisions as the procurement process requires.

## 6. IMPACT

The Community Plan sets out our vision for the future of the city. Our vision is a city which is vibrant dynamic and forward looking an even better place to live and work, where people can expect high quality services that meet their needs.

The delivery of the new affordable housing aims to provide our citizens with an increased supply of affordable rented homes which would support the following challenge in the community plan:

- ◆ Homes Challenge – improving the quality of housing and environment for individuals and the community and eradicating homelessness by 2011.

The provision of affordable housing also aims to fulfill the following Vibrant Dynamic & Forward Looking objectives:

- Work with Registered Social Landlords to develop affordable housing including 2,000 new affordable houses

## 7. BACKGROUND PAPERS

National Housing Trust Initiative – Participation Agreement

## 8. REPORT AUTHOR DETAILS

Graeme Stuart (Strategist - Policy & Planning Housing)  
ph. (52)3043  
E-mail – [gstuart@aberdeencity.gov.uk](mailto:gstuart@aberdeencity.gov.uk)

## **How does the NHT work?**

New build homes are procured from developers, and when a bid from a developer is accepted on to the initiative the developer will complete the homes on their site to agreed standards and timescales. Special purpose vehicles (SPVs) are set up to oversee progress on each developer's site within a council area - these will be companies which won't have any staff, but will have a board of management involving the relevant developer and council and a representative of the SFT. Once the homes are completed, the SPV will buy them by paying between 65 and 70 per cent of an agreed purchase price to the developer upfront. This contribution will be funded by participating councils who will provide loans to the SPVs in their area - councils fund this by borrowing from the Public Works Loan Board. The remaining 30 to 35 per cent will be contributed by the developer as a mixture of loan funding and equity investment.

The homes are expected to be available to tenants for affordable intermediate (mid market) rent for five to 10 years and the developer will oversee an agent(s) who will manage the homes and carry out maintenance and repairs to agreed customer service standards. The managing agents will allocate homes to tenants based on criteria agreed with the council.

Each SPV's income from tenants' rents will be used to pay interest to the local authority so it can finance its own borrowing for the initiative and will also pay interest on the loan from the developer and pay for agents responsible for managing and maintaining the homes. The Scottish Government will provide a guarantee to participating councils that it will step in if there is a problem and the SPV is unable to pay what it owes to the local authority.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	29 <sup>th</sup> September 2011
DIRECTOR	Stewart Carruth
BULLETIN REPORT	Accord Card: Citizen Roll Out Update
REPORT NUMBER:	CG/11/109

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### 1. PURPOSE OF REPORT

To update committee on the progress made to date on allowing Accord card holders to obtain services offered by Aberdeen City Council and its partner organisations at a preferential rate via a residents discount scheme.

### 2. RECOMMENDATION(S)

It is recommended that elected members:

- i) Consider the content of the report and select one of the options stated in 5.3 on how this issue should be progressed.

### 3. FINANCIAL IMPLICATIONS

No change to those detailed in report CG/10/205 approved by Finance & Resources Committee on 1<sup>st</sup> February 2011.

### 4. OTHER IMPLICATIONS

#### Legal

European Court of Justice Case Law has been highlighted regarding differential charging for residents and non-residents which is relevant to the policy of offering a discount on Council services to Aberdeen City residents.

The Policy & Advice team within Legal & Democratic Services have reviewed this case law (EC Court Judgement \* 62001J0388 Judgement of the Court (Sixth Chamber) of 16th January 2003; Commission of the European Communities v Italian Republic) which relates to the Italian Republic wishing to offer a discount for Italian nationals only to local museums, galleries and cultural sites. In this

case the Italian republic was found to be in breach of Articles 12 (*discrimination on the basis of nationality*) and 49 (*provision of services*) of the EC Treaty.

The Policy Advice team has advised that the effect of the Aberdeen City residents discount policy is essentially the same and that this policy would not comply with the requirement to fulfill the obligations contained in Articles 12 and 49 of the EC Treaty. Therefore, should the Aberdeen City residents discount policy be implemented, the Council would be open to challenge.

#### Resource

No change to those detailed in report CG/10/205 approved by Finance & Resources Committee of 1<sup>st</sup> February 2011.

### 5.0 MAIN UPDATE

- 5.1 There are a number of other local authorities who offer Council services at a discounted rate for its residents. These local authorities have been contacted to discuss how these schemes are operated to determine how such a scheme can be implemented in light of the legal advice.
- 5.2 Regarding the specific issue noted in section 4, some local authorities were aware of the case law, have chosen to implement a resident's discount scheme and have not been challenged on this. Most local authorities contacted were not aware of the case law and will continue to operate a resident's discount scheme.
- 5.3 Residents discount scheme's in operation across the UK vary in nature and fall into one of three categories noted below.

Committee is requested to select one of the options noted below as a framework within which an Aberdeen City residents discount scheme should operate.

#### 5.3.1 Residents Only Discount

This option is what was envisaged and approved by Finance & Resources Committee, i.e. residents of Aberdeen City receive a discount on Council services based solely on the basis that they reside in Aberdeen City.

#### 5.3.2 Residents and Visitors Discount Scheme

This option has a 'city/ leisure' discount pass that is available to both residents and visitors with a 'membership' fee payable to have access to the scheme. The fee is the same for both residents and non-residents and both receive the same discount on Council services. In

Aberdeen, residents could have this pass on their Accord/ National Entitlement Card and non residents could be issued with a 'visitors' smartcard that carries the pass.

5.3.3 Residents Discount Scheme with Visitors 'buy-in'

This option has a 'city/ leisure' discount pass that is available to residents free of charge with visitors charged a fee payable to have access to the scheme. In Aberdeen, residents could have this pass on their Accord/ National Entitlement Card and non resident could be issued with a 'visitors' smartcard that carries the pass.

5.3.4 Alternatively, given the advice from the Policy & Advice team, another option is not to progress with the resident's discount scheme.

6. IMPACT

The introduction of a residents discount promotes the vision in the Community Plan that we value our people by giving them access to Council facilities at a preferential rate via a Residents pass.

The aim of the residents discount policy is to increase revenue for the Council and help ensure a sustainable economic future for the City.

This report may be of interest to the public as it deals with the pricing policy for the provision of Council services.

7. BACKGROUND PAPERS

Report CG/10/205 approved by Finance & Resources Committee on 1<sup>st</sup> February 2011.

8. REPORT AUTHOR DETAILS

Bruce Reid  
Accord Card Manager  
[bruce@accordaberdeen.co.uk](mailto:bruce@accordaberdeen.co.uk)  
(01224) 346838

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