

# Public Document Pack



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

Town House,  
ABERDEEN 7 March, 2012

## FINANCE AND RESOURCES COMMITTEE

Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in Council Chamber - Town House on **THURSDAY, 15 MARCH 2012 at 2pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **B U S I N E S S**

#### **1 DETERMINATION OF EXEMPT ITEMS OF BUSINESS**

#### **2 REQUESTS FOR DEPUTATION**

##### **Item 9.13 – Ferryhill Engine Shed**

A request for deputation has been received from Dr Jon Tyler, Chair, Ferryhill Railway Heritage Trust.

##### **Item 12.2 – Alternative Delivery Model – Corporate Governance Service**

A request for deputation has been received from Unison.

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

3.1 Minute of Previous Meeting of 6 December 2011 - for approval (Pages 1 - 28)

3.2 Minute of Meeting of the Lord Provost Sub Committee of 13 October, 2011 - for noting (Pages 29 - 32)

3.3 Minute of Meeting of the Lord Provost Sub Committee of 15 December, 2011 - for noting (Pages 33 - 36)

3.4 Committee Business Statement (Pages 37 - 46)

3.5 Motions List (Pages 47 - 50)

#### **4 REFERRALS**

4.1 Disabled Persons Parking Places - Regulation - referred by the meeting of the Enterprise, Planning and Infrastructure Committee of 31 January, 2012 (Pages 51 - 60)

#### **5 CORPORATE GOVERNANCE SERVICE ISSUES**

5.1 Revenue Budget Monitoring Report - Corporate Governance Service (Pages 61 - 64)

5.2 ICT Investment Programme 2012-13 (Pages 65 - 72)

5.3 Proposed Upgrade of Desktop and Applications Software (Pages 73 - 78)

#### **6 FINANCE**

6.1 Revenue Budget - Monitoring Report (Pages 79 - 92)

6.2 Non Housing Capital Programme - Monitoring Report (Pages 93 - 98)

6.3 Common Good Budget - Monitoring Report (Pages 99 - 104)

6.4 Treasury Management Policy and Strategy (Pages 105 - 120)

6.5 Applications for Financial Assistance (Pages 121 - 126)

6.6 Financial Assistance - Application Process Update (Pages 127 - 130)

6.7 Youth Activities Small Grants Fund (Pages 131 - 134)

6.8 Housing Capital Expenditure Budget 2012/13 (Pages 135 - 142)

6.9 International Partnerships and Twinning Applications (Pages 143 - 150)

## 7 GENERAL

- 7.1 National Electricity and Gas Contracts (Pages 151 - 154)
- 7.2 Corporate Mobile Telephony Contract (Pages 155 - 158)
- 7.3 Condition and Suitability Programme 2012-13 (Pages 159 - 170)
- 7.4 Housing and Related Consultancy Services (Pages 171 - 174)
- 7.5 Structural and Heating Upgrades at Brimmond, Grampian and Morven Courts in Torry (Pages 175 - 180)

**Members: Please note that an appendix to this report can be located in the exempt section of the agenda, at item 10.1.**

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

## 8 FINANCE

- 8.1 Aberdeen Business Enterprise Scheme Loans - Monitoring Report (Pages 181 - 184)
- 8.2 Satrosphere Limited - Annual Report and Bank Guarantee Renewal (Pages 185 - 268)
- 8.3 Grampian Japan Trust (Pages 269 - 276)

## 9 PROPERTY

- 9.1 Property - Vacant and Surplus Assets (Pages 277 - 282)
- 9.2 Property Sales (Pages 283 - 302)
- 9.3 Review of Common Good Ground Leases (Pages 303 - 312)
- 9.4 Review of Common Good Miscellaneous Leased Properties (Pages 313 - 322)
- 9.5 Review of Property Account/Common Good Public Houses (Pages 323 - 334)
- 9.6 Review of Commercial Office Properties (Pages 335 - 348)

- 9.7 Pitmedden Road, Dyce - Dyce Sports and Leisure Development Trust (Pages 349 - 352)
- 9.8 Proposed Part Assignment of Lease - Jessiefield Farm (Pages 353 - 362)
- 9.9 Surrender of Ground Lease - Former Woodland Special School (Pages 363 - 368)
- 9.10 Former Summerhill Academy - Proposed Demolition - Use of Requests under Standing Order 1(6) (Pages 369 - 378)
- 9.11 Sale of Ground - Westburn Crescent (Pages 379 - 386)
- 9.12 Queen's Links Leisure Park (Pages 387 - 390)
- 9.13 Ferryhill Engine Shed (Pages 391 - 418)
- 9.14 Premises at 132 Wellington Road (Pages 419 - 428)

## 10 GENERAL

- 10.1 Structural and Heating Upgrades at Brimmond, Grampian and Morven Courts in Torry - Appendix (Pages 429 - 430)  
**Members: Please note that the report in relation to this appendix can be located at item 7.5 of this agenda.**
- 10.2 Accord Card Catering System - Upgrade (Pages 431 - 440)
- 10.3 \*Alternative Delivery Model - Corporate Governance Service (Pages 441 - 456)

Please note that reports marked with an \* have implications for agreed Priority Based Budget (PBB) options.

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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)).

## FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 6 DECEMBER, 2011 – minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present: Councillor John Stewart, Convener; Councillor Noble, Vice Convener; and Councillors Allan (as substitute for Councillor Crockett), Boulton (as motion holder for article 7 and as substitute for Councillor Farquharson from article 8), Cormie (as substitute for Councillor Corall), Dean, Dunbar, Fletcher, Graham, Kiddie, Laing, Malone, Milne (as substitute for Councillor Farquharson for articles 1 - 7), Townson (as substitute for Councillor McCaig), John West and Yuill (for articles 1 – 8 and part of article 31).

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=1929&Ver=4>

## DETERMINATION OF EXEMPT ITEMS OF BUSINESS

1. 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 8.1 of the agenda (article 25 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 25 (paragraph 8), article 26 (paragraph 6), article 27 (paragraph 6), article 28 (paragraph 10), article 29 (paragraphs 6 and 9), article 30 (paragraphs 6 and 9), article 31 (paragraphs 6 and 9), article 32 (paragraph 6), and article 33 (paragraphs 6 and 9).

## MINUTE OF PREVIOUS MEETING

2. The Committee had before it the minute of its previous meeting of 29 September, 2011.

### The Committee resolved:

- (i) in relation to the second resolution under article 4 of the minute, to request that the update on Granitehill be recirculated to members of the Committee; and
- (ii) to approve the minute as a correct record.

## **MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 28 APRIL, 2011**

3. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 28 April, 2011.

### **The Committee resolved:**

to note the minute.

## **MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 7 JULY, 2011**

4. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 7 July, 2011.

### **The Committee resolved:**

to note the minute.

## **COMMITTEE BUSINESS STATEMENT**

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

### **The Committee resolved:**

- (i) to agree to combine items 11 (Joint Customer Contact Centre) and 22 (0845 Numbers);
- (ii) to delete items 14 (Conditions and Suitability Programme) and 18 (Estate Contracts Managements – Legionella Preventative Maintenance) from the business statement;
- (iii) to agree to combine items 17 (Funding Opportunities for Delivering Projects) and 12 (General Fund Budget);
- (iv) to request that confirmation be provided to members in April, 2012 that all Legionella Preventative Services are being provided inhouse at this date;
- (v) to note that items 20 (Community Toilet Scheme) and 21 (Kaimhill Community Facilities) were now part of the budget process, and therefore to delete these items from the list;
- (vi) to note that a number of items had been removed from the list further to the decision taken at the previous meeting of 29 September, 2011 (ie to note that the property list managed by the Asset Management team detailed the status of all pending and ongoing property items, and therefore to agree to delete all items relating to property from the business statement on the proviso that the property list be reported each cycle), namely (1) Frederick Street Development Site; (2) 8 Alford Place; (3) Status of Surplus Education and Other Properties; (4) Granitehill Site; (5) Review of Shops; (6) Bon Accord Indoor Bowling Centre; (7) Former Cairnfield Community Centre – Future Use; (8) Causewayend School and Lodge; (9) Four Former Group Homes – Marketing; (10) Wallace Tower; (11) Former Victoria Road Primary School; (12) 26 Netherhills Avenue; (13) Area Offices at Bucksburn and

- Peterculter; (14) Pinewood/Hazledene; (15) 30 Springfield Avenue; (16) 25 Westfield Terrace; and (17) Broadhill Bar; and
- (vii) to otherwise note the updates as contained within the business statement.

## **MOTIONS LIST**

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

### **The Committee resolved:**

to note the updates as contained within the motions list.

## **CORPORATE BOND ISSUE – MOTION BY COUNCILLOR BOULTON**

7. With reference to article 19 of the minute of meeting of Council of 6 October, 2011, the Committee had before it a motion in the following terms by Councillor Boulton:

“Council is requested to task officers with carrying out a feasibility study into the economic viability of initiating a Corporate Bond Issue for the purpose of funding new Council houses in the city. The current economic situation would appear to support interest bearing investments that are financed by non risk rental proceeds from new build Council houses. As an indication of possible levels of investment, a total investment of £20 million could finance up to 150 new build houses. This would assist the Council in meeting some of its current obligation in respect of those persons on the Council housing waiting list. Officers are asked to report back on their study findings no later than to the Council Budget meeting in February 2012”.

The Committee heard Councillor Boulton in support of her motion.

### **The Committee resolved:**

that Cllr Boulton’s motion be considered at part of the budget process, with officers reporting back on Corporate Bonds and other options (by way of an option appraisal) at the budget meeting of Council.

## **QUEEN ELIZABETH FIELDS CHALLENGE (H&E/11/211)**

8. Reference was made to article 25 of the minute of meeting of the Housing and Environment Committee of 1 November, 2011 at which time members noted the progress made in registering the six sites (namely Alan Douglas Park, Bucksburn Community Garden, Coronation Park (Peterculter), Kaimhill Residents’ Site, Eric Hendry Park, and Westerton Park (Northfield)) with Fields in Trust for inclusion in the national nominations. It was noted that some sections of some of the sites did not sit on the Housing Revenue Account, and therefore the report had been referred to this Committee for final approval.

**The Committee resolved:**

to approve the report for its purpose.

**ENVIRONMENTAL SERVICES CHARGES 2012/13 (H&E/11/208)**

9. Reference was made to article 26 of the minute of meeting of the Housing and Environment Committee of 1 November, 2011 at which time members approved charges in relation to Pets' Corner and In Bloom sponsorship for 2012/13, subject to the ratification of this Committee.

**The Committee resolved:**

to concur with the recommendations of the Housing and Environment Committee, and to note the financial implications accordingly.

**ENVIRONMENTAL HEALTH AND TRADING STANDARDS REVISED CHARGES (H&E/11/)**

10. Reference was made to article 27 of the minute of meeting of the Housing and Environment Committee of 1 November, 2011 at which time members agreed (1) to instruct officers to apply the proposed charges set out in the appendices A and C to the report; (2) that the statutory maximum fees be applied for petroleum and explosives licensing when the Health and Safety (Fees) Regulations 2012 come into force in the new financial year; and (3) that fees for ships inspections are as suggested by the Association of Port Health Authorities (APHA), and that any changes in the fees recommended by the APHA be applied, all subject to the approval of this Committee.

**The Committee resolved:**

to concur with the recommendations of the Housing and Environment Committee, and to note the financial implications accordingly.

**CITY EVENTS AND TWINNING PROGRAMME 2012/13 (EPI/11/310)**

11. Reference was made to article 15 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 15 November, 2011 at which time, amongst other things, members requested that this Committee give consideration to an increase in financial support from the Common Good Fund to ensure the continued success of Aberdeen's existing annual events programme and additional activities that grow and develop the city's events offering.

**The Committee resolved:**

to approve additional funding from the Common Good Fund as follows:

<b>City Events</b>	<b>Common Good Fund</b>
Galas	£6,000
BP Big Screens x2 (1 additional event in 2012/13)	£10,000



Queen's Diamond Jubilee (2012/13 only)	£50,000
Olympic Torch Relay (2012/13 only)	£30,000
British Armed Forces and Veteran's Day	£10,000
Tartan Day and Wallace Day Celebrations	£28,000
Fireworks Display	£14,000
Nativity Scene	£3,000
Hogmanay Community Grants	£4,000
<b>Twinning</b>	<b>Common Good Fund</b>
Salaries (1x G11)	£35,000
Projects	£102,352
<b>Total</b>	<b>£292,352</b>

## **REVENUE BUDGET 2010/11 – MONITORING REPORT – CORPORATE GOVERNANCE SERVICE (CG/11/148)**

**12.** With reference to article 16 of the minute of its previous meeting of 29 September, 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.

## **CAPITAL BUDGET PROGRESS REPORT – CORPORATE GOVERNANCE SERVICE (EPI/11/282)**

**13.** With reference to article 17 of the minute of its previous meeting of 29 September, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure 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:**

to note the current position as detailed within the report.

## **GENERAL FUND REVENUE BUDGET 2012/13 TO 2016/17 (CG/11/152)**

**14.** The Committee had before it a report by the Director of Corporate Governance which presented information in relation to the setting of Council Tax

levels for 2012/13, and provisional levels for 2013/14 to 2016/7; and detailed the priority based budgeting Service options.

The Convener advised that he had received a petition from Friends of Aberdeen Instrumental Music immediately prior to the meeting, requesting that members reject proposals which would see the withdrawal of music tuition in the city.

**The report recommended –**

that the Committee –

- (a) note the content of the report and refer the report to Council with any recommendations on Service options;
- (b) agree that the Service options are prioritised; and
- (c) agree that elected members provide officers with their full budget proposals by 8 February, 2012;

And that Council on 14 December, 2011 –

- (1) agree the service options to be implemented for 2012/13 and future years to achieve a balanced budget taking account of growth pressures and feedback obtained as part of the ongoing priority based budgeting (PBB) process (as detailed in appendix 1 to the report); and
- (2) agree the budget for each Service detailed in appendix 2 to this report; and
- (3) agree the level of Council Tax for the financial year 2012/13 and indicative level for 2016/17; and
- (4) agree the recommendation of the Head of Finance to retain working balances of 2.5% or approximately £11.5 million;
- (5) agree that the Capital programme be set such that no capital borrowing is undertaken and that the programme be set in line with the level of capital grant, capital receipts and contributions.

**The Committee resolved:**

- (i) to agree to forward the proposals as circulated (**and as appended to this minute**) as the Administration's recommendations, to the meeting of Council of 14 December, 2011 with the following two amendments (1) to move option EPI\_AMO29 (item 23 – introduction of charges to residents for Garthdee CPZ (Trading)) from the 'recommended for rejection' section to the 'recommended for further information' section; and (2) to move option ACC\_S08 (item 94 – corporate bond issue) from the 'recommended for rejection' section to the 'recommended for further information' section; and
- (ii) to **not** approve recommendation (c) as above.

**REVENUE BUDGET – MONITORING REPORT (CG/11/156)**

**15.** With reference to article 18 of the minute of its previous meeting of 29 September, 2011 the Committee had before it a report by the Head of Finance which presented the revenue position for the Council for 2011/12 and advised as to any areas of risk that had been highlighted by the Directors.

**The Committee resolved:**

- (i) to note the content of the report; and
- (ii) to instruct Directors to continue to take cost reduction opportunities during the remainder of the year to achieve a balanced budget position.

## **NON HOUSING CAPITAL PROGRAMME – MONITORING REPORT (EPI/11/334)**

16. With reference to article 19 of the minute of its previous meeting of 29 September, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on the progress across all Services on projects within the 2010/11 Non Housing Capital Programme and advised as to the ongoing work in relation to future years' programmes.

### **The Committee resolved:**

- (i) to request that an explanatory note be circulated to members of the Committee in relation to the funding mechanism for the 50m Pool; and
- (ii) to note the current position as detailed within the report.

## **COMMON GOOD BUDGET– MONITORING REPORT (CG/11/147)**

17. With reference to article 20 of the minute of its previous meeting of 29 September, 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 for the period to 30 September, 2011, and outlined the forecast position of the cash balances.

### **The Committee resolved:**

- (i) to note the near actual income and expenditure position as at 30 September, 2011 and the forecast outturn for the year; and
- (ii) to note the forecast cash balances as at 31 March, 2012 of £6,100,000 based on current estimates, which was within the recommended levels indicated by the Head of Finance.

## **TREASURY MANAGEMENT MID YEAR REVIEW (CG/11/149)**

18. With reference to article 20 of the minute of its meeting of 21 April, 2011, the Committee had before it a report by the Head of Finance which provided members with an update on treasury management activities undertaken in 2011/12.

### **The Committee resolved:**

to recommend to Council –

- (i) that it notes the treasury management activities undertaken in 2011/12 as detailed within the report; and
- (ii) that it approves the revised counterparty list as detailed at appendix 1 to the report.

## **ABERDEEN CITY COUNCIL CHARITABLE TRUSTS (CG/11/146)**

19. With reference to article 18 of the minute of its meeting of 2 December, 2010, the Committee had before it a report by the Head of Finance which presented financial information and the trustees' annual report relating to the charitable trusts administered by the Council, both of which had to be submitted to the Office of Scottish Charity Register.

### **The Committee resolved:**

- (i) to approve the submission of the trustees' report and basic receipt and payments accounts in respect of those trusts with income under £100,000 per annum (as per appendix A), to the Office of Scottish Charity Register;
- (ii) to approve the submission of the trustees' report and fully accrued accounts in respect of the Lands of Torry (as per appendix B), to the Office of Scottish Charity Register; and
- (iii) to note the position in relation to the reorganisation of the trusts.

## **APPLICATIONS FOR FINANCIAL ASSISTANCE (CG/11/155)**

20. The Committee had before it a report by the Head of Finance which presented an application for financial assistance from the Royal National Lifeboat Institution (RNLI).

### **The Committee resolved:**

to approve the request for £500 towards the cost of hiring the Beach Ballroom for a fundraising ball, in support of the RNLI.

## **YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 (ECS/11/072)**

21. With reference to article 26 of the minute of its previous meeting of 29 September, 2011, the Committee had before it a report by the Director of Education, Culture and Sport which presented the decisions of the Youth Activities Grant Funding Group for the latest round of funding for the financial year 2011/12, which had a closing date of 28 September, 2011.

### **The Committee resolved:**

to note the grants awarded as detailed in the appendix to the report.

## **DECLARATION OF INTEREST**

**The Vice Convener declared an interest in the subject matter of the following article by virtue of his position as Chairperson of Aberdeen Heat and Power, but chose to remain in the meeting as Aberdeen Heat and Power was established wholly or mainly for the purpose of providing services to the local authority and has a contractual agreement with the Council in this regard (as per paragraph 5.18(2)(i)(d) of the Councillors' Code of Conduct).**

## **CONNECTIONS TO COMBINED HEAT AND POWER DISTRICT HEATING NETWORK (EPI/11/313)**

**22.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought authorisation for the connection of three Council owned properties to the extended Combined Heat and Power (CHP) district heating network; and informed members of other connections to network.

### **The Committee resolved:**

- (i) to agree to enter into Installation Agreements with Aberdeen Heat and Power covering the capital costs and specifications of three new connections at Constitution Court sheltered housing, Hanover Street community centre, and the Town House;
- (ii) to agree to enter into a Heat Supply and Maintenance Agreement for each of the three properties referred to at (i) above covering the running costs; and
- (iii) to agree to the standard agreements between the Council and Aberdeen Heat and Power being used in respect of these three new connections.

## **STRATEGIC TRANSPORT FUND (EPI/11/337)**

**23.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members of emerging supplementary guidance to the Aberdeen City and Shire Structure Plan which proposed a mechanism for securing developer contributions to a Strategic Transport Fund which would enable the delivery of major strategic transport infrastructure, and services required to support the growth of Aberdeen City and Shire.

### **The Committee resolved:**

- (i) to approve the proposed mechanism for the Strategic Transport Fund as detailed in the draft supplementary guidance titled 'Delivering Identified Projects through a Strategic Transport Fund', subject to the approval of this guidance by the Strategic Development Planning Authority at its meeting of 15 December, 2011; and
- (ii) to instruct the appropriate officers to report back to the meeting of the Enterprise, Planning and Infrastructure Committee of 31 January, 2012 on the decision of the Strategic Development Planning Authority.

## **FRUIT AND VEGETABLES – REQUEST FOR AUTHORITY TO TENDER (CG/121/153)**

**24.** The Committee had before it a report by the Director of Corporate Governance which sought approval to invite tenders for the provision of fruit and vegetables to the Council's education and social care establishments.

**The Committee resolved:**

- (i) to instruct the Central Procurement Unit to conduct a competitive tendering exercise for the provision of fruit and vegetables in line with the Council's Standing Orders, Financial Regulations and European Union legislation; and
- (ii) to delegate authority to the Head of Procurement, in consultation with the Head of Legal and Democratic Services and the Head of Finance, to award contracts/places on frameworks to the highest scoring compliant bidder, on the basis of the most economically advantageous offer, as set out at Standing Order 7(6) (Contracts and Procurement).

**In accordance with the decision recorded under article 1 of this minute, the following items were considered with the press and public excluded.**

**PROFESSIONAL PROPERTY SERVICES EXTERNAL CONSULTANTS  
(EPI/11/339)**

**25.** With reference to article 27 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 provided members with an update regarding the external provision of valuation and other property services.

**The Committee resolved:**

- (i) to note the intention to retender this service, with Aberdeenshire Council's requirements being included within the tendering process;
- (ii) to approve the interim process for instructing valuation and other property professional services following the termination of the current contract and the commencement of the new contract;
- (iii) to note the position which has prevailed since 30 March, 2011; and
- (iv) to approve the appropriate tendering of asbestos surveys and associated works.

**REVIEW OF INDUSTRIAL PROPERTIES (EPI/11/326)**

**26.** 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 a strategy for managing and maximising potential income from the Council's industrial properties in future.

**The Committee resolved:**

- (i) to note that officers would report back on SCARF (Save Cash and Reduce Fuel) in due course, as per the instruction at item 16 of the Committee Business Statement;
- (ii) to approve the retention of the larger industrial properties detailed within the report due to the good location of the properties, strong covenant strength of the tenants, and the good income yields being achieved, subject to the overall ongoing option appraisal of all industrial property;

- (iii) with the exception of site 64 Howe Moss Avenue and Poyernook Road, to approve the retention of the remaining industrial properties detailed within the report due to good income yields and the future development potential of some of the sites, subject to the overall ongoing option appraisal of all industrial property; and
- (iv) to instruct officers to investigate options to extricate the Council from the position as tenant under the lease of site 64 Howe Moss Avenue, Kirkhill Industrial Estate.

## **REVIEW OF PROPERTY ACCOUNT INDUSTRIAL GROUND LEASES (EPI/11/327)**

27. 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 discussed the Council's industrial ground lease investment portfolio (excluding ground leases held under Common Good), and presented a way forward in this regard.

### **The Committee resolved:**

that the Council retains ownership of the industrial ground lease investment portfolio with a view to maximising rental income and premium receipts given that the ground lease investment portfolio has an attractive income yield of 5.51% against low income risk, coupled with the potential for increased rental income and possible development and premium receipts going forward.

## **CAR CLUB OPERATOR – AWARD OF CONTRACT (EPI/11/314)**

28. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which, further to a procurement exercise having been undertaken, sought approval to appoint a car club operator.

### **The Committee resolved:**

- (i) to note the content of the report;
- (ii) to authorise officers to award the car club operator contract to Commonwheels; and
- (iii) to instruct officers to further investigate and implement the most cost effective financial options to utilise existing pool cars in conjunction with Commonwheels, as highlighted in appendix 1 to the report.

## **PROPERTY SALES (EPI/11/331)**

29. With reference to article 42 of the minute of its meeting of 21 April, 2011, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the outcome of a marketing exercise in relation to the property at 30 Springfield Avenue.

**The Committee resolved:**

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

**PROPERTY – VACANT AND SURPLUS ASSETS (EPI/11/330)**

**30.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided members with an update on activities in relation to properties which had been declared surplus to the Council's requirements or were currently vacant awaiting a decision on future use.

**The Committee resolved:**

- (i) to note the position in relation to all vacant and surplus assets as detailed at appendices A, B and C to the report;
- (ii) to note the status of the Pittodrie Community Centre, which had been declared surplus to the requirements of the Education, Culture and Sport Service, and was now being circulated to internal Services and external partners, and if no interest was identified, would be marketed for sale;
- (iii) to note the current position of the Hillylands Centre in relation to a use by the Education, Culture and Sport Service, the interest in the property by the Social Care and Wellbeing Service, and the impact this would have on the marketing of the adjacent Burnside complex;
- (iv) to note that a planning application had been submitted for supermarket use at the former Summerhill Academy site and that demolition works would commence at the earliest opportunity following full service disconnection;
- (v) to note that following unacceptable offers having been received at the closing date of 15 November, 2011, the property at 26 Netherhills Avenue was being remarketed; and similarly, offers received for St Peter's Nursery, The Spittal, were not acceptable and that officers were reviewing the position in relation to this property and would report back next cycle;
- (vi) to note that the following sales had been concluded since the previous meeting of 29 September, 2011:
  - 136G Walker Road (Housing Revenue Account - £50,000)
  - Ashley Road School Lodge (General Services Account - £205,000)
  - Aberdeen Grammar Gate Lodge (General Services Account - £310,000)
  - Johnston Gardens Depot (General Services Account - £42,000)
  - 46 Kings Crescent (General Services Account - £33,000); and
- (vii) to note that the following leases had been concluded since the previous meeting of 29 September, 2011 on properties held on the tenanted non residential portfolio:
  - Unit 6 Granitehill Enterprise Centre
  - 3 Kincorth Shopping Centre
  - 398 George Street
  - 7/8 Woodlands Road
  - 10/11 Kirkhill Place
  - 8 Kirkton Avenue.



## **NEW LEASES FOR FORMER STAFF HOUSES (EPI/11/322)**

**31.** With reference to article 40 of the minute of its meeting of 2 December, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which brought members up to date with the efforts of officers to negotiate a new model lease with affected tenants of former staff houses.

### **The report recommended:**

that the Committee –

- (a) approve in principle, the new model standard house lease, as per appendix 2 of the report;
- (b) authorise the Head of Asset Management and Operations to seek to terminate all existing leases of these properties at the earliest opportunity and offer each tenant the new model standard house lease; and
- (c) in the event that any affected tenant is not prepared to agree to the offer of the new model standard house lease, to authorise the Head of Legal and Democratic Services to take all appropriate legal action to end that tenancy and recover possession of the property.

### **The Committee resolved:**

- (i) to request that officers confirm whether the Housing and Environment Committee removed item 2.5 (d) (the pet's diet does not include live animals, insects or other creatures) from the Pets in Council Houses Policy;
- (ii) to approve in principle the model standard house lease, as detailed in appendix 1, with the proviso that equivalent succession rights be granted in the event of the death of a tenant;
- (iii) to instruct officers to seek agreement from the trades unions on the above, in consultation with the Convener and Vice Convener of this Committee, and to thereafter authorise the Head of Asset Management and Operations to seek to terminate all existing leases of these properties at the earliest opportunity and offer each tenant the new model standard house lease, to be implemented from 1 April, 2012 where practicable or at the earliest possible date in terms of when the existing lease can be terminated;
- (iv) in the event that any affected tenant is not prepared to agree to the offer of the new model standard house lease, to authorise the Head of Legal and Democratic Services to take all appropriate legal action to end that tenancy and recover possession of the property; and
- (v) that it be noted that it was the will of the Committee that should any of the current tenants refuse to sign the new lease and their tenancy is ended (in terms of (iv) above) that they should be treated as homeless and not intentionally homeless.

## **8 ALFORD PLACE – FUTURE USE (EPI/11/321)**

**32.** With reference to article 42 of the minute of its meeting of 10 December, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which updated members on developments concerning the

property at 8 Alford Place, and presented an officer recommendation as to the way forward.

**The Committee resolved:**

- (i) to authorise the Head of Asset Management and Operations to provisionally negotiate a 'surrender' payment with the landlord's agents, where in return for a single payment to them, all the Council's legal and financial liabilities in connection with the lease are ended and the lease is renounced;
- (ii) to delegate power to the Director of Social Care and Wellbeing, the Head of Legal and Democratic Services and the Head of Finance, in consultation with the Convener of the Social Care and Wellbeing Committee and the Convener of this Committee, to consider the approval of any such provisionally agreed 'surrender' payment reached at the end of the negotiation process; and
- (iii) in the event that (ii) above comes to pass, to instruct the Head of Legal and Democratic Services to formally conclude a Minute of Renunciation of the lease with the landlord's legal agents, on terms or conditions 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).**

**BON ACCORD INDOOR BOWLING CENTRE – FUTURE USE (EPI/11/323)**

**33.** Reference was made to article 28 of the minute of meeting of Council of 15 December, 2010, at which time officers had been instructed to investigate appropriate alternative uses for the Bon Accord Bowling Centre and Skyline Restaurant, and to report back thereafter. The Committee had before it on this day, a report by the Director of Enterprise, Planning and Infrastructure as instructed at the aforementioned meeting of Council.

**The report recommended:**

that the Committee –

- (a) note the interest expressed by NHS Grampian in sub leasing or assigning the Council's lease of the Bon Accord Indoor Bowling Centre (with the exception of the part of the Skyline Restaurant to be sub leased to Shopmobility), to facilitate a comprehensive redevelopment of the building;
- (b) approve the grant of a further period of sub lease of the Bowling Hall to the Bon Accord 2000 Indoor Bowling Club, from 1 May, 2012 until 30 April, 2013, on the same terms and conditions of sub lease as at present; and
- (c) remit it to the Head of Legal and Democratic Services to formally conclude such a sub lease, on terms and conditions as are necessary to protect the Council's interests.

**The Committee resolved:**

- (i) to approve the recommendations with the exception of the reference to Shopmobility in recommendation (a), and to note the update provided by the General Manager – Asset Management in this regard; and
- (ii) to request that a briefing on the current position in relation to Shopmobility be circulated to members.

**- COUNCILLOR JOHN STEWART, Convener.**

**Service Options recommended for accepting**

**Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Social Care &amp; Wellbeing</b>								
<b>Stop/Reduce Options</b>								
SCW27	34 Reduce Directorate Policy and Strategic Development by 50% - deletion of under commitment	(96)	(96)	(96)	(96)	(96)	Stop/ Reduce	0
SCW29	35 Request payment holiday from Grampian Data Sharing Partnership (currently no budget)	0	0	0	0	0	Stop/ Reduce	0
		<b>(96)</b>	<b>(96)</b>	<b>(96)</b>	<b>(96)</b>	<b>(96)</b>		
<b>Education, Culture &amp; Sport</b>								
<b>Transformation Options</b>								
ECS_E9b	37 RISK Redesign of secondary school estate	0	0	0	0	3,102	Transform- ation	1
<b>Efficiency Options</b>								
ECS1-C27	15 Library & Information Service: New ways of working	(13)	(13)	(13)	(13)	(13)	Efficiency	0
<b>Stop/Reduce Options</b>								
ECS_E34	48 Stop Curriculum for Excellence training in Modern Foreign Languages	(100)	(100)	(100)	(100)	(100)	Stop/ Reduce	8
		<b>(113)</b>	<b>(113)</b>	<b>(113)</b>	<b>(113)</b>	<b>2,989</b>		
<b>Housing &amp; Environment</b>								
<b>Efficiency Options</b>								
HE_DSM_01	31 Re-design of H&E Directorate Support Service	(86)	(86)	(86)	(86)	(86)	Efficiency	0
HE_ES_ASSL6	40 Create new working methodologies to retain and capture profitable work at Lab	49	(26)	(27)	(29)	(30)	Efficiency	2
HE_HCS_S04(i)	30 Use Private Sector Housing Unit Surplus (2012/13 only)	(200)	0	0	0	0	Efficiency	0

**Prioritisation**  
**Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Stop/Reduce Options</b>								
HE_HCS_CS05o	33 Remove funding contribution for non-HRA activity within Aberdeen Families Project	(30)	(30)	(30)	(30)	(30)	Stop/ Reduce	0
HE_HCS_S04(iv)	45 Stop Occupational Therapist Dedicated Grant Post	(38)	(38)	(38)	(38)	(38)	Stop/ Reduce	4
HE_HCS H07	54 Reduce Homelessness Furniture Scheme	(20)	(20)	(20)	(20)	(20)	Stop/ Reduce	11
HE_HCS H06	59 Reduce Homelessness Advice, Information & Support	(35)	(35)	(35)	(35)	(35)	Stop/ Reduce	13
HE_HCS H05	64 Reduce Homelessness Prevention	(10)	(10)	(10)	(10)	(10)	Stop/ Reduce	14
HE_HCS_S04(v)	65 Stop Funding top SCARF (Save Cash & Reduce Fuel) (managed by EP&I)	(16)	(16)	(16)	(16)	(16)	Stop/ Reduce	14
		<b>(386)</b>	<b>(261)</b>	<b>(262)</b>	<b>(264)</b>	<b>(265)</b>		

**Environment, Planning & Infrastructure**

**Transformation Options**

EPI_EBD05	28 Income Generation Option (or equivalent) for Economic Development Activities	0	(104)	(104)	(104)	(104)	Transform- ation	0
<b>Efficiency Options</b>								
EPI_AMO27	18 Estates Team charged to Cost of Capital Sales	(111)	(111)	(111)	(111)	(111)	Efficiency	0
EPI_AMO28	19 Monitoring Officer to be partially funded from Developers Fund	(4)	(4)	(4)	(4)	(4)	Efficiency	0
EPI_PSD16	20 Reduction in Net Expenditure for Roads Projects Unit Budget	(231)	(81)	(71)	(71)	(71)	Efficiency	0
EPI_AMO31	21 Re-assess and increase Roads Charges	(25)	(25)	(25)	(25)	(25)	Efficiency	0

**Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Stop/Reduce Options</b>								
EPI_PSD15	22 Reduction in NESTRANS revenue budget	(7)	(7)	(7)	(7)	(7)	Stop/ Reduce	0
EPI_PSD17	24 Reduce Development Plan budget	(80)	(80)	(80)	(80)	(60)	Stop/ Reduce	0
EPI_PSD18	25 Reduce (Strategic Development Planning Authority (SDPA) Team	(50)	(50)	(50)	(50)	(50)	Stop/ Reduce	0
EPI_AMO32	26 Regional Communications Centre - move to Frederick Street (EP & I) - Tabled by CG	(30)	(30)	(30)	(30)	(30)	Stop/ Reduce	0
		<b>(538)</b>	<b>(492)</b>	<b>(482)</b>	<b>(482)</b>	<b>(462)</b>		

**Corporate Governance**

**Efficiency Options**

CG_F_26	1 RISK: Bed tax (Approved previously but changed in change control and now being resubmitted)	0	0	0	10	(400)	Efficiency	0
CG_CS_FS04	3 Fairer Scotland Fund - target corporate sponsorship to contribute to fund areas	0	0	0	0	0	Efficiency	0
CG_CS_FOS11	7 Channel shift programme	0	0	0	0	0	Efficiency	0
CG_F_28	4 Accounts Payable - automated process	(52)	(60)	(60)	(60)	(60)	Efficiency	0
CG_HR_25	5 Reduced costs on Occupational Health Contract	(10)	(10)	(10)	(10)	(10)	Efficiency	0
CG_HR_26	6 Reduced costs re Employee Assistance Programme	(5)	(5)	(5)	(5)	(5)	Efficiency	0
CG_HR_27	Further revision of HR Services	(100)	(100)	(100)	(100)	(100)	Efficiency	0

**Stop/Reduce Options**

CG_CS_FOS10	8 Discontinue iKiosks	(65)	(65)	(65)	(65)	(65)	Stop/ Reduce	0
CG_CS_ICT10	9 ICT Education Connectivity Support	(100)	(100)	(100)	(100)	(100)	Stop/ Reduce	0
CG_CS_ICT11	10 Establishment of ICT Enterprise Architecture Framework	0	0	0	0	0	Stop/ Reduce	0

**Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
CG_F_27	12 Rationalise Administration Posts in Finance (not duplication with Corporate Option)	(70)	(70)	(70)	(70)	(70)	Stop/ Reduce	0
		<b>(402)</b>	<b>(410)</b>	<b>(410)</b>	<b>(400)</b>	<b>(810)</b>		
<b>Council wide Options</b>								
ACC_SO25	2 CORPORATE - salary sacrifice schemes (buying holidays back / reduced working week)	(20)	(20)	(20)	(20)	(20)	Transform- ation	0
ACC_SO26	Procurement Savings (across ACC)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	Efficiency	0
		<b>(1,020)</b>	<b>(1,020)</b>	<b>(1,020)</b>	<b>(1,020)</b>	<b>(1,020)</b>		
<b>Office of Chief Executive</b>								
OCE_DS_01	14 OCE - Streamline business management	(26)	(26)	(26)	(26)	(26)	Stop/ Reduce	0
OCE_EM01	13 Elections - refocus administrative assistance	(17)	(17)	(17)	(17)	(17)	Stop/ Reduce	0
		<b>(43)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>		
		<b>(2,598)</b>	<b>(2,435)</b>	<b>(2,426)</b>	<b>(2,418)</b>	<b>293</b>		

**Service Options recommended for further information****Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Social Care &amp; Wellbeing</b>								
<b>Efficiency Options</b>								
SCW32	36	Review/Cap Kinship Payments	(50)	(50)	(50)	(50)	Efficiency	0
SCW31	52	Review Social Work charging policy (REPLACES SCW_LT25 AND SCW_SD6)	(50)	(50)	(50)	(50)	Efficiency	9
			<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>		
<b>Education, Culture &amp; Sport</b>								
<b>Efficiency Options</b>								
ECS_E8d	53	Increase class sizes in Primary school - P1 classes become 25	(66)	(440)	(440)	(440)	Efficiency	11
<b>Stop/Reduce Options</b>								
ECS_E9a	16	Secondary school estate - close 2 schools - recosted	(147)	(1,619)	(1,992)	(1,992)	Stop/ Reduce	0
			<b>(213)</b>	<b>(2,059)</b>	<b>(2,432)</b>	<b>(2,432)</b>		
<b>Housing &amp; Environment</b>								
<b>Transformation Options</b>								
HE_ES_PT06	38	Close all Public Toilets and replace with Community Toilet scheme (To be revised)	(160)	(220)	(220)	(220)	Transform- ation	1



**Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Stop/Reduce Options</b>								
HE_HCS_CS05n	32	Remove funding contribution for non-HRA activity within ASBIT (Anti-Social Behaviour)	(25)	(25)	(25)	(25)	Stop/ Reduce	0
HE_HCS_CS05(xi)	47	Remove funding for deploying street urinals	(8)	(8)	(8)	(8)	Reduce	7
HE_HCS_CS05(xii)	50	Remove budgets for transport marshals.	(70)	(70)	(70)	(70)	Reduce	8
HE_HCS_CS05h	55	Remove funding for Community Fire Safety Task Group	(7)	(7)	(7)	(7)	Stop/ Reduce	11
HE_HCS_S03(i)	63	Reduce Housing Support Budget by 10%	(250)	(250)	(250)	(250)	Reduce	14
HE_HCS_S04(vii)	68	Stop Core Care & Repair Service (X-ref with iii)	(42)	(42)	(42)	(42)	Stop/ Reduce	15
			<b>(562)</b>	<b>(622)</b>	<b>(622)</b>	<b>(622)</b>		

**Environment, Planning & Infrastructure**

**Efficiency Options**

EPI_AMO30	27	Increase charge levels for Residents Parking Permits (TRADING)	(72)	(72)	(137)	(137)	Efficiency	0
EPI_AMO29	23	Introduction of charges to residents for Garthdee CPZ (TRADING)	(14)	(28)	(28)	(28)	Efficiency	0
EPI_AMO11b	29	Tactically Dispose of Selected Property - RESUBMITTED - IMPACT OF NON-HOUSING CAPITAL PLAN RECEIPTS ON REVENUE (TRADING)	261	450	450	450	Efficiency	0
			<b>175</b>	<b>350</b>	<b>285</b>	<b>285</b>		

**Prioritisation Savings**

No

			Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation Efficiency/ Stop/ Reduce	Prioriti- sation Score
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Corporate Governance</b>									
<b>Efficiency Options</b>									
CG_F_32	51	Reduce Council Tax Relief on second homes (RISK)	0	0	0	0	0	Efficiency	9
<b>Stop/Reduce Options</b>									
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Council wide Options</b>									
ACC_SO8	94	Corporate Bond Issue	(4,750)	400	400	400	400	Transform- ation	12
			<b>(4,750)</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>		
<b>Officer of Chief Executive</b>									
			0	0	0	0	0	Stop/ Reduce	0
			0	0	0	0	0	Stop/ Reduce	0
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
			<b>(5,450)</b>	<b>(2,031)</b>	<b>(2,469)</b>	<b>(2,469)</b>	<b>(2,528)</b>		

**Service Options recommended for rejection****Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score	
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
<b>Social Care &amp; Wellbeing</b>									
<b>Stop/Reduce Options</b>									
SCW33	88	Stop funding mental health day care-REJECTED AT SC&W ROUND TABLE	0	0	0	0	(1,000)	Stop/ Reduce	24
SCW34	84	Reduce threshold for service eligibility/provide emergency only-REJECTED AT SC&W ROUND TABLE	0	0	0	0	0	Stop/ Reduce	22
SCW36	85	Stop provision of ICDRS (Integrated Community Drug Rehab Support) services-REJECTED AT SC&W ROUND TABLE	0	0	0	0	(600)	Stop/ Reduce	22
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,600)</b>		
<b>Education, Culture &amp; Sport</b>									
<b>Transformation Options</b>									
ECS_E20b	43	RISK Redesign the profile of professional staffing in secondary schools Revised on McCormac	0	0	1,070	(1,500)	(1,500)	Transform- ation	3
ECS_E7c	44	RISK Redesign the profile of professional staffing in primary schools. Revised on McCormac	0	0	602	(650)	(650)	Transform- ation	3
ECS_E3	58	RISK Start nursery at 4 years	0	(688)	(3,330)	(3,330)	(3,330)	Transform- ation	20*
<b>Efficiency Options</b>									
ECS_E8c	56	RISK Increase class sizes in primary schools - P2 & P3 become 33 and composites 30.	(80)	(120)	(120)	(120)	(120)	Efficiency	12
ECS_E26	89	RISK Increase teaching time to match pupil time in secondary schools	0	0	(2,133)	(3,200)	(3,200)	Efficiency	25
ECS_E6	90	RISK Increase teaching time to match pupil time in primary schools	0	0	(900)	(1,350)	(1,350)	Efficiency	25

**Prioritisation Savings**

	No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
ECS_E10	92	RISK All Secondary S1 & S2 Classes at 30 (REJECTED AT EC&S ROUNDTABLE)	0	203	(700)	(700)	(700)	Efficiency	25
ECS_E31a	91	RISK Extend non-subject specific/generic teaching until end of S2 (P8 and 9) (REJECTED AT EC&S ROUNDTABLE)	0	0	(1,334)	(4,418)	(4,418)	Efficiency	25
<b>Stop/Reduce Options</b>									
ECS_E29a	17	Primary school estate - close 5 schools - still original figures	0	(112)	(663)	(1,015)	(1,015)	Stop/ Reduce	0
ECS_E12	57	Withdraw Music Tuition recosted to reflect E37	206	(793)	(793)	(793)	(793)	Reduce	13
ECS_E14	66	Reduce the Support for Learning teacher allocation in secondary schools.	(117)	(517)	(517)	(517)	(517)	Stop/ Reduce	20*
ECS_E16	67	Reduce Teacher Support for Learning Allocation - Primary Schools	(90)	(600)	(600)	(600)	(600)	Stop/ Reduce	20*
ECS_E21	72	Reduce remaining Pupil Support Assistants Provision in Primary Schools by 10%	145	(400)	(400)	(400)	(400)	Stop/ Reduce	17
ECS_E23	73	Reduce remaining Pupil Support Assistants Provision in Secondary Schools by 10%	61	(153)	(153)	(153)	(153)	Stop/ Reduce	17
ECS1-C8	75	Close all 16 Community Libraries, incorporate Heritage Centre	24	(868)	(868)	(868)	(868)	Stop/ Reduce	18
ECS_E28	77	RISK Close Music School	(235)	(672)	(693)	(693)	(693)	Stop/ Reduce	19
ECS1-C2	82	Close all art gallery and museum visitor venues (over 4 years) (REJECTED AT EC&S ROUNDTABLE)	240	1,217	(599)	(403)	(735)	Stop/ Reduce	22
ECS1-C13	83	Cease communities teams services (REJECTED AT EC&S ROUNDTABLE)	(2,520)	(4,152)	(4,152)	(4,152)	(4,152)	Stop/ Reduce	22
ECS_E25	93	Stop pre school education (REJECTED AT EC&S ROUNDTABLE)	0	(796)	(3,714)	(3,714)	(3,714)	Stop/ Reduce	25
			<b>(2,366)</b>	<b>(8,451)</b>	<b>(19,997)</b>	<b>(28,576)</b>	<b>(28,908)</b>		

**Prioritisation Savings**

No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Housing &amp; Environment</b>								
<b>Transformation Options</b>								
<b>Efficiency Options</b>								
<b>Stop/Reduce Options</b>								
HE_ES_GM06	49	280	(125)	(125)	(125)	(125)	Stop/ Reduce	20*
HE_ES_PC1	60	(231)	(365)	(365)	(365)	(365)	Stop/ Reduce	20*
HE_HCS_CS05a	61	(15)	(15)	(15)	(15)	(15)	Stop/ Reduce	13
HE_HCS_CS05(x)	69	(5)	(5)	(5)	(5)	(5)	Stop/ Reduce	15
HE_ES_ST6	71	60	(80)	(80)	(80)	(80)	Stop/ Reduce	16
HE_HCS_S03(ii)	76	(250)	(250)	(250)	(250)	(250)	Stop/ Reduce	18
HE_HCS_S04(iii)	78	(60)	(60)	(60)	(60)	(60)	Stop/ Reduce	19
HE_ES_WS5	81	(71)	(70)	(69)	(69)	(69)	Stop/ Reduce	21
HE_ES_WS7	79	(20)	(20)	(20)	0	0	Stop/ Reduce	20
HE_HCS_S04(vi)	80	(60)	(60)	(60)	(60)	(60)	Stop/ Reduce	21
HE_HCS_S03(iii)	87	(750)	(750)	(750)	(750)	(750)	Stop/ Reduce	24
		<b>(1,122)</b>	<b>(1,800)</b>	<b>(1,799)</b>	<b>(1,779)</b>	<b>(1,779)</b>		

**Prioritisation Savings**

	No		Net Costs/ Savings 2012/13 £'000	Net Costs/ Savings 2013/14 £'000	Net Costs/ Savings 2014/15 £'000	Net Costs/ Savings 2015/2016 £'000	Net Costs/ Savings 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Environment, Planning &amp; Infrastructure</b>									
<b>Transformation Options</b>									
EPI_AMO26	70	High Risk: Charge a Congestion fee for Aberdeen's CBD - REJECTED AT EP&I ROUNDTABLE	49	49	49	49	49	Transform- ation	16
<b>Efficiency Options</b>									
<b>Stop/Reduce Options</b>									
EPI_AMO15	62	REDUCE then STOP School Patrols - RESUBMITTED	(40)	(204)	(349)	(349)	(349)	Stop/ Reduce	14
			<b>9</b>	<b>(155)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>		
<b>Corporate Governance</b>									
<b>Efficiency Options</b>									
CG_F_30	41	AECC Swap - Agreement - move to Common Good (RISK)	(500)	(500)	(500)	(500)	(500)	Efficiency	3
CG_F_31	42	Explore use of Common Good particularly use of capital receipts (RISK)	0	(150)	(150)	(150)	(150)	Efficiency	3
CG_F_29	74	Redefine the criteria for relief/discretionary Non Domestic Rates relief (RISK)	(200)	(200)	(200)	(200)	(200)	Efficiency	18
<b>Stop/Reduce Options</b>									
CG_LDS_7E	39	Saving of convenor and vice convenor payments if less Committees	0	0	0	(108)	(108)	Stop/ Reduce	2
CG_LDS_07B	46	Council Committees - reduce the number of committees	0	0	(50)	(50)	(50)	Stop/ Reduce	6
			<b>(700)</b>	<b>(850)</b>	<b>(900)</b>	<b>(1,008)</b>	<b>(1,008)</b>		

**Prioritisation Savings**

No

	Net Costs/ Savings/ 2012/13 £'000	Net Costs/ Savings/ 2013/14 £'000	Net Costs/ Savings/ 2014/15 £'000	Net Costs/ Savings/ 2015/2016 £'000	Net Costs/ Savings/ 2016/17 £'000	Transform- ation/ Efficiency/ Stop/ Reduce	Prioriti- sation Score
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
<b>Council wide Options</b>	0	0	0	0	0		
<b>Office of Chief Executive</b>	0	0	0	0	0		
	(4,179)	(11,256)	(22,996)	(31,663)	(33,595)		

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## LORD PROVOST SUB-COMMITTEE

ABERDEEN, 13 October 2011 – Minute of Meeting of the LORD PROVOST SUB-COMMITTEE. Present:- Lord Provost Peter Stephen, Chairperson; Councillor Cormie, the Depute Provost; and Councillors Cooney and Malone.

Officers in attendance:- Beverley Graham, Office of the Chief Executive; Daniel Parrott, Events Team, Enterprise, Planning and Infrastructure; and Grant Webster, Democratic Services, Corporate Governance.

### **APOLOGIES**

1. Apologies were intimated on behalf of Alasdair Ross and David Gow.

### **MINUTE OF PREVIOUS MEETING**

2. The Sub-Committee had before it the minute of the previous meeting of 7 July 2011.

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

to approve the minute as a correct record.

### **MINUTE OF THE BATTLE OF HARLAW WORKING GROUP OF 22 SEPTEMBER 2011**

3. The Sub-Committee had before it the minutes of the Battle of Harlaw Working Group of 22 September 2011 for information. Councillor Cooney advised that he felt this was a very successful venture and showed that joint working can produce high quality results. The Sub-Committee agreed.

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

to note the minutes.

### **CIVIC HOSPITALITY REQUESTS**

4. Lord Provost Stephen advised the members that there was a slight change to the information given within the Civic Hospitality Requests. He advised that specific costs had not been included in the paper work due to the possibility of providing an unfair advantage to future applicants.

- (A) Financial Reports

The Sub-Committee had before it a financial report pertaining to the Civic Receptions budget for 2011/12 and 2012/13 and the Lord Provost Gift Fund for 2011/12.

The Lord Provost asked for clarification regarding the actual balance of funds remaining, asking officers to check any valid discounts/net positions, compare the balance outstanding against any costs agreed today, and report back to December meeting.

**The Sub-Committee resolved:-**  
to note the information provided.

## DECLARATION OF INTEREST

**Councillor Cooney declared an interest in the following article by virtue of his involvement in Town & County History Society. Councillor Cooney did not withdraw from the meeting during consideration of the article.**

### (B) Civic Hospitality Requests 2011/12

The Sub-Committee had before it various applications for the provision of civic hospitality for the financial year 2011/12.

**The Sub-Committee resolved:-**  
to approve the following applications as follows:-

Occasion	Venue	Hospitality to be Granted
The Highlanders, 4 <sup>th</sup> Battalion, Royal Regiment of Scotland	Beach Ballroom	Refreshments and Lunch of 350 persons
Aberdeen Town and County History Society, Annual Lecture	Town House	Refreshments for 150 persons
National Youth Enterprise Conference 2011	Aberdeen Exhibition and Conference Centre	Sandwich Lunch for 400 persons

With reference to The Highlanders application, various clarifying questions regarding the venue, costs and parade planning were raised and answered.

### (C) Civic Hospitality Requests 2012/13

The Sub-Committee had before it various applications for the provision of civic hospitality for the financial year 2012/13.

**The Sub-Committee resolved:-**

to approve the following applications as follows:-

<b>Occasion</b>	<b>Venue</b>	<b>Hospitality to be Granted</b>
Aberdeen Keep Fit 60 <sup>th</sup> Anniversary	TBA	Refreshments and Finger Buffet for 80 persons
Squarefest 2012	TBA	Refreshments and Canapés for 300 persons
Association of Registrars of Scotland	TBA	Morning Coffee and Buffet Lunch for 70 persons
Aberdeen Sports Person of the Year Awards	TBA	Refreshments and Dinner for 250 persons

(D) **Civic Hospitality Requests 2014/15**

The Sub-Committee had before it various applications for the provision of civic hospitality for the financial year 2014/15. It was noted that, as it is not known what budgets or services will be available in 2014/15, a decision 'in principle' as all that can be indicated if so desired.

**The Sub-Committee resolved:-**

to approve the following applications 'in principle' as follows:-

<b>Occasion</b>	<b>Venue</b>	<b>Hospitality to be Granted</b>
Rotary International Curling Championships	TBA	Refreshments and Dinner for 300 persons

In reference to the above applications, and previous events, it was raised that concerns had been noted regarding the publicity and promotions of events within the city. Daniel Parrot advised that he would discuss with Alasdair Ross whether the application process could be amended to include provisions for promotion of the event and report back at the next meeting.

Members had before them information pertaining to hospitality granted at short notice under delegated powers for noting. They asked if it would be possible to include indicative costs for these in future.

**The Sub-Committee resolved:-**

to note the information given.

**DATES FOR 2012**

5. Members had before them a list of provisional dates for meetings of the Lord Provost Sub Committee in 2012 for approval.

**The Sub-Committee resolved:-**

to approve the dates as noted.

**DATE OF NEXT MEETING**

6. The Sub-Committee noted that the next meeting would be held on Thursday 15 December 2011 at 10.30am.

-Lord Provost Stephen, **Chairperson**

## LORD PROVOST SUB-COMMITTEE

ABERDEEN, 15 December 2011 – Minute of Meeting of the LORD PROVOST SUB-COMMITTEE. Present:- Councillor Cormie, the Depute Provost, Chairperson; and Councillors Cooney and Cormack (as substitute for Councillor Malone).

Officers in attendance:- Ciaran Monaghan, Beverley Graham, Stella Evans and Alasdair Ross, Office of the Chief Executive; Paula Fullerton, Events Team, Enterprise, Planning and Infrastructure; and Grant Webster, Democratic Services, Corporate Governance.

### **APOLOGIES**

1. Apologies were intimated on behalf of Lord Provost Peter Stephen and Depute Provost Cormie took the chair for this meeting. The Sub-Committee wished a speedy recovery to the Lord Provost. Apologies were also intimated on behalf of Councillors Malone and Wisely and John Jonhstone, Depute Ballroom Manager.

### **MINUTE OF PREVIOUS MEETING**

2. The Sub-Committee had before it the minute of the previous meeting of 13 October 2011.

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

to approve the minute as a correct record.

### **QUEEN'S DIAMOND JUBILEE – NOTICE OF MOTION BY COUNCILLOR DONNELLY**

3. With reference to Article 5 of the minute of it's meeting of 28 April 2011, the Sub-Committee had before it a report which provided the Sub-Committee with an update on proposed activities and events in relation to the Queen's Diamond Jubilee.

Ciaran Monaghan advised the Sub-Committee that Councillor Donnelly was happy with the content of the report. He advised that the centrepiece of the event is a proposed Family Day in Duthie Park that will culminate in the lighting of the City's Diamond Jubilee Beacon.

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

to note the update given.

## CIVIC HOSPITALITY REQUESTS

### 4. (A) Financial Reports

The Sub-Committee had before it a financial report pertaining to the Civic Receptions budget for 2011/12 and 2012/13 and the Lord Provost Gift Fund for 2011/12 as at 5 December 2011.

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

to note the information provided.

### (B) Civic Hospitality Requests 2011/12

The Sub-Committee had before it various applications for the provision of civic hospitality for the financial year 2011/12.

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

to approve the following applications as follows:-

<b>Occasion</b>	<b>Venue</b>	<b>Hospitality to be Granted</b>
Subsea 2012	Town and County Hall	Refreshments and Canapés for 100
Nutrition Society Spring Meeting	Town and County Hall	Refreshments and Finger Buffet for 150
Scottish Licence Trade Association Conference and A.G.M	St Nicholas Room	Drinks Reception for 80

### (C) Civic Hospitality Requests 2012/13

The Sub-Committee had before it various applications for the provision of civic hospitality for the financial year 2012/13.

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

to approve the following applications as follows:-

<b>Occasion</b>	<b>Venue</b>	<b>Hospitality to be Granted</b>
Society of British Neurological Surgeons Spring Meeting	Beach Ballroom	Pre-Dinner Drinks for 200
Aberdeen Civic Forum	Town and County Hall	Refreshments and Finger Buffet for 80
Lyric Musical Society of Aberdeen 60 <sup>th</sup> Anniversary	Town and County Hall	Refreshments and Finger Buffet for 100
British Society for Neuroendocrinology	Town and County Hall	Refreshments and Finger Buffet for 100
Aberdeen Highland Pony Show 25 <sup>th</sup> Anniversary	St Nicholas Room	Refreshments and Finger Buffet for 50
British Science Festival	Town and County Hall	Refreshments and Finger Buffet for 100

Members also had before them information pertaining to hospitality granted at short notice under delegated powers for noting.

**The Sub-Committee resolved:-**  
to note the information given.

**DATE OF NEXT MEETING**

6. The Sub-Committee noted that the next meeting would be held on Thursday 2 February 2012 at 10.30am.

-**Depute Provost Cormie, Chairperson**

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**FINANCE AND RESOURCES COMMITTEE  
COMMITTEE BUSINESS**

**MARCH, 2012**

<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.	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.	Correspondence has been received from the Standards Commission requiring further information which has been sent.  <b>A verbal update will be provided by the Head of Legal and Democratic Services.</b>	Head of Legal and Democratic Services		15/03/12
2.	Finance and Resources Committee 28/01/10 article 2 & 11/03/10 article 31 & 11/05/10 article 34  Audit and Risk 29/03/11 article 12	<u>CAB – Debt Advice Service</u> 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.  <u>Internal Audit - Summary of Audit Findings - Report by Pricewaterhouse Coopers</u>  The Committee resolved:	<b>A report will be presented when an SLA has been established.</b>	Head of Finance	19/06/12	

<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 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>				
3.	Finance and Resources Committee 11/03/10 article 11	<b><u>Common Good Budget</u></b> The Committee resolved: to seek a review of Council funding for all trusts in order to assess Best Value.	<b>Update:</b> Review by internal audit is in its final stages and will be presented to the June meeting of the Audit and Risk Committee.	Head of Finance	<b>28/09/10</b>	19/06/12
4.	Finance and Resources Committee 11/03/10 article 20	<b><u>Applications for Financial Assistance 2009/10 – Grant Application System</u></b> 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.		Head of Finance		19/06/12
5.	Finance and Resources Committee 11/05/10 article 42	<b><u>Station House Media Unit</u></b> The Committee resolved: that appropriate officers be instructed to report again to the Committee on the future management, maintenance and operation of the adjacent car parking	<b>Update:</b> A report is scheduled for the next meeting of the Enterprise Planning & Infrastructure Committee on the feasibility of opening this site as a public car park (including charging mechanisms and refurbishment	Head of Asset Management and Operations	15/03/12	

<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>
		area which is not to be included within the subjects leased.	costs).			
6.	Finance and Resources Committee 17/06/10 article 19	<p><b><u>Annual Housing and Council Tax Benefit Report</u></b></p> <p>The Committee resolved: to instruct that an <b>annual</b> report be submitted to this Committee in June each year, which should detail the previous financial year's Housing and Council Tax Benefit Service.</p> <p>It was agreed at the meeting of 16 June, 2011 that this report would be presented to Committee in September each year.</p>		Head of Finance	September, 2012	
7.	Finance and Resources 28/09/10 article 24	<p><b><u>Access from the North Proposals (Third River Don Crossing) - Compulsory Purchase Order</u></b></p> <p>The Committee resolved: to note that officers would provide <b>regular updates</b> to Committee in relation to progress with land acquisition against budget.</p>		Head of Asset Management and Operations	As and when required	
8.	Finance and Resources 28/09/10 article 25	<p><b><u>Property Asset Management Plan</u></b></p> <p>The Committee resolved: 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</p>	<p><b>Update:</b> Reports on Licensed Premises, Commercial Offices, Common Good Ground Leases, and Common Good Miscellaneous Properties are on today's agenda.  The final TNRP Review is</p>	Head of Asset Management and Operations	19/06/12	

<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>
		schedule of property reviews with a view to completing within eighteen months and to report on those reviews, to appropriate meetings of this Committee.	Common Good Farms and that is scheduled to be reported to the next meeting of this Committee			
9.	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.	<b>An update is included in the information bulletin.</b>	Head of Asset Management and Operations		15/03/12
10	Finance and Resources 01/02/11 article 32 & Budget Meeting of Council 10/02/11 article 2.	<b><u>Accord Card – Citizen Roll Out</u></b> The Committee resolved: to instruct that a progress report be submitted to this Committee every second cycle.	<b>An update is included in the information bulletin.</b>	Head of Customer Service and Performance	15/03/12	
11	Finance and Resources 01/02/11 article 39 Finance and Resources 29/09/11 article 8	<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.  The Committee resolved: to instruct officers to report back to this Committee when the outcomes	A report was included in the information bulletin at the meeting of 16/06/11.	Head of Customer Service and Performance	16/06/11	September, 2012

<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>
		<p>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 <b>0845 numbers</b> for the related services included in this report.</p>				
12	<p>Budget Meeting of Council 10/02/11 article 2</p> <p>Finance and Resources 21/04/11 article 51</p>	<p><b><u>General Fund Budget / Funding Opportunities for Delivering Projects</u></b></p> <p>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.</p> <p>The Committee resolved:</p> <p>(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;</p> <p>(iii) to instruct officers to continue to consider other funding arrangements;</p> <p>(iv) to instruct that a full report be submitted to the next meeting of this Committee on the outcome of the above instructions.</p>	<p><b>Update:</b> This issue was considered within the report "Non Housing Capital Programme 2012/13 – 2014/15 Budgets" considered by Council at its Meeting on 2 February 2012.</p> <p><b>Recommended for removal.</b></p>	Director of Enterprise, Planning and Infrastructure	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>
13	Finance and Resources 21/04/11 article 4	<b><u>3Rs Project</u></b> The Committee resolved: to instruct that progress reports on the 3Rs Project be brought back to <b>appropriate</b> meetings of this Committee.		Head of Asset Management and Operations	As and when required	
14	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> Detailed work is currently underway to determine possible funding solutions to the identified costs of upgrading these properties. A report is scheduled to be submitted to the next meeting of his Committee.	Head of Asset Management and Operations	19/06/12	
15	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	

<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>
16	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:</p> <p>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 on the matter.</p>	<p>A verbal update will be provided at the meeting.</p>	Head of Finance	15/03/12	
17	Finance and Resources 29/09/11 article 32	<p><b><u>Review of Corporate Accommodation</u></b></p> <p>The Committee resolved:</p> <p>(iii) instruct the Head of Asset Management and Operations to undertake an options appraisal in relation to the occupational requirements of the Services currently occupying Exchequer House, and to report back to this Committee within six months;</p> <p>(iv) instruct the Corporate Asset Group to undertake a review of the future utilisation of the Town House, reporting back to this Committee in due</p>	<p>A report is included in the information bulletin.</p> <p>Recommended for removal.</p>	Head of Asset Management and Operations	15/03/11	

<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>
		course on all possible options and financial consequences.				
18	Finance and Resources 29/09/11 article 33	<b><u>Whitemyres Stores – Corporate Storage</u></b> The Committee resolved: to instruct that a report be presented to this Committee detailing a corporate approach to records management.		Head of Legal and Democratic Services	19/06/12	
19	Finance and Resources 29/09/11 article 36	<b><u>Pitmedden Road</u></b> The Committee resolved: to instruct that officers negotiate a new lease of up to five years with the Dyce Sports and Leisure Development Trust, if they wish it, and to report back in this regard.	<b>A report is on the agenda. Recommended for removal.</b>	Head of Asset Management and Operations	15/03/12	
20	Council 25/01/12 article <b>tbc</b>	<b><u>City Garden Project</u></b> Council resolved: (iii) to require that the Finance and Resources Committee scrutinise and approve the final terms of the development agreement before it is signed by all relevant parties. (iv) to instruct officers to submit a detailed business case (based on the document attached as Appendix 2 to this report), as the basis for negotiating a final Tax		(iii) - Project Director Economic/Business Development/ Head of Legal and Democratic Services/ Head of Asset Management and Operations  (iv) - Project Director	November 2012          By 1 May, 2012	



<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>
		<p>Increment Financing (TIF) agreement with Scottish Futures Trust (SFT), which will enable ACC to fund enabling infrastructure related to the proposed City Centre Regeneration Programme, and which specifically -</p> <p>(a) secures a maximum funding contribution of £70 million towards the City Garden Project, in recognition of this project's significance to the delivery the City Centre Regeneration Programme.</p> <p>(b) secures a further £22 million towards the other projects identified within the City Centre Regeneration Programme</p> <p>(c) mitigates the risks to ACC and ensures that ACC is not placed in a position whereby it is exposed to any additional risks, other than the risks highlighted in the attached business case.</p> <p>(v) to require the Finance and Resources Committee to scrutinise the terms of and approve the final TIF Agreement before it is signed by all relevant parties.</p>		<p>Economic/ Business Development/ Head of Finance</p> <p>(v) - Project Director - Economic/ Business Development/ Head of Finance</p>	<p>July 2012</p>	

<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>
21	Housing and Environment 24/01/12 article 13	<b><u>Affordable Housing Delivery</u></b>  The Committee resolved: to request that officers report to the appropriate committee in due course to advise as to whether there is any evidence to suggest that reducing the Council Tax discount on long term empty properties provides an incentive to owners to bring their empty properties back into use.	<b>Update:</b> A report will be issued on the outcome of consultation with Scottish Government.	Head of Finance/ Revenues and Benefits Manager		
22	Housing and Environment 24/01/12 article 23	<b><u>Trade Waste Charges Review – sensitive information</u></b>  The Committee resolved: to request that the Head of Legal and Democratic Services investigate how reports such as this be dealt with in future, in order to protect the Council's position.		Head of Legal and Democratic Services	16/06/12	

**FINANCE AND RESOURCES COMMITTEE  
MOTIONS LIST  
MARCH, 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</p>	<p>Proposals have now been developed regarding the potential to transfer land to residents who wish to 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</li> </ul>	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>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>owner approx £1000 as long as it was only their titles and the Council's that needed to be changed to reflect 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>Consultation commenced with the residents of the relevant properties with a closing date of 25 November. A report on the outcome of the consultation will be provided thereafter.</p> <p><b>An update is provided in the information bulletin, and a final report will be presented next cycle.</b></p>			
2.	<p><u>Motion</u> by <u>Councillor Donnelly</u> "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</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>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</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>
	Commonwealth and her 60 year leadership role within the international community of the free world".			<p>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> <p>A bid for a funding allocation to be made in the Common Good Budget for 2012/2013 is being progressed as part of the Council's budget process. A report on the proposed programme of activities was presented to the Lord Provost Sub Committee meeting on 15 December 2011.</p> <p><b>A bulletin report is provided on this matter.</b></p> <p><b>Recommended for removal.</b></p> <p><b>Councillor Donnelly is content that this motion be removed.</b></p>			

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## ABERDEEN CITY COUNCIL

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COMMITTEE Enterprise Planning and Infrastructure

DATE 31<sup>st</sup> January 2012

DIRECTOR Gordon McIntosh

TITLE OF REPORT Disabled Person's Parking Places - Regulation

REPORT NUMBER:EPI /12/ 019

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### 1. PURPOSE OF REPORT

This purpose of the report is to advise members of progress towards the regulation of on street disabled parking places city wide and seeks approval for the promotion of the necessary Traffic Regulation Order

### 2. RECOMMENDATION(S)

That the committee:

- a) approves the commencement of the Traffic Regulation Order for the promotion of the existing on street disabled parking places
- b) instruct the appropriate officers to undertake the necessary procedures
- c) refers the report to the Resources and Finance Committee for the consideration of allocating funding in 2012/2013 for the implementation of the on street disabled parking places

### 3. FINANCIAL IMPLICATIONS

The costs for the implementation of the signage and markings necessary to meet legislative requirements of the parking places have been estimated as £300,000. During budget scrutiny meetings it was agreed that the monies required to carry out these changes would not be considered as a budget pressure but be found from contingencies as it related to a one off cost. Should a budget not be identified and the works completed by the January of 2014 there will be a need to recommence the TRO process due to time limitations.

### 4. OTHER IMPLICATIONS

The promotion and progression of the Traffic Regulation Order for the regulation of disabled person's parking place should be carried out to meet the Disabled Person's Parking Places (Scotland) Act 2009. The Act places an obligation on this Council to promote the necessary Traffic Regulation Order and the implementation of the associated works. Progress is annually reviewed by Ministers and failure to meet the obligations of the Act would be seen to be unsupportive in respect

to access for the less mobile and disabled within our community.

## 5. BACKGROUND/MAIN ISSUES

- 5.1 On the 1st April 2009 the Disabled Person's Parking Places (Scotland) Act 2009 (DPPPA) was made and placed an obligation on all local authorities to promote and implement the necessary Traffic Regulation Orders (TRO) to allow the regulation and enforcement of disabled parking places.
- 5.2 The DPPPA legislation defines the need for all existing on street disabled parking spaces to be identified and regulated together with all future disabled parking spaces.
- 5.3 Since the DPPPA came into force new disabled parking place applications that have been approved have been the subject of a TRO through the Small Scale Traffic Management reports and been taken forward for implementation in line with the new regulations.
- 5.4 The timescales set within the 2009 Act indicated that the existing on street parking places be identified by April 2010 and that the subsequent TRO process be commenced. However the work and preparation for the regulation of the existing on street spaces has been a significant challenge due to the number of spaces and their geographic spread across the city. At present there are some 1067 on street disabled parking places and it has been necessary for officers to visit each location and accurately record and schedule the location of each parking place.
- 5.5 This work is now complete and schedule for inclusion within the necessary TRO have been prepared and an area list of the spaces to be regulated is appended to this report for information
- 5.6 The DPPPA legislation has redefined the way in which disabled parking spaces are considered and the on street spaces will now be generally available to all Blue Badge holders and not too a specific individual. This alteration in the way in which spaces can be used has brought a need to amend the associated signage and markings and must be in place for enforcement purposes. There is a significant financial implication with respect to the implementation of the TRO and the cost of the work necessary to amend the disabled person's parking spaces.
- 5.7 The Traffic Regulation Order needed to meet the DPPPA will take some 9 months to process and should be ready for implementation in the autumn of 2012. Whilst it would be ideal for all of the disabled person's parking spaces to be implemented immediately following approval of the TRO, in practical terms, this will not be possible due to the nature of the work, availability of specialist contractors and the need to confirm funding for the on street works.
- 5.8 It is suggested that the implementation of the disabled person's parking spaces TRO be programmed and carried out on an area by area basis



and that this be implemented over a 6 month period from the date of confirmation of the TRO. It should be noted that there is a time limitation of 24 months from the commencement of the TRO process to completion of the on street works. Should the TRO not be implemented within this time envelope the traffic order process will require to be restarted for any spaces for which the work has not been completed on street.

- 5.9 At this time a budget allocation has not been identified for the implementation of the required amendments to the parking spaces. It is requested that this report be referred to the Finance and Resource committee for consideration and budget allocation in 2012/13.

## 6. IMPACT

- 6.1 This report meets the Community Plan, the Single Outcome Agreement and, and the aspirations of the Councils *Vibrant, Dynamic & Forward Looking* statement by the provision of improved accessibility for the less mobile within our community

## 7. BACKGROUND PAPERS

Disabled Person's Parking Places (Scotland) Act 2009

## 8. REPORT AUTHOR DETAILS

Andrew Smith  
Traffic Engineering Manager  
andrews@aberdeencity.gov.uk  
Tel 53 8056

## **Consultee Comments**

### **Enterprise, Planning and Infrastructure Committee**

**Convener: Councillor Kate Dean – Email sent 21/12/2011**

**Vice Convener: Councillor John Corall – Email sent 21/12/2011**

#### **Local Members**

<b>Councillor George Adam</b>	email sent 21/12/2011
<b>Councillor Yvonne Allan</b>	email sent 21/12/2011
<b>Councillor Marie Boulton</b>	email sent 21/12/2011
<b>Councillor Bill Cormie (Depute Provost)</b>	email sent 21/12/2011
<b>Councillor Barney Crocket</b>	email sent 21/12/2011
<b>Councillor Martin Greig</b>	email sent 21/12/2011
<b>Councillor Muriel Jaffrey</b>	email sent 21/12/2011
<b>Councillor Alan Milne</b>	email sent 21/12/2011
<b>Councillor George Penny</b>	email sent 21/12/2011
<b>Councillor Richard Robertson</b>	email sent 21/12/2011
<b>Councillor John West</b>	email sent 21/12/2011
<b>Councillor John Stewart</b>	email sent 21/12/2011
<b>Councillor Kevin Stewart</b>	email sent 21/12/2011
<b>Councillor Jillian Wisely</b>	email sent 21/12/2011
<b>Councillor Ian Yuill</b>	email sent 21/12/2011
<b>Councillor Irene Cormack</b>	email sent 21/12/2011
<b>Councillor Alan Donnelly</b>	email sent 21/12/2011
<b>Councillor James Kiddie</b>	email sent 21/12/2011
<b>Councillor Neil Cooney</b>	email sent 21/12/2011
<b>Councillor Mark McDonald</b>	email sent 21/12/2011
<b>Councillor Jennifer Laing</b>	email sent 21/12/2011
<b>Councillor Len Ironside</b>	email sent 21/12/2011
<b>Lord Provost Peter Stephen</b>	email sent 21/12/2011
<b>Councillor Wendy Stuart</b>	email sent 21/12/2011
<b>Councillor Gordon Townson</b>	email sent 21/12/2011
<b>Councillor Neil Fletcher</b>	email sent 21/12/2011
<b>Councillor Kirsty West</b>	email sent 21/12/2011
<b>Councillor Aileen Malone</b>	email sent 21/12/2011
<b>Councillor Neil MacGregor</b>	email sent 21/12/2011
<b>Councillor Jackie Dunbar</b>	email sent 21/12/2011
<b>Councillor Gordon Graham</b>	email sent 21/12/2011
<b>Councillor Andrew May</b>	email sent 21/12/2011
<b>Councillor James Hunter</b>	email sent 21/12/2011
<b>Councillor Norman Collie</b>	email sent 21/12/2011
<b>Councillor Jim Noble</b>	email sent 21/12/2011
<b>Councillor Gordon Leslie</b>	email sent 21/12/2011
<b>Councillor John Reynolds</b>	email sent 21/12/2011
<b>Councillor Jim Farquharson</b>	email sent 21/12/2011
<b>Councillor Jennifer Stewart</b>	email sent 21/12/2011
<b>Councillor Willie Young</b>	email sent 21/12/2011

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**Council Officers**

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Barry Jenkins, Head of Finance, Resources - ***has been consulted***

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Jane MacEachran, City Solicitor, Continuous Improvement - ***has been consulted***

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Ciaran Monaghan, Head of Service, Office of Chief Executive - ***has been consulted***

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Gordon McIntosh, Director of Enterprise, Planning and Infrastructure - ***has been consulted***

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Hugh Murdoch, Head of Service, Shelter and Environment – ***has been consulted***

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Mike Cheyne, Roads Manager - ***has been consulted***

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Dave Young, Account Manager, Service, Design and Development - ***has been consulted***

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Kathryn McFarlane, Service Co-ordinator

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Allison Swanson, Committee Services

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## Area List of Existing Disabled Spaces to be Regulated

ROADNAME	No. of Spaces	ROADNAME	No. of Spaces
ABBOTSFOLD PLACE	1	BRESSAY BRAE	4
ABBOTSWELL CRESCENT	1	BRIERFIELD TERRACE	3
ABOYNE PLACE	1	BRIGHTON PLACE	2
ALBERT PLACE	1	BRIMMONDSIDE	5
ALEXANDER DRIVE	1	BRODINCH ROAD	2
ALLAN STREET	1	BROOMHILL ROAD	2
ANDERSON AVENUE	2	BRUNSWICK PLACE	1
ANDERSON DRIVE	3	BUCHANAN PLACE	1
ANGUSFIELD AVENUE	1	BURNBRAE AVENUE	1
ANNAT BANK	2	BURNBRAE CRESCENT	6
ANNFIELD TERRACE	2	BURNBRAE PLACE	2
ARBROATH WAY	1	BURNBUTTS CRESCENT	1
ARDARROCH PLACE	1	BURNS ROAD	1
ARDARROCH ROAD	2	BYRON CRESCENT	2
ARDBECK PLACE	1	CADENHEAD PLACE	2
ARNAGE CRESCENT	1	CADENHEAD ROAD	1
ARNAGE DRIVE	2	CAIESDYKES DRIVE	2
ARNAGE GARDENS	1	CAIESDYKES ROAD	4
ARNAGE PLACE	1	CAIESDYKES ROAD	2
ASHFIELD ROAD	1	CAIRNFELD PLACE	1
ASHGROVE PLACE	5	CAIRNFOLD ROAD	2
ASHLEY GARDENS	1	CAIRNGORM CRESCENT	2
ASHTOWN WALK	3	CAIRNGORM GARDENS	2
ASHVALE PLACE	1	CAIRNGORM ROAD	1
AUCHINLECK CRESCENT	3	CAIRNHILLOCK PLACE	1
AUCHINLECK ROAD	2	CAIRNWELL AVENUE	2
AUCHINYELL ROAD	1	CAIRNWELL DRIVE	2
AUCHINYELL TERRACE	2	CAIRNWELL PLACE	1
AUCHMILL ROAD	1	CAMERON WAY	1
BALGOWNIE BRAE	1	CAPERSTOWN CRESCENT	4
BALGOWNIE WAY	3	CARNIE DRIVE	3
BALNAGASK AVENUE	1	CARRON PLACE	1
BALNAGASK CIRCLE	3	CATTOFIELD PLACE	8
BALNAGASK ROAD	10	CHESTNUT ROAD	1
BANK STREET	2	CHESTNUT ROW	2
BANKHEAD AVENUE	3	CHESTNUT ROW	1
BANKHEAD ROAD	1	CHURCH STREET	1
BANNERMAN PLACE	1	CLIFTON ROAD	3
BARVAS WALK	1	CLIFTON ROAD	4
BATTOCK PLACE	1	CLOGHILL PLACE	2
BEACONSFIELD PLACE	3	CLOVERFIELD CLOSE	1
BEATTIE PLACE	1	CLOVERFIELD GARDENS	2
BEDFORD AVENUE	4	CLOVERHILL CRESCENT	4
BELLFIELD ROAD	1	CONINGHAM GARDENS	4
BERRYWELL PLACE	3	CONINGHAM TERRACE	1
BERRYWELL ROAD	3	CONTLAW PLACE	1
BERVIE BROW	1	CORNDAVON TERRACE	1
BIRKHALL PARADE	8	CORNHILL DRIVE	1
BIRKHALL PLACE	2	CORNHILL DRIVE	3
BONNYMUIR PLACE	2	CORNHILL TERRACE	4
BONNYVIEW DRIVE	3	CORONATION ROAD	1
BONNYVIEW PLACE	6	CORRECTION WYND	1
BREBNER CRESCENT	3	CORTHAN CRESCENT	2

BREBNER CRESCENT	2	CORTHAN DRIVE	1
CORTHAN PLACE	1	FARQUHAR ROAD	3
COULL GARDENS	1	FAULDS CRESCENT	2
COVENANTERS DRIVE	3	FAULDS GATE	8
CRAIGENDARROCH AVENUE	2	FAULDS ROW	1
CRAIGENDARROCH PLACE	2	FERNHILL ROAD	1
CRAIGIE AVENUE	1	FERNIELEA ROAD	1
CRAIGIE STREET	2	FERRIER CRESCENT	2
CRAIGIEVAR PLACE	2	FERRIER GARDENS	2
CRAIGMAROINN GARDENS	2	FINDON NESS	1
CRAIGTON ROAD	4	FLOURMILL LANE	2
CRAWTON NESS	1	FORBESFIELD ROAD	1
CROFT PLACE	1	FORESTERS AVENUE	1
CROFT ROAD	2	FORMARTINE ROAD	2
CROWN CRESCENT	1	FOWLERSHILL GARDENS	1
CROWN TERRACE	1	FRASER ROAD	1
CRUDEN CRESCENT	2	FROGHALL AVENUE	2
CRUDEN PARK	1	FROGHALL TERRACE	2
CUMMINGS PARK CIRCLE	2	GADIE CRESCENT	1
CUMMINGS PARK CRESCENT	6	GAIRNSHIEL PLACE	1
CUMMINGS PARK DRIVE	5	GAIRSAY DRIVE	2
DANESTONE TERRACE	1	GAIRSAY ROAD	3
DAVIDSON DRIVE	1	GALLOWHILL TERRACE	3
DAVIDSON DRIVE	1	GARDEN ROAD	1
DAVIDSON PLACE	2	GARDNER ROAD	2
DAVIDSON PLACE	2	GARTHDEE DRIVE	1
DEANSLOCH CRESCENT	2	GARTHDEE GARDENS	1
DEANSLOCH TERRACE	1	GERRARD STREET	3
DEE PLACE	1	GILLAHILL PLACE	2
DEER ROAD	3	GILLAHILL ROAD	1
DEEVALE CRESCENT	3	GILLESPIE PLACE	1
DEEVALE ROAD	4	GIRDLENESS ROAD	4
DEEVALE TERRACE	3	GIRDLENESS ROAD	5
DENMORE GARDENS	2	GIRDLENESS TERRACE	3
DERBETH CRESCENT	5	GLADSTONE PLACE	1
DEVENICK PLACE	1	GLADSTONE PLACE	2
DEVERON ROAD	6	GLENBERVIE ROAD	8
DEVONSHIRE ROAD	2	GOLDEN SQUARE	1
DOMINIES ROAD	2	GOLF ROAD	2
DON STREET	1	GOLF ROAD	1
DON STREET	1	GORDON TERRACE	1
DON STREET	1	GRAMPIAN PLACE	1
DONBANK PLACE	1	GRAMPIAN ROAD	6
DOOLIE NESS	1	GRANITEHILL HOUSE	1
DUFF STREET	1	GRANVILLE PLACE	1
DULNAIN ROAD	5	GRAY STREET	1
DUTHIE PLACE	1	GREENBRAE CRESCENT	2
DUTHIE TERRACE	1	GREENBRAE DRIVE	1
EDAY CRESCENT	6	GREENBRAE GARDENS SOUTH	2
EDAY DRIVE	1	GREENBRAE GARDENS SOUTH	1
EDAY ROAD	4	GREENBURN DRIVE	1
EDEN PLACE	1	GREENBURN ROAD	1
ERISKAY DRIVE	2	GREENFERN AVENUE	2
ERROLL PLACE	3	HALLFIELD ROAD	5
ERROLL STREET	4	HAMILTON PLACE	1
ERSKINE STREET	2	HAMMERSMITH ROAD	1

FAIRLEY ROAD	1	HAREHILL ROAD	2
HARLAW ROAD	1	LICKLYHEAD WAY	1
HARTINGTON ROAD	2	LILYBANK PLACE	1
HAYFIELD CRESCENT	1	LINKSFIELD ROAD	7
HAYTON ROAD	2	LINTMILL PLACE	1
HAZLEHEAD GARDENS	3	LOANHEAD TERRACE	4
HAZLEHEAD TERRACE	1	LOCH STREET	2
HEATHRYFOLD CIRCLE	4	LOGIE AVENUE	1
HEATHRYFOLD DRIVE	3	LOGIE PLACE	1
HEATHRYFOLD PLACE	1	LOIRSTON PLACE	5
HILLYLANDS ROAD	3	LONG WALK PLACE	1
HILTON AVENUE	6	LONG WALK ROAD	2
HILTON DRIVE	5	LONGVIEW TERRACE	1
HILTON ROAD	5	LORD HAYS COURT CAR PARK	7
HILTON STREET	2	LOSSIE PLACE	2
HILTON TERRACE	2	LOUISVILLE AVENUE	1
HILTON WALK	1	MANOR AVENUE	5
HOSEFIELD AVENUE	1	MANOR WALK	2
HOWES DRIVE	10	MANSEFIELD PLACE	2
HOWES VIEW	1	MANSEFIELD ROAD	1
HUNTLY STREET	1	MARCHBURN AVENUE	2
HUTCHEON STREET	1	MARCHBURN COURT ROAD	2
INCHBRAE DRIVE	1	MARCHBURN CRESCENT	1
INVERCAULD GARDENS	1	MARCHBURN DRIVE	2
INVERCAULD ROAD	5	MARCHMONT PLACE	1
IRVINE PLACE	1	MARCHMONT STREET	3
IVANHOE ROAD	3	MARQUIS ROAD	1
JASMINE TERRACE	1	MATTHEWS ROAD	1
JASMINE WAY	1	MERKLAND PLACE	2
JESMOND AVENUE NORTH	4	MIDDLEFIELD CRESCENT	7
JOHN STREET	1	MIDDLEFIELD PLACE	6
JOHNSTON GARDENS EAST	2	MIDDLEFIELD TERRACE	2
JOHNSTON GARDENS WEST	2	MIDDLEMUIR PLACE	2
JOPP'S LANE	2	MILE-END AVENUE	2
JUSTICE MILL LANE	2	MILLHILL BRAE	1
KEMP STREET	1	MORAY PLACE	1
KEPPLEHILLS ROAD	1	MORRISON DRIVE	3
KINCORTH CIRCLE	3	MORVEN PLACE	1
KINCORTH CRESCENT	1	MOSSIDE WAY	2
KINCORTH GARDENS	1	MOUNT STREET	4
KINCORTH PLACE	2	MUIRFIELD ROAD	3
KINGSFORD ROAD	2	MULL WAY	1
KINTORE GARDENS	1	NELLFIELD PLACE	1
KINTORE PLACE	1	NELSON STREET	1
KIRKHILL PLACE	2	NESS PLACE	1
KIRKHILL ROAD	6	NETHERHILLS AVENUE	1
KIRKWALL AVENUE	2	NEWHILLS AVENUE	1
LAURELWOOD AVENUE	2	NIGG WAY	3
LAURELWOOD AVENUE	2	NORTH ANDERSON DRIVE	3
LAWS ROAD	2	NORTH BALNAGASK ROAD	3
LAWS ROAD	5	NORTHFIELD PLACE	1
LEADSIDE ROAD	2	OLDCROFT PLACE	3
LEARNEY PLACE	1	OLDTOWN PLACE	1
LEMON PLACE	3	ORKNEY AVENUE	1
LERWICK ROAD	1	OSBORNE PLACE	2
LESLIE TERRACE	2	OSCAR ROAD	2

LEWIS ROAD	1	OVERHILL GARDENS	3
OVERHILLS WALK	1	SEAL CRAIG GARDENS	2
PARK PLACE	1	SEATON AVENUE	1
PENNAN ROAD	3	SEATON CRESCENT	1
PENTLAND CRESCENT	1	SEATON DRIVE	1
PITDOURIE WALK	2	SEATON DRIVE	2
PITMEDDEN CRESCENT	1	SEATON PLACE EAST	1
PITTODRIE PLACE	8	SEATON ROAD	1
PITTODRIE STREET	3	SEATON ROAD	1
PLANE TREE ROAD	1	SEATON WALK	2
POLO GARDENS	6	SHAPINSAY COURT	6
POLWARTH ROAD	2	SHAPINSAY ROAD	2
POLWARTH ROAD	1	SHEDDOCKSLEY DRIVE	4
PORTREE AVENUE	5	SHEDDOCKSLEY ROAD	5
POWIS CIRCLE	1	SHETLAND WALK	2
PRINCESS DRIVE	2	SHIELDHILL GARDENS	1
PRINTFIELD WALK	2	SHIELHILL GARDENS	1
PRIVET HEDGES	2	SIMPSON ROAD	3
PROVOST FRASER DRIVE	1	SINCLAIR TERRACE	1
PROVOST GRAHAM AVENUE	1	SKELLY ROCK	1
PROVOST RUST DRIVE	2	SLESSOR DRIVE	1
PROVOST RUST DRIVE	4	SLESSOR ROAD	1
QUEEN STREET	1	SMITHFIELD DRIVE	3
QUEEN'S TERRACE	1	SMITHYHAUGH ROAD	1
RAEBURN PLACE	1	SOUTH ANDERSON DRIVE	2
REGENT WALK	1	SOUTH AVENUE	1
REGENT WALK	3	SOUTH GRAMPIAN CIRCLE	1
RENNIE'S WYND	1	SOUTH SILVER STREET	2
RICHMOND STREET	3	SPA STREET	3
RICHMOND TERRACE	1	SPRING GARDEN	1
RICHMOND WALK	1	SPRINGHILL CRESCENT	2
RICHMONDHILL PLACE	3	ST ANDREW STREET	2
RONALDSAY SQUARE	6	ST JOHN'S ROAD	1
ROSE STREET	1	STAFFORD STREET	2
ROSEHILL AVENUE	2	STANLEY STREET	1
ROSEHILL DRIVE	1	STEWART CRESCENT	1
		STEWART PARK PLACE	
ROSEMOUNT PLACE	2	(UNADOPTED)	11
ROSLIN STREET	3	STEWART TERRACE	1
ROSS CRESCENT	2	STOCKETHILL CRESCENT	3
ROWAN ROAD	2	STONEHILL TERRACE	1
ROWAN ROAD	2	STRATHBURN STREET	1
RUTHRIEHILL ROAD	1	STRATHMORE DRIVE	1
RUTHRIESTON CIRCLE	10	STRATHMORE DRIVE	2
RUTHRIESTON ROAD	4	STRONSAY CRESCENT	1
SALISBURY TERRACE	1	STRONSAY PLACE	1
SANDILANDS DRIVE	2	SUMBURGH CRESCENT	1
SCHOOL AVENUE	1	SUMMERHILL CRESCENT	2
SCHOOL DRIVE	8	SUMMERHILL DRIVE	5
SCHOOL DRIVE	13	SUNNYBANK PLACE	2
SCHOOL PLACE	5	TALISMAN ROAD	3
SCHOOL ROAD	1	TARANSAY CRESCENT	1
SCHOOL ROAD	1	TARANSAY ROAD	1
SCHOOL TERRACE	1	TARBOTHILL ROAD	2
SCHOOL WALK	4	TAY ROAD	4
SCHOOLHILL	2	THISTLE STREET	1

SCOTSTOWN GARDENS	3	THORNGROVE AVENUE	2
SEAFORTH ROAD	3	TODHEAD GARDENS	6
TODLAW WALK	1		
TOLLOHILL CRESCENT	3		
TOLLOHILL GARDENS	3		
TOLLOHILL PLACE	3		
TORNASHEAN GARDENS	3		
TOWERVIEW ROAD	1		
TULLOCH PARK	2		
TULLOS CRESCENT	2		
TULLOS PLACE	1		
TWO MILE CROSS	4		
UGIE PLACE	2		
UNION GROVE	3		
UNION ROW	1		
URQUHART STREET	2		
USAN NESS	8		
VICTORIA ROAD	2		
VICTORIA ROAD	3		
VIEW TERRACE	1		
WAGLEY PARADE	1		
WALKER ROAD	4		
WALKER ROAD	1		
WATERTON ROAD	3		
WAULKMILL CRESCENT	1		
WAVELL CRESCENT	2		
WEST MOUNT STREET	1		
WESTERN ROAD	4		
WESTERTON CRESCENT	1		
WESTGATE	1		
WESTRAY CRESCENT	1		
WESTRAY ROAD	3		
WHITEHALL ROAD	2		
WHITESTRIPES DRIVE	13		
WHITESTRIPES WAY	1		
WILLOWPARK CRESCENT	3		
WILLOWPARK PLACE	1		
WILLOWPARK ROAD	2		
WINDFORD ROAD	1		
<b>TOTAL</b>	<b>1067</b>		



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	15 March 2012
DIRECTOR	Stewart Carruth, Director of Corporate Governance
TITLE OF REPORT	2011/12 FINANCIAL MONITORING
REPORT NUMBER:	CG/12/025

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### 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; 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 10, January 2012. The forecast is based on information and feedback from budget holders captured in January 2012.

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

- 5.2 The Service report is attached at Appendix A which shows projected net outturn savings £1.02M (3.8%), across the current net budget of £27.2M, a favourable movement of £280K from that last reported to Committee. There are not any significant risks at this time, and while the following items are of note they have been accommodated within the projected net outturn:-

- Net savings of £2.3M have been identified from the non-filling of staff vacancies, after having met savings allocated to Corporate Governance in the current year.
- Recharge Income for Corporate Governance is expected to be £1.5M below budget. This results from a number of specific areas that can no longer be recovered due to revised accounting practice and guidance including recharges to Capital and the Fairer Scotland Fund. In addition the significant cost savings achieved have reduced the level of recoverable expenditure. Budgeted income for 2012/13 has been adjusted to address these issues as appropriate.
- The net cost of Housing Benefit is expected to exceed budget by £500K. The cost to the Council arises as of the Housing Benefits paid by the Council to tenants of £50M, on average only 97% is offset by income from the Department of Work and Pensions. The actual level of recovery can vary from year to year and is impacted by factors such as inflation, levels of claims and overpayments. Revised procedures have been established to more regularly review the impact and minimise the risk of the recurrence of a cost pressure. This issue has been addressed in the 2012/13 Budget.
- Savings in Insurance costs of £330K have been identified as a result of close monitoring of costs, claims management and favourable market forces.

- The closure of Whitemyres is expected to result in an adverse variance of £300K compared with the original budget. This is as a result of the known costs of closure (£110K), loss of income in the last six months of operation in the wind down period (£100K) and anticipated stock write offs and adjustments (£90K). It should be noted that some £40K of usable stock will be distributed to schools free of charge.

## 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 10 (not attached).

## 8. REPORT AUTHOR DETAILS

Hugh Coleman, Finance Partner  
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01224346354

As at end of January 2012		Year to Date			Forecast to Year End		
Accounting Period 10	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	6,812	5,845	5,099	(746)	6,583	(229)	(3.4%)
HEAD OF LEGAL AND DEMOCRATIC SERVICES	1,952	1,655	1,343	(312)	1,888	(64)	(3.3%)
HEAD OF HUMAN RESOURCES AND ORG DEV	4,597	4,084	3,022	(1,062)	4,185	(413)	(9.0%)
HEAD OF PROCUREMENT	316	(410)	653	1,063	732	416	131.8%
HEAD OF CUSTOMER SERVICE AND PERFORMANCE	13,522	10,844	9,967	(877)	12,790	(732)	(5.4%)
<b>TOTAL BUDGET</b>	<b>27,199</b>	<b>22,018</b>	<b>20,084</b>	<b>(1,933)</b>	<b>26,179</b>	<b>(1,021)</b>	<b>(3.8%)</b>

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	15 March 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	ICT Investment Programme 2012-2013
REPORT NUMBER:	CG/12/030

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### 1. PURPOSE OF REPORT

This report advises on the provisional ICT Investment Programme that is included in the approved Revenue Budget for 2012/13.

### 2. RECOMMENDATION(S)

- 1) The committee approves the programme listed in Appendix A.
- 2) The committee authorises the estimated expenditure in respect of each item.
- 3) Instruct appropriate officials to implement the detailed programme.
- 4) To delegate to the Head of Customer Service & Performance, in consultation with the Corporate Asset Group and the Convenor and Vice Convenor of this Committee, to amend the programme should priorities change during the year.
- 5) Grant approval to appropriate officers to award contracts on receipt of a valid tender submission, where appropriate, subject to necessary funding in the approved revenue budget.

### 3. FINANCIAL IMPLICATIONS

Expenditure will be in accordance with the Council's approved Revenue Budget for ICT Investment for 2012-2013 of £1.15M.

### 4. OTHER IMPLICATIONS

All proposed works will be carried in compliance with the ICT Technical Strategy and ICT Security Strategy, which take into consideration whole life cycle cost, sustainability and environmental issues. All works will be assessed against agreed Enterprise Architecture framework principles.

Prior to commencement of proposed works, a detailed Health & Safety risk assessment will be carried out. This may necessitate unplanned additional works to be carried out at short notice.

It should be noted that the proposed funding level for the ICT Investment programme is not sufficient to fully address a continued ICT refresh and development programme. The ICT Asset Management plan currently being developed for approval by this Committee in May, will provide further information on the full budgetary requirements for a sustainable ICT Investment Programme going forward.

## 5. BACKGROUND/MAIN ISSUES

This report brings together, for members' approval, the proposed ICT Investment Programme for 2012-13. The programme was prepared using ICT Asset Information gathered as part of the development of the ICT Asset Management Plan and in consultation with Education, Culture & Sport.

A revenue budget of £1,150,000 has been allocated to progress ICT Investment projects. This replaces the former Capital programme of ICT Investment. This programme is specifically aimed at a rolling programme of refresh of ICT Assets which have reached the end of their useful life and implementation of new ICT Assets to deliver improvements across all Services, including schools, in the most cost effective manner. The proposed programme is contained in Appendix A.

An ICT Asset Management Plan (ICT\_AMP) is in the process of being developed and will be submitted to this Committee for approval in May. This will become an integral part of the Council's Property Asset Management Plan (PAMP) and follows the vision that ICT Assets are fit for purpose, accessible, efficient, suitable and sustainable. The ICT Asset Management Plan covers all ICT Assets, i.e. desktop computers, laptops, printers, scanners and other peripheral devices, servers, communications equipment, telephony equipment and systems, databases, applications, software licenses, media, contracts and any associated services.

Key priority areas for consideration within the 2012/13 programme are as follows:-

### **E-mail and Desktop Productivity Tools**

The ICT Investment Programme provides opportunities to refresh and develop the Council's standard desktop applications (E-mail, word processing and spreadsheet) to bring them up to a common, modern standard.

### **Support for Flexible working**

The ICT Investment Programme supports the implementation of internal wireless access points across Council properties to facilitate flexible working for employees. Further educational establishments will be included within the programme for 2012/13 to continue their strategy of utilising mobile devices in the curriculum.

In order to support the increased trend for supporting a “Bring your own device” to work, an investment in network gateway security is required to manage the wide variety of devices accessing the network and to protect Council’s data from potential loss.

### **Network and Telephony Improvements**

There is a continuing requirement to improve the resilience of our network and telephony systems. Works will be carried out to improve and centralise the management of the Council’s Voice and Data networks, which will in turn, reduce telephony call charges between sites. Furthermore, works will be carried out to implement Disaster Recovery telephony services for the Contact Centre at Tullos.

### **ICT Asset Management Tools**

There is a requirement to improve on our centralized ICT Asset Management reporting. Works will be carried out to incorporate automated inventory collection of ICT Assets from educational establishments and refresh existing tools where necessary to ensure that the most cost effective tool is utilised.

### **Laptop and Desktop Refresh**

Laptops are the priority for refresh for both corporate and curriculum estates, as to date there has never been a refresh of laptop equipment. It is anticipated that a high number of corporate laptops will need to be refreshed to support laptop encryption which is required to prevent potential loss of data, if a laptop is lost or stolen. There have been some high profile cases recently reported in the National Press accompanied by hefty fines from the Information Commissioner. Prior to refresh, each laptop’s use will be considered to determine whether this is still the most efficient ICT asset to support that role.

The Implementation of VDE for corporate use has changed refresh requirements of desktops to thin clients. The last major desktop refresh in schools was carried out in 2007, with a small top up completed in 2011/12 programme.

A refresh of Elected Members desktop and laptop equipment will be carried out to co-incide with the Local Government Elections in May 2012.

6. IMPACT

Corporate - The use of ICT is a core and critical component to the provision and operation of all Council services. The continued implementation of an ICT Investment Programme will ensure that the Council is utilising its ICT Assets most effectively to support Services in implementing the Single Outcome Agreement and fulfilling actions within the 5 year Corporate Business Plan and individual Service plans.

Public – This report may be of interest to the public as it outlines Council's spending on ICT Assets.

7. BACKGROUND PAPERS

ICT Asset Management Plan 2012 (Draft)

8. REPORT AUTHOR DETAILS

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01224 52(2778)



Appendix A - ICT Investment Proposed Programme 2012/13				
Location	ICT Asset	Proposed Works	Estimated Expenditure (£k)	Notes
All Establishments - employees	Groupwise E-mail	Refresh with Microsoft Exchange	400	Exchange licences included within Microsoft Enterprise Agreement
All Establishments	Microsoft Office 2003 Licences	Refresh with Microsoft Office 2010	inc above	Microsoft Office 2010 licences included within Microsoft Enterprise Agreement
All Establishments	Network Gateway Security	Implement gateway security tools for management of personal devices on Council network, including audit facilities.	120	To support mobile and flexible working, including Bring Your Own Device. Audit requirements are a CESG requirement for compliance with GSX code of connection.
All Establishments	Asset Management Tools	Refresh corporate tools and incorporate automated inventory of Curriculum Assets	80	option appraisal on tools to be completed
All Establishments	Network Management tools	Reconfiguration of Network to facilitate optimum performance for both voice and data.	60	Proactive Network Management tools to be selected.
Bridge of Don Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Kincorth Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Oldmachar Academy	Internal Wireless Access	Refresh of existing Wireless Equipment	20	Original equipment installed 2005 now end of life and does not allow centralised management of wireless network. Continues the flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Harlaw Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Dyce Academy	Internal Wireless Access	Extension of Wireless Access to all areas	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Frederick Street - Tullos	Contact Centre DR Telephony	Implement DR facilities	60	Ensures business continuity in the event of unavailability of Frederick Street contact Centre and its facilities.
Marischal College, AECC, Town House	Voicemail	Implement second node	40	Improves resilience for services who rely on Voicemail, e.g.
All Establishments	Laptop Refresh	Replace laptops which are no longer fit for purpose.	200	Supports mobile working
All Education Establishments	Active Directory	Centralisation and Rationalisation of Active Directory	50	Further supports centralised network management, auditing and inventory collection.

<b>Appendix A - ICT Investment Programme 2012/13 - Reserve List</b>				
<b>Location</b>	<b>ICT Asset</b>	<b>Proposed Works</b>	<b>Estimated Expenditure (£k)</b>	<b>Notes</b>
Aberdeen Grammar School	Internal Wireless Access	New installation of Internal Wireless Access	40	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Torry Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Northfield Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
St Machar Academy	Internal Wireless Access	New installation of Internal Wireless Access	30	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Greenbrae Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Scotstown Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Middleton Park Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Forehill Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Danestone Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required

Stoneywood Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
St Peters RC Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Bramble Brae Primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
Holy Family primary	Internal Wireless Access	New installation of Internal Wireless Access	15	Flexible working within the school for pupils and staff, facilitate access for NHS staff where required, and drop in areas for other council staff when required
All Education Establishments	Web Filtering	Replacement Web filtering Solution	60	Better, fit for purpose, configurable web filtering solution
Secondary School Server Rationalisation			150	
Primary School Server Rationalisation			150	

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## ABERDEEN CITY COUNCIL

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COMMITTEE	FINANCE & RESOURCES
DATE	March 15 <sup>th</sup> , 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Proposed upgrade of desktop and applications software
REPORT NUMBER	CG/12/031

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### 1. PURPOSE OF REPORT

This report seeks approval to upgrade existing desktop and applications software including email, Office and Windows to a Microsoft Enterprise Agreement under the Government PSA-09 Framework Agreement.

As this subscription replaces an existing agreement, it is anticipated that implementation and operational costs will be met from existing ICT rolling programme budgets and we are not seeking additional revenue above that already approved in the 2012/13 Council budget.

### 2. RECOMMENDATION(S)

It is recommended that the Committee agrees to;

1. Enter into a 5 year enterprise subscription agreement under the Government framework PSA-09, which shall enable the Council to upgrade to current versions of Microsoft Office, Windows, email (Exchange/Outlook) and collaborative working tools at a cost of £289,772 in year one and £360,809 annually thereafter, and approves the total estimated expenditure of £1,839,984 including implementation costs of approximately £107,476.
2. Commit the funds required for implementation (£107,476) and ongoing operational costs outlined in recommendation 1 from existing ICT rolling programmes and operational budgets.
3. Extend the current Novell enterprise Agreement at a cost of £273,000 for 12 months to ensure business continuity during the implementation of the proposed replacement system.
4. Invoke the provisions of Standing Order 1(6)(a) and exempt the extension of the current Novell Agreement from the

requirements of SO 4 which would require a compliant EU tender exercise to be undertaken.

### 3. FINANCIAL IMPLICATIONS

The maintenance and ongoing costs associated with the existing desktop and applications software has a current cost of £273,000 per annum. Due to the evolving nature of the Council ICT architecture if no change is made then there will be a cost involved with continuing as is, as an upgrade to Windows 7 (Select agreement) and server upgrade will be necessary. The overall additional cost of doing nothing is estimated to be £387,000 in year one and £113,000 annually in maintenance costs thereafter.

If the recommendations were approved then a new Enterprise Subscription Agreement addressing all of the current requirements would, based on Government framework prices, cost the council approximately £289,772 in year one and £360,809 annually thereafter.

The financial impact over five years is shown in the table below:

	Year					Total
	1	2	3	4	5	
<b>Cost</b>						
Extension of current EA	273,000					
Setup costs	107,476					
Annual subscription	289,272	360,809	360,809	360,809	360,809	<b>1,732,508</b>
<b>Total</b>	<b>669,748</b>	<b>360,809</b>	<b>360,809</b>	<b>360,809</b>	<b>360,809</b>	<b>2,112,984</b>
<b>Do nothing costs</b>						
Novell Enterprise Agreement	273,000	273,000	273,000	273,000	273,000	<b>1,365,000</b>
Windows 7 Select (corporate)	344,000	99,760	99,760	99,760	99,760	<b>743,040</b>
Windows 7 Select (education)	60,000	17,400	17,400	17,400	17,400	<b>129,600</b>
Server licenses	43,000	13,000	13,000	13,000	13,000	<b>95,000</b>
<b>Total</b>	<b>720,000</b>	<b>403,160</b>	<b>403,160</b>	<b>403,160</b>	<b>403,160</b>	<b>2,332,640</b>
<b>Net (spend)/saving</b>	<b>50,252</b>	<b>42,351</b>	<b>42,351</b>	<b>42,351</b>	<b>42,351</b>	<b>219,656</b>

Table 1: 5 year cashflow

In summary, the implementation of the Enterprise agreement will realize immediate savings, resulting in the recommended subscription

agreement being a lower cost over the five year period by approximately £219,000.

The net present value of the cash advantage would amount to £190,882, at a discount rate of 5%, reflecting the diminishing value of money in the future.

#### 4. OTHER IMPLICATIONS

The financial implications make use of government framework agreement prices and as such are commonly available. The procurement process for securing the new Enterprise Agreement will involve undertaking a mini competition by securing quotes from suppliers covered by the government framework agreement PSA-09, in order to achieve the best possible price. The Framework was established as a result of a compliant EU tender process. As a consequence, so long as the Council complies with the requirements of the Framework, it will have complied with the provisions of the the Public Contracts (Scotland) Regulations 2006 (“the Regulations”).

The technology included in this agreement will support a virtual desktop deployment across the Council which can run on lower specification hardware thereby extending the life of existing hardware.

#### 5. BACKGROUND/MAIN ISSUES

The Council’s ICT platform currently uses the following key products:

- A Strategic Enterprise Addendum (SEA) to the Master License Agreement (MLA) with Novell UK Ltd for a number of core infrastructure products, including user authentication, file and print and e-mail services.
- Microsoft Windows XP which is due to go out of support in 2013.
- The Microsoft Office suite of products (currently using a version from 2003.)

It is recognized that there is a limited knowledge base, both internally and externally, to support these Novell products and that the currently deployed version of Office is 9 years old. As the current Novell agreement expires in 2012 and there was a requirement to change some Microsoft licensing to support VDE, there is an opportunity to examine the options available to the Council to improve its corporate ICT infrastructure to support the 5 year business plan in the most cost-effective way.

It is proposed to extend the original Novell agreement for 12 months to February 2013 to facilitate a smooth transition to a new agreement whilst ensuring continued support for the existing platform.

The decision to move to a Microsoft Enterprise agreement has been made following the development of a business case and options appraisal. The

evidence is that the chosen option will lead to a lower net total cost of ownership (TCO) due to the benefits delivered by the Microsoft platform. A summary of some of the major tangible and non-tangible benefits is in table 2.

<ul style="list-style-type: none"> <li>• Migration to latest version of Microsoft Office , Windows and Exchange included as well as collaborative working tools for mobile and flexible working.. Currently deployed versions of Windows and Office will become obsolete in 2013 and will require an upgrade in order to maintain support. The most cost-effective option is to acquire both office and platform technologies in a single bundle.</li> <li>• Free upgrades to current versions of all Microsoft products during lifetime of agreement.</li> <li>• Appropriate licensing for virtual desktop environment (VDE) to allow users to access their desktop including Microsoft Office from a range of ACC and personal devices.</li> <li>• Lower support costs due to robust product suite and ready availability of qualified support staff in the marketplace.</li> <li>• Better support for mobile working and savings in office space requirements over time.</li> <li>• Integration with a wider range of 3rd party applications.</li> <li>• Increased employee productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible licensing model to allow ACC to increase or decrease licenses on an annual basis according to business need.</li> <li>• Improved collaborative working including sharing and routing of documents using Sharepoint.</li> <li>• Enhanced management information reporting and analysis capabilities using a range of reporting services and familiar front end applications such as Excel.</li> <li>• Transferability of licenses to other delivery models such as ADM, ALO etc.</li> <li>• Improved interoperability and compatibility with partners and other agencies many of whom use Microsoft products.</li> <li>• Improved educational outcomes through provision of free email and web-office applications to all pupils/students.</li> <li>• Home purchase scheme for staff allowing staff and their families to purchase Office for home use for approximately £10.</li> </ul>
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**Table 2: Non-tangible benefits**

### Legal Implications

There is a legal risk to the Council in extending the existing Novell Agreement. This Agreement was originally entered into in 2004 for a duration of 5 years and at a total cost of just over £1M. It has already been extended for 3 years at a cost of approximately £758,160.. It is now proposed to extend the contract for a further year at a cost of £273,000.



There are potential legal consequences to putting contract extensions in place as opposed to undertaking re-tendering exercises. In purchasing goods and services, the Council must comply with the requirements of the Regulations, as well as its own Standing Orders. The Standing Orders relating to Contracts and Procurement have been drafted in such a way as to make sure that compliance with the Standing Orders should ensure compliance with the Regulations.

Notwithstanding the requirements of the Regulations and the Council's Standing Orders, it is proposed that the Council extends the existing contract without undertaking a competitive process. There is a risk that the Council may be legally challenged. In the event that such a challenge materialises and is successful, then in terms of the Regulations the Court could terminate or reduce the duration or scope of the Contract, levy a fine against the Council and also the award of damages to any aggrieved economic operator. There would also be reputational issues arising from this.

However, the legal risks require to be measured against operational requirements and other risks to service delivery, In particular the Council currently has a Strategic Enterprise Addendum (SEA) to the Master License Agreement (MLA) with Novell UK Ltd for a number of core infrastructure products, If the Council takes no action the existing Addendum will automatically revert to the MLA committing the Council to a further 2 year license support and maintenance contract at a cost of £437,287 in year 1 and 281,952 in year 2 as opposed to the one year extension being proposed at a cost of £273,000. Since it is the Council's intention to standardise on particular technologies in common with other Scottish Local Authorities through an existing Government Framework and the current supplier has agreed to the extension of the current agreement the risk of challenge has been assessed as extremely low. As such, in terms of SO 1(6)(a) the Committee is asked to disapply the provisions of SO 4 which require a compliant EU procurement to be undertaken for the operational reasons set out above.

## 6. IMPACT

The implementation of the Enterprise Agreement supports the following key areas:

- Vision  
Aberdeen's vision to be a vibrant, dynamic and forward looking city and an even better place to live and work where people can expect high quality services that meet their needs.
- Smarter  
This project will contribute to ACC's objective of smarter by ensuring both staff and pupils across Aberdeen Council and the

schools estate are trained in the use of industry standard office productivity technologies. It also facilitates development of improved business intelligence and management reporting capabilities using products included in the agreement. ACC will be able to attract smarter candidates to work here by offering the latest version of industry standard technologies that are familiar to employees from their experience elsewhere

- Greener  
This technology enables and supports a range of flexible and mobile working options reducing overall commute miles by allowing staff to work effectively at client's sites or from home without needing to come into the office. Over time this will also reduce ACC's need for physical office space.
  
- Strategic priorities
- Ensure efficient and effective delivery of services by the council and with its partners. The technology supports and enables ACC's commitment to delivering our strategic priorities to;
  - Make best use of the financial resources available to us, ensuring best value for the public purse;
  - Have a flexible, skilled and motivated workforce.
  
- Windows 7 also includes several improvements in accessibility options for users with visual or hearing impairments.

## 7. BACKGROUND PAPERS

Business Case  
Options Appraisal

## 9. REPORT AUTHOR DETAILS

Paul Fleming Head of Customer Service and Performance

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Finance and Resources
<b>DATE:</b>	15 March 2012
<b>DIRECTOR:</b>	Stewart Carruth
<b>TITLE OF REPORT:</b>	Revenue Budget 2011/12 Monitoring
<b>REPORT NUMBER:</b>	CG/12/039

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### 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to inform Members on the forecast 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.
- 1.2. The report also seeks approval for the upgrade of the financial monitoring and reporting tools that the council uses and presents the business case for this to take place.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

1. notes the content of the report;
2. approve the business case in relation to the development and upgrading of the Council's financial monitoring and reporting systems;
3. approve an exemption under Standing Order 1(6) (a) in order to authorise the purchase of the upgrade without a competitive tendering exercise being undertaken; and
4. approve the cost of the upgrade of £169,951

### 3. FINANCIAL IMPLICATIONS

- 3.1 The Corporate Management Team (CMT) are now forecasting to achieve a better than balanced budget position in the current financial year, reducing the need to call on one-off funding streams in this financial year and preparing the council for sustainable service delivery into 2012/13.

- 3.2 The present forecast shows that should the forecast outturn be reflected in the accounts at the end of the year there will be an increase in the General Fund uncommitted balance of £2.8 million. This is an improvement of £3.9 million since the last report to Committee (an improvement of £0.8 million since the last management performance report).
- 3.3 It is important to recognise that the budget has been set 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 forecast position has been adjusted to reflect non-recovery.
- 3.4 Uncommitted General Fund balances at year end would be £14.1 million and therefore above the recommended balance of £11.3 million that the Council has previously set, which is defined as 2.5% of the net revenue budget.
- 3.5 The costs associated with the upgrade of Business Objects are to be met from the Finance Budget, which has within it a sum to maintain the eFinancials system. The cost for this upgrade is in excess of the annual budget available due to the scale of this change and as such the one-off use of savings generated in the management of vacancies throughout the year will be used to cover the cost. As contained in the business case the cost in 2011/12 will amount to £121k.
- 3.6 Ongoing annual cost of software licences and maintenance agreements is £12k. This cost will be offset by a reduction in staffing within Finance, the total expected saving being £94k per annum.

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

- 4.1. 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.
- 4.2. In relation to the business case to upgrade the business objects reporting tool there are legal risks associated with this. The procurement team has looked at the case and on further discussion it is believed that a very low level of risk exists in these circumstances.

## 5. BACKGROUND / MAIN ISSUES

- 5.1. The report enables the Committee to consider the overall financial position, with specific reference to the General Fund, for this financial year. Building on the previous report considered by the Committee, this report provides the opportunity to recognise the progress that has been made since then.
- 5.2. Since the last Committee the Corporate Management Team has received regular reports on the financial performance and is aware of the risks that exist.
- 5.3. This report considers the projected outturn for the Council as a whole and is based upon information and analysis provided to the individual Service Committees, in reports that have been considered during the current cycle of meetings.
- 5.4. Information within this report provides a high level expenditure projection for the consideration of Members and presents actual financial figures to the end of January 2012 and the latest available projections for the full year.
- 5.5. Appendix A includes a summary of the overall Council projected position.

### **Financial Position**

- 5.6. In overall terms the statement at Appendix A shows the Council is balancing its budget overall and forecasting to make a contribution to the General Fund balance of £2.8 million during the year.
- 5.7. This represents a 0.6% variance from budget and the CMT has tracked the progressive improvement since the last Committee report. The potential for further improvement still exists in the final two months of the year and this will be monitored by the CMT, prior to the statement of accounts being prepared.
- 5.8. While there is only a short time until the financial year ends the most significant risks and matters arising from the figures that are presented include the following:

- 5.9. Social Care and Wellbeing reports that reduced expenditure on commissioned services, staff cost savings and other miscellaneous running expenses will all contribute to a forecast outturn that is below budget. Against these favourable costs is a shortfall in income which reduces that under spend forecast. This favourable position is in addition to the £4m budget reduction that was agreed by the Committee in June 2011. As part of that budget adjustment, and held within corporate contingencies, is £1 million retained to assist the Service with in year pressures associated with service redesign if required. At this time there has been no requirement to access this funding.
- 5.10. The Social Care and Wellbeing forecast against budget is an improvement of £0.7 million on the last report presented to the Committee and represents £1.4 million below budget at the year end.
- 5.11. Within the Education, Culture and Sport budget there are a number of areas of risk the Service is currently trying to manage. This includes out of authority placements and school transport. These issues remain consistent with those reported to the last meeting. The forecast outturn is impacted by additional costs for school transport and a shortfall in income, which is offset by savings from strike action on 30 November and refunds received on Non Domestic Rates, following a successful conclusion to appeals that were submitted.
- 5.12. The Education, Culture and Sport forecast against budget has improved by £0.8 million since the last report and represents £0.2 million below budget at the year end.
- 5.13. Enterprise, Planning and Infrastructure reports a significantly different forecast outturn from the last report to committee, as the transfer of the Housing element of architecture design service has been transferred to Housing and Environment. This not only aligned the delivery of the specific services it split the under recovery of income for the service between the two Services – approximately £2 million – resulting from changes to the capital programmes. Staff savings across Enterprise, Planning and Infrastructure were covering much of this shortfall and as such the forecast outturn is now substantially under budget. An increase in income from building application fees has improved the position in recent months. The main risks that have been identified are in relation to winter maintenance, although this has reduced significantly since there has been no major snow falls this year to date. Also the income streams that the Services receives, such as planning fees and school meals are subject to a degree of variability which is not in the control of the Council.
- 5.14. The Enterprise, Planning and Infrastructure forecast against budget has improved by £2.7 million since the last report and represents £2.3 million below budget at the year end.

- 5.15. Housing and Environment has the impact of the transfer of the architecture design service from Enterprise, Planning and Infrastructure, and as such has had to adjust its forecasts to recognise the income under recovery that is expected, as mentioned at 5.13 above. In addition to this there are savings anticipated on waste disposal in the region of £1.5 million while housing costs for homelessness services are also under budget due to the level of recoveries being seen. Cost pressures of £1.4 million are being experienced in relation to horticultural services, which is subject to a current review.
- 5.16. The Housing and Environment forecast against budget has deteriorated by £2 million since the last report and represents £1.8 million above budget at the year end.
- 5.17. Corporate Governance is forecasting that staff savings and a further saving on insurance premiums against budget is having a beneficial impact on its ability to work within the budget. Cost pressures exist in relation to the closure of the Whitemyers purchasing centre and a shortfall in income.
- 5.18. The Corporate Governance forecast against budget has improved by £0.3 million since the last report and represents £1 million below budget.
- 5.19. The Corporate budgets which are made up of things such as 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, with three exceptions.
- 5.20. The first exception is in relation to a reduction in the overall surplus generated by the various trading accounts. During the year, based on a report to Finance and Resources Committee in October 2011 the number of trading accounts was reduced. The impact of this has now been incorporated into the budget monitoring, with new reporting relationships having been created within the main Service budgets. The remaining trading accounts are forecast to generate surpluses in the region of £7.1 million and within this the main contributors are Property Letting and Car Parking.
- 5.21. It has been identified that the Car Parking income is expected to be lower than had been budgeted and this is having a direct impact on the overall surplus. Furthermore the Building Services function is forecasting that a surplus approximately half of that budgeted will be achieved. The overall forecast outturn for trading surpluses is a shortfall against budget of £1.9 million.

- 5.22. The second exception is the one-off funding stream that had been budgeted to be received from Asset Utilisation. It has been recognised that this will not be received and adds a cost pressure of £4 million to the corporate budgets. The offsetting factor to balance the position is the adjustment that was made to the Social Care and Wellbeing budget referred to at 5.9 above, with £3 million being held to address this income shortfall.
- 5.23. The other exception is in relation to Joint Boards, where a return of surpluses / reserves to the council has been made by all three of the Boards. A total of £1 million has been returned and this has a corresponding benefit to the budget.
- 5.24. Within the overall General Fund Budget there are contingencies that 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. At present the council retains £1.9 million in contingencies.
- 5.25. The figures outlined reflect progress on achieving approved budget savings of approx. £22 million which were incorporated into the budget.

#### **Management Actions**

- 5.26. As the financial year progresses it is imperative that Services continue to deliver the Priority Based Budgeting options that are included within Service budgets. 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 maintained within the context of the Council's 5 year business plan.
- 5.27. Services should be looking ahead with planning and implementation activity in relation to the savings that have recently been approved by the Council for implementation in 2012/13. At the meeting of the Council in December 2011 a further £3 million of savings were agreed.

### **6.0 Financial Monitoring and Reporting System Upgrade**

- 6.1 In order to develop and upgrade the financial monitoring and reporting capabilities of the Council an opportunity has arisen in conjunction with the ongoing upgrade of the eFinancials system to improve the Business Objects tools that are presently used.
- 6.2 Contained at Appendix B is a business case outlining the various aspects of the opportunity and identifying the savings that can be achieved in future years following the upgrade.



- 6.3 The key features of the investment include year on year savings from streamlined and more effective and efficient ways of working; business systems remain fit for purpose and are fully integrated with the core financial system (eFinancials); and enables enhanced devolved reporting capabilities that provides Service Budget Holders with easy access to timely, consistent budget information at their convenience.
- 6.4 The need for this upgrade to be integrated with the eFinancials system means that the supplier of such an upgrade has to be the supplier of the eFinancials system – Advanced Business Systems. This creates a procurement risk as the value of the upgrade is in excess of the EU threshold for goods and services. This means that a spend of this amount should be subject to a competitive tender exercise in accordance with the Public Contracts (Scotland) Regulations 2006 (the “2006 Regulations”). Where a contract of this value is directly awarded it breaches the requirements of the 2006 Regulations and exposure to a risk of legal challenge.
- 6.5 The special circumstances that require exemption under Standing Order 1(6) (a) are that no other supplier could provide Business Objects Licences that can integrate with their efinancials system. If purchase of licences was undertaken from another supplier, we would still require input from Advanced Business Systems to undertake work with the licence supplier to integrate the licences with efinancials. This would add additional cost to the upgrade and also support costs following any upgrade of efinancials.
- 6.6 The risk has been explored with the Procurement team who, on assessing the risk, have advised that the Council’s exposure to challenge is extremely minimal
- 6.7 In accordance with Standing Order 1(12), the terms and conditions of contract for the upgrade shall be subject to the approval of the Head of Legal and Democratic.
- 6.8 It is therefore recommended that an exemption to Standing Orders proposes that a competitive tender will not be undertaken.
- 6.9 The full business case is shown at Appendix B.

## **7. IMPACT**

- 7.1 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.

7.2 Opportunities to balance the budget will be identified by each Director and reported as necessary through the relevant service committee.

## **8. BACKGROUND PAPERS**

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

## **9. REPORT AUTHOR DETAILS**

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**ABERDEEN CITY COUNCIL  
2011/12**

**FINANCIAL MONITORING**

As at end of January 2012	Year to Date				Forecast to Year End		
	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent %
<b>Accounting Period 10</b>							
<b>Services</b>							
Office of Chief Executive	771	627	669	42	755	(16)	(2.08%)
Corporate Governance	27,199	22,018	20,084	(1,934)	26,179	(1,020)	(3.75%)
Enterprise Planning and Infrastructure	43,570	27,072	24,502	(2,570)	41,277	(2,293)	(5.21%)
Housing and Environment	40,750	31,131	28,536	(2,595)	42,586	1,836	4.50%
Education Culture and Sport	174,458	135,925	133,871	(2,054)	174,221	(237)	(0.14%)
Social Care and Wellbeing	120,384	98,982	96,337	(2,645)	119,023	(1,361)	(1.13%)
<b>Total Service Budgets</b>	<b>407,132</b>	<b>315,755</b>	<b>303,999</b>	<b>(11,756)</b>	<b>404,041</b>	<b>(3,091)</b>	<b>(0.76%)</b>
<b>Total Corporate Budgets</b>	<b>37,772</b>	<b>30,417</b>	<b>26,841</b>	<b>(3,576)</b>	<b>38,124</b>	<b>352</b>	<b>0.96%</b>
<b>Total Net Expenditure</b>	<b>444,904</b>	<b>346,172</b>	<b>330,840</b>	<b>(15,332)</b>	<b>442,165</b>	<b>(2,739)</b>	<b>(0.62%)</b>
<b>Funding:</b>							
<u>Government Support-</u>							
General Revenue Grant & Non-Domestic Rates	(338,269)	(281,891)	(278,838)	3,053	(338,269)	0	0.00%
<u>Local Taxation-</u>	0						
Council Tax & Community Charge Arrears	(106,635)	(88,863)	(88,655)	208	(106,650)	(15)	0.01%
	0						
<b>Total Funding</b>	<b>(444,904)</b>	<b>(370,754)</b>	<b>(367,493)</b>	<b>3,261</b>	<b>(444,919)</b>	<b>(15)</b>	<b>0.00%</b>
<b>Net Impact on General Fund</b>	<b>0</b>	<b>(24,582)</b>	<b>(36,653)</b>	<b>(12,071)</b>	<b>(2,754)</b>	<b>(2,754)</b>	

**Upgrade of Business Objects – Business Case**

Within the Service Accounting Team, Budget Reporting and Monitoring business system produces the following outputs:

- Monthly budget monitoring reports;
- Highlight reports (for Corporate Management Team and Service Management Teams);
- Ad hoc reports; and
- Ad hoc advice.

These outputs are produced to support a wide range of internal and external stakeholders including Committees, Corporate Management Team, Service Management Teams, Service Budget Holders, External Partners, Internal Audit, External Audit, Audit Scotland, Regulatory Bodies and the Scottish Government. In addition to these reports there are many specific reporting requirements within the Finance teams e.g. for collation of grant claims, control reports, background reports, summary reports, year end information, etc.

**Cost of the upgrade**

Costs, Cash Flow and Net Benefit

£	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	TOTAL
<b>Revenue Expenditure</b>						
<i>Maintenance for Software Licence Fees</i>						
<b>TOTAL (A)</b>		12,153	12,153	12,153	12,153	48,612
<b>Capital Expenditure</b>						
<i>Software Licence Fees and Consultancy</i>						
<b>TOTAL (B)</b>	121,339					121,339
<b>TOTAL (A+B)</b>	<b>121,339</b>	<b>12,153</b>	<b>12,153</b>	<b>12,153</b>	<b>12,153</b>	<b>169,951</b>
<b>Benefits</b>						
One-off benefits						
On-going benefits		94,000	94,000	94,000	94,000	376,000
<b>TOTAL (C)</b>		<b>94,000</b>	<b>94,000</b>	<b>94,000</b>	<b>94,000</b>	<b>376,000</b>
<b>NET BENEFIT (C-(A+B))</b>	<b>-121,339</b>	<b>81,847</b>	<b>81,847</b>	<b>81,847</b>	<b>81,847</b>	<b>206,049</b>

**Investment Appraisal**

Measure	Value
<i>Payback (years)</i>	1.3 years
<i>Net Present Value (over 5 years at 5% discount)</i>	£160,844
<i>Internal Rate of Return (IRR)</i>	56%

**The Reason for upgrading Business Objects.**

The upgrade is required to assist in providing an improved service to stakeholders, who receive outputs from the Budget Reporting and Monitoring business system, by allowing the four areas of the business system to work in better harmony so that performance can be optimised and the expectations of the stakeholders and the business needs can be fulfilled.

There is a business need to:

- ensure the Finance business intelligence technology is fit for purpose, supported and fully integrates with eFinancials and supports better financial management of £450m of public money;
- enhance devolved reporting capability and provide Service Budget Holders with easy access to timely, consistent budget information at their convenience;
- reduce the manual effort Services Accounting spend on non value added tasks related to collating and producing reports, so allowing them to redirect their effort towards the value added tasks of budget holder training, improving financial processes and controls and providing financial advice, therefore allowing them to become more efficient and effective in meeting the expectations of the stakeholders;
- to improve the quality of management information and financial controls;
- reduce the various routes to obtaining information and review and simplify the process for Service Budget Holders; and
- provide more cross cutting reports and overarching control reports that will provide earlier opportunities to highlight risks and therefore target resource more effectively

As shown above in the cost to upgrade table, the upgrade of the Business Objects system provides the opportunity to make significant budget savings over the next 5 years. The current supplier Advanced Business Systems can undertake this upgrade. Business Objects is the only business tool that has been developed to integrate with eFinancials and for which the manipulation of data in eFinancials universes is fully supported. eFinancials is their proprietary system.

**The need for an exemption from (the need to undertake a procurement exercise)**

The key risk associated with undertaking the upgrade as a direct award is that the aggregated expenditure on the Business Objects upgrade is in excess of the EU threshold for goods and services. This means that a spend of this amount should be subject to a competitive tender exercise in accordance with the Public Contracts (Scotland) Regulations 2006 (the “2006 Regulations”). This request for an exemption to Standing Orders proposes that a competitive tender will not be undertaken. Where a contract of this value is directly awarded it breaches the requirements of the 2006 Regulations. A breach exposes the Council to the risk of legal challenge, which if successful, could result in the reduction of the contract; a fine and an award of damages. There are also reputational and operational consequences that would need to be considered.

The risk has further been explored with the Procurement team who, on assessing the risk, have advised that the Council’s exposure to challenge is extremely minimal.

If the exemption is not granted either no upgrade will happen or there will be a requirement to tender for a new Accounting’s Budget Reporting and Monitoring business system which is anticipated to take a minimum of 6 months.

As shown above and in the costing table, the upgrade of the existing Business Objects system provides the opportunity to make significant budget savings over the next 5 years.

Funding has been agreed and secured for the system upgrade from the Finance service budget – specifically the development team budget where a sum to develop and upgrade the system is held. As the one-off costs are in excess of this budget then these costs will be met from the use of savings achieved in the current financial year across Finance, including savings from staff vacancies. Ongoing annual costs will be met from savings achieved through the reduction in the Finance staff establishment.

Given these circumstances, an exemption under Standing Order 1(6) (a) is requested.

**Impact of Having to Tender**

In the event that a tender process is required, this would delay the process of improving the support to Budget holders who receive outputs from the Budget Reporting and Monitoring business system. This could take in excess of 6 months, additional costs will be incurred to deliver what is currently in place, particularly as our current version of Business Objects will soon be unsupported, and staff within Services Accounting Team will have to increase manual effort to deliver information to Budget holders.

**Failure to upgrade Business Objects**

If the upgrade of Business Objects does not go ahead this will lead to:

- Weaker financial control and unplanned overspend/under spend of £450m of public money
- Our current version of Business Objects will become unsupported.
- Our current version of Business Objects won't fully integrate with the next release of eFinancials.
- Existing Business Objects reports that can, currently, be simply updated may not work.
- We may have to revert to Excel and other eFinancials tools for some reports and this is very time consuming.
- Services Accounting will have to redirect effort from value added tasks to non value added tasks.
- Without increasing staffing levels Services Accounting won't be able maintain the current level of effort spent on the value added tasks.
- The devolved reporting capability will be reduced and the opportunity to enable budget holders' access to timely, consistent information at their convenience will be lost.
- Increased negative feedback from Service Budget Holders.
- Increased negative impact on Services Accounting's service provision.
- Without increasing staffing levels Services Accounting won't be able to improve the quality of management information and financial controls.
- Without increasing staffing levels Services Accounting won't be able to provide more cross cutting reports and overarching control reports that provide earlier opportunities to highlight risks and therefore target resource more effectively.
- It will become more difficult to sustain the business system.
- It will become increasingly difficult to meet our statutory requirements.

**Operational benefits of buying the upgrade**

- the Finance business intelligence technology will be fit for purpose, supported and fully integrate with eFinancials and so support better financial management of £450m of public money;
- enhanced devolved reporting capability that provides Service Budget Holders with easy access to timely, consistent budget information at their convenience;
- improved processes that allow for a reduction in the effort required to carry out non value added tasks of 3.3 FTEs so this effort can be redirected towards value added tasks within Services Accounting by 31<sup>st</sup> March 2013;
- Services Accounting will become more efficient and effective in meeting the expectations of the stakeholders by reducing manual effort spent on non value added tasks related to collating and producing reports and redirecting this effort towards the value added tasks of budget holder training, improving financial processes and controls and providing financial advice;
- positive feedback from Service Budget Holders;
- positive impact on Services Accounting's service provision;
- improved processes that allow for a staffing reduction of 2.5 FTEs within the Reporting and Monitoring section by 1<sup>st</sup> July 2012;
- improved quality of management information and financial controls;
- the provision of more cross cutting reports and overarching control reports that will provide earlier opportunities to highlight risks and therefore target resource more effectively;
- future potential to extend functionality to include capturing data from other management information sources; and
- a more sustainable business system.

**Risks**

See attached Risk Register

Budget Reporting and Monitoring Business System  
Initial Risk Register

No	Description	Type	Causes/Scope	Potential Consequences of Risk	Risk Matrix	Risk Score	Proximity	Risk Control Measures	Action Now Proposed	Critical Success Factors	Owner	Date of Last Review
1	Change management - Senior Management do not support and provide direction for the project	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m		6	Now	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
2	Change management - poor engagement from Service Budget holders	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m		9	Project Stage 1	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
3	Change management - poor engagement and development of staff roles in Services Accounting	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m		6	Project Stage 1	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	G Stevens/ C Smith	
4	Preparation and data cleansing not completed effectively and to timescales	Technical/operational/ infrastructure	Poor project management	Project delay or system/process implementation weaker than best practice		6	Now	Project management	Manage project effectively	Realisation of benefits	G Stevens/ C Smith	
5	Supplier does not deliver software/installation or training effectively and to timescales	Strategic/commercial	Poor project management	Project delay or system/process implementation weaker than best practice		6	Project Stage 1	Project and contract management	Manage project effectively and manage contract terms	Project delivered on time and to budget	G Stevens/ C Smith	
6	Risk to financial management due to all aspects of project not delivering effectively and to timescales	Organisational/management/ human factors	Poor project and change management	Project delay or system/process implementation weaker than best practice		4	Project Stage 1	Project and change management; ensuring that existing systems are maintained during change process in case of delays	Manage project effectively and establish change management plan	Project delivered on time and to budget	C Smith	
7	Benefits not realised in Services Accounting	Strategic/commercial	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m; investment of additional time in value added tasks not achieved		6	Post Project	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	C Smith	
8	System does not meet requirements of Service Directorates or is difficult to use - leading to avoidance or system weaknesses	Technical/operational/ infrastructure	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m, continued negative impact on Services Accounting		6	Project Stage 1	Project and change management; in particular pre-implementation planning, consultation, process review	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith+T17	
9	Poor value for money of investment	Strategic/commercial	Poor project and change management	Investment does not deliver benefits		2	Post Project	Risk controls on all other risks	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
10	That we require a dedicated server rather than a change in specification of servers	Technical/operational/ infrastructure	unexpected circumstance	A delay in the infrastructure being available		6	Project Stage 1	Project Issue management	Manage project effectively	Project delivered on time Additional ongoing cost	Ian Lamb	



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	15 March 2012
DIRECTOR	Gordon McIntosh Stewart Carruth
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 11/12
REPORT NUMBER:	EPI/12/063

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### 1. PURPOSE OF REPORT

To provide the Committee with a summary to date of 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 homologate the action taken by the Corporate Asset Group to let the contract for Kincorth Community Centre which forms part of the 11/12 Condition & Suitability Programme (Item 294) with resultant carry forward of £310,000.
- 3) The Committee approve carry forward to financial year 12/13 for the following projects:
  - Item 244 - Duthie Park & Winter Gardens - Cost Net of Heritage Lottery Funding. Carry forward request £650,000.
  - Item 751 - Replacement of Education Management Information System - Carry forward request £167,000.

### 3. FINANCIAL IMPLICATIONS

The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. Any underspend, carry forward or overspend will have implications for the funding of the programme.

Feedback from Service Representatives and Budget Holders during January has indicated a currently projected underspend of £10.106 million against the funded position of £42.146 million. This figure is based on projections included in Budget Holder's spend profiles and is subject to change on a monthly basis as spend projections are reprofiled.

In addition, Capital Receipts are currently expected to achieve above this year's target, as detailed in section 5.3.

The impact of any underspend on the overall financing of the programme is dependant on the projects which underspend and in particular if any are being funded by any specific grant. Given that the Council's 5 Year business plan moves the Council to a position where no additional borrowing is undertaken the underspend currently anticipated would reduce the overall level of borrowing required to the Council and will have a positive revenue impact on the Council's 5 year plan.

#### 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 6 December 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

A summary of the current position can be seen in Appendix A.

The original funded position for the Non Housing Capital Programme in 2011/12 was £40 million. Taking into account adjustments for additional funding, the total funding is now £42.146 million.

The total expenditure at the end of period 10 is £22.036 million. This represents approximately 52% spend of the total revised budget. A detailed breakdown of expenditure to date by Service and by project is available in the Bulletin Report.

Discussions so far have not identified any overspend prediction 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.

### 5.3 Capital Receipts

The target out - turn for Capital Receipts this financial year is £6.735 million. A total of £2.596 million has been raised in Capital receipts to end of February 2012. The projected out – turn is £8.421 million, including the significant sale of the Frederick Street site to NHS Grampian, totalling £3.5 million. This is now profiled for conclusion in March 2012. If, as currently projected, the actual out – turn is greater than the projected figure this will result in a positive effect in the form of revenue savings. Details of Capital Receipts concluded to date and those profiled for conclusion this financial year are included in the Bulletin which accompanies this Report.

### 5.4 Carry Forward Requests

A number of carry forward requests were approved at the budget meeting of 9 February. Since then additional carry forward requirements have been identified and discussed by the Corporate Asset Group.

#### Kincorth Community Centre

The refurbishment of the Centre was included within the 11/12 programme, however due to a number of factors the tender was not ready for acceptance until February. Rather than let this slip into the following year, a request was submitted to the Corporate Asset Group to seek authorisation to accept the tender prior to the end of the year. This was on the basis that £140k approx. could be spent in 11/12 with a carry forward of £310k required for 12/13. The Corporate Asset Group agreed to this, subject to consultation with the Convenor and Vice-Convenor of this Committee.

The subsequent recommendation is - The Committee homologate the action taken by the Corporate Asset Group to let the contract for Kincorth Community Centre which forms part of the 11/12 Condition & Suitability Programme (Item 294) with resultant carry forward of £310,000.

### Duthie Park & Winter Gardens

51.1% of expenditure on this project is funded through Capital; however the debt charges are funded by Common Good, not the General Fund. The budget holder for this project has had difficulty obtaining invoices for works which have been completed. Carry forward is required as based on information from the budget holder the works have now slipped to April 2012.

The subsequent recommendation is – The Committee approve a carry forward to financial year 12/13 of £650,000.

### Replacement of Education Management Information System

Whilst classed as a capital project, a considerable proportion of the anticipated spend on this project was always intended to be on staff costs, in the form of seconded school staff to manage the roll-out within schools. During 2011/12 it has taken until the last few months for appropriate staff to be released/backfilled from their schools, (with a School Administrator having finally being released in October/November 2011, and a Secondary Depute Head having only started during the last week in February 2012). Spend on this secondment along with hardware and training is required in 12/13 to complete the project.

The subsequent recommendation is – The Committee approve a carry forward to financial year 12/13 of £167,000.

### 5.5 Capital Fund Projects

As reported to Finance & Resources on 17 June 2011 there is one remaining Capital Fund project for Investment in Cleaning. The budget of £183,000 for this project has now been spent. These figures are excluded from the totals for Housing & Environment.

## 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 Non Housing Capital Projects.


## 7. BACKGROUND PAPERS


Non-Housing Capital Programme 2011/12 – Monitoring Report approved at Finance & Resources Committee on 29 September 2011.

8. REPORT AUTHOR DETAILS

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<b>Appendix A</b>	<b>(Council Feb 11) Approved Budget 2011/2012</b>	<b>Adjustments &amp; Carry Forward from 2011/2012</b>	<b>Revised Budget 2011/2012</b>	<b>Service Determined Projected Outturn 2011/2012</b>	<b>Actual Spend at Jan 2012 (P10)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Expenditure</u></b>					
Corporate Governance	3,987	281	4,268	3,253	2,441
Education, Culture and Sport	474	484	958	763	371
Enterprise, Planning and Infrastructure	27,398	683	28,081	20,604	16,117
Housing and Environment	7,491	1,680	9,171	6,770	3,107
Social Care and Wellbeing	650	0	650	650	0
<b>Total Expenditure</b>	<b>40,000</b>	<b>3,128</b>	<b>43,078</b>	<b>32,040</b>	<b>22,036</b>
<b><u>Funding</u></b>					
Supported Borrowing	(10,321)	0	(10,321)	(10,321)	(3,368)
Un-supported Borrowing	(3,331)	0	(3,331)	(3,331)	0
General Capital Grant	(19,306)	0	(19,306)	(19,306)	(16,088)
Specific Capital Grant	(307)	0	(307)	(307)	0
Capital Receipts – Sales	(6,735)	0	(6,735)	(8,421)	(2,296)
Other Grants & Contributions	0	(2,146)	(2,146)	(2,146)	(284)
<b>Total Income</b>	<b>(40,000)</b>	<b>(2,146)</b>	<b>(42,146)</b>	<b>(43,832)</b>	<b>(22,036)</b>
<b>Projected Over/(Under) Spend</b>	<b>0</b>	<b>982</b>	<b>982</b>	<b>(11,792)</b>	<b>0</b>

Other Grants and Contributions: Duthie Park Heritage Lottery Funding £391,000; Clinterty Grant £120,000; Energy Efficiency Funding £450,000; AECC Contribution £65,000; Duthie Park Bequest £297,000; Vehicle Grant and Sales £173,000; Extended Pay & Display, Old Aberdeen £600,000. ICT Revenue contribution to Capital £50,000.

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	15 March 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2011/12 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/12/26

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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 January 2012 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 January 2012 and the forecast outturn for the year.
- b) Notes the forecast cash balances as at 31 March 2012 of £6.2M 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 January 2012**

5.1 The net income budget for the period to 31 January is £915K. The actual income for the period is £1.39M which is a favourable movement of £475K 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.	(25)
<u>Income from Properties &amp; Estates</u> – Final negotiated rent revisions and back dated rent reviews have resulted in additional income.	(450)
Favourable Variance	<u>(475)</u>

**Income and Expenditure – Forecast Outturn**

5.3 The outturn for the year to 31 March 2012 shows a forecast position of £295K which is a favourable movement of £560K 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>Central Support Costs</u> – Due to savings in the services it is estimated that the recharge to common good will be under budget.	(20)
<u>Receptions</u> – All the major events for the year are accounted for and close monitoring of attendance numbers has resulted in savings.	(25)
<u>Misc. Civic Budgets</u> – A review of the procedure for hospitality to visitors to the Town House and close monitoring of the promotional civic hospitality budget is expected to result in savings.	(10)
<u>Civic Car</u> – increase to staff costs and increased expenditure on repairs to the car have resulted in a small overspend.	5
<u>Civic Support</u> – Increases in central support outturns to bring it into line with actual costs in previous years have resulted in an overspend.	10
<u>Archivist</u> – A decrease in income from other authorities has resulted in an increase in the funding required from Common Good.	25
<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.	30
<u>Income from Properties &amp; Estates</u> – Final negotiated rent revisions and back dated rent reviews have resulted in additional income.	(450)
<u>Non-Recurring Expenditure Items</u> – As a result of a fire at the tenants other farm the Steading at Kepplestone and Kirkhills will not be rebuilt this financial year resulting in a saving. The expenditure will be carried forward to 2012-13 instead.	(125)
Favourable Variance	(560)

## Cash Balances

- 5.5 The forecast cash balances as at 31 March 2012 is £6.2M.
- 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

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## COMMON GOOD FUND

Figures in Brackets represent income or a favourable variance

As At 30 January 2012	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 10							
Recurring Expenditure	2,553	1,020	995	(25)	2,570	17	0.0
Recurring income	(2,455)	(1,950)	(2,400)	(450)	(2,905)	(450)	18.33%
<b>Budget after Recurring Items</b>	<b>98</b>	<b>(930)</b>	<b>(1,405)</b>	<b>(475)</b>	<b>(335)</b>	<b>(433)</b>	<b>(441.8%)</b>
Non Recurring Expenditure	170	15	15	0	40	(130)	-76.47%
<b>TOTAL BUDGET</b>	<b>268</b>	<b>(915)</b>	<b>(1,390)</b>	<b>(475)</b>	<b>(295)</b>	<b>(563)</b>	<b>(210.1%)</b>

Cash Balances as at 1 April 2011	(5,950)	(5,950)
Estimated Cash Balances as at 31 March 2012	<u>(5,682)</u>	<u>(6,245)</u>
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	<u>(4,945)</u>	<u>(4,945)</u>

**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 £485K, 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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COMMITTEE:	Finance and Resources
DATE:	15 March 2012
DIRECTOR:	Stewart Carruth
TITLE OF REPORT:	Treasury Management Policy and Strategy
REPORT NUMBER:	CG/12/024

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### 1. PURPOSE OF REPORT

To outline Treasury Management Policy and Strategy for 2012/13 to 2014/15, for approval.

### 2. RECOMMENDATION(S)

The Committee is asked to consider the report and make recommendations to Council for approval as follows:-

- a) Consider and approve the Council's Treasury Management Policy Statement for 2012/13 to 2014/15, and
- b) Consider and approve the Council's Borrowing and Investment Strategy for 2012/13 to 2014/15, and
- c) Note the Council's Prudential Indicators for 2012/13 to 2014/15, as detailed at Appendix 4.

### 3. FINANCIAL IMPLICATIONS

Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts upon costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs. Whilst the level of borrowing a Council can undertake is now devolved from the Scottish Government to individual Councils, it will still be constrained by the requirement for capital investment to be affordable, sustainable and prudent. The main test of affordability will be whether the capital financing costs can be contained within the revenue budgets.

### 4. SERVICE & COMMUNITY IMPACT

None

## 5. OTHER IMPLICATIONS

If an active Treasury Management policy is not undertaken and implemented there may be future budgetary implications for the Council through greater than budgeted capital financing costs.

## 6. REPORT

### 6.1 Introduction

The Council previously approved a Treasury Management policy on 21 April 2011. Part of this policy is to report annually on strategy for future financial years. A final report reviewing Treasury Management activities for the year, as well as a mid-year review, will also be presented to Committee in due course.

With effect from 1 April 2004, Councils are now required by regulation to have regard to the Prudential Code (the Code) when carrying out their duties under part 7 of the Local Government in Scotland Act 2003.

It is a requirement of this Code that Treasury Management is carried out in accordance with good professional practice. The Code requires the Council to comply with CIPFA "Code of Practice for Treasury Management in the Public Services", which this Council does. The 2009 update to the CIPFA Code of Practice states that Treasury Management Strategy must be approved annually by full Council.

Historically, the Council's annual programme of capital investment has been funded by Treasury Management activities, such as additional long-term borrowing.

### 6.2 Treasury Management Policy Statement 2012/13 to 2014/15

The proposed Treasury Management Policy Statement for 2012/13 to 2014/15 is set out in detail at Appendix 1, and is subject to annual review.

This Policy Statement uses a form of words as recommended by CIPFA in its Code of Practice for Treasury Management in the Public Services

### 6.3 Borrowing and Investment Strategy 2012/13 to 2014/15

There are no key changes within the Council's Borrowing and Investment Strategy for 2012/13 to 2014/15.

Updated investment regulations were approved by the Scottish Government from April 2010. Under these regulations, Appendix 2 includes for Committee's consideration and approval, the Council's Borrowing and Investment Strategy for 2012/13 to 2014/15. This will be subject to annual review.

The process of setting this strategy takes account of the pre-existing structure of the Council's debt and investment portfolios.

The limits on fixed rate debt and variable rate debt within this Treasury Management Strategy may be subject to further change, in line with market conditions. However, any such change to these limits would be reported to Committee.

One of the key areas of the investment regulations is permitted investments. Under the regulations, local authorities are required to set out in their Strategy the types of investment that they will permit in the financial year. These will be known as permitted investments. The Council is required to set a limit to the amounts that may be held in such investments at any time in the year, although some types of investment may be classed as unlimited.

Permitted Investment instruments identified for use in the financial years 2012/13 to 2014/15 are listed in Appendix 2, together with the Council's Counterparty list which is listed in Appendix 3.

The Annual Investment Strategy is also required to identify:-

- the different types of risk that each permitted type of investments are exposed to;
- the objectives for each type of permitted investment;
- details of the maximum value and maximum period for which funds may prudently be invested; and
- procedures for reviewing the holding of longer-term investments

## 6.4 Other Developments

### Prudential Code

The Council is required to comply with the requirements of the Prudential Code. This includes the setting of a number of Prudential Indicators. Included within these indicators are a number of Treasury Management Indicators for External Debt.

However, the Code does state “It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate”.

The Council has in place an early warning system to highlight when these indicators are likely to be breached. No indicators were breached during the previous year.

The indicators for use in the financial years 2012/13 to 2014/15 are listed in Appendix 4.

### National Limit on Local Authority Borrowing

HM Treasury has a reserve power to limit local authority borrowing for 'national economic reasons'. Legislation specifies that any such 'National Limit' would be used to protect the country's economic interest if local borrowing under the Prudential Code, albeit prudent locally, were unaffordable nationally.

In principal, a national limit could be set at any point during any financial year. Any such national limit would be implemented, based on local authorities outstanding borrowing with all future borrowing being reduced proportionately. There are no known plans for the introduction of a National Limit at this time.

## 7. AUTHORISED SIGNATURE

Barry Jenkins, Head of Finance, [bjenkins@aberdeencity.gov.uk](mailto:bjenkins@aberdeencity.gov.uk), (52)2551

## 8. REPORT AUTHOR DETAILS

Neil Stewart, Treasury Officer, [nstewart@aberdeencity.gov.uk](mailto:nstewart@aberdeencity.gov.uk), (52)2696



## 9. BACKGROUND PAPERS

CIPFA "Code of Practice for Treasury Management in the Public Services",  
Sector Treasury Services "Treasury Management Annual Investment Strategy",  
Scottish Government "The Investment of Money by Scottish Local Authorities".

ABERDEEN CITY COUNCIL

TREASURY MANAGEMENT POLICY STATEMENT FOR 2012/13 TO 2014/15

The proposed Treasury Management Policy for 2012/13 to 2014/15 is as follows:

1. Aberdeen City Council will adopt the CIPFA Treasury Management in Public Services Code of Practice. The Council will also have regard to the Local Government Investment (Scotland) Regulations 2010.
2. This organisation defines its treasury management activities as:  
The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
3. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
4. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
5. The Council's appointed Treasury Advisors are Sector Treasury Services. Their expertise will continue to be used by the Council in making Treasury decisions in areas such as debt rescheduling, interest rate forecasts, market conditions, advice on new types of financial instruments and compiling the Council's Counterparty list.

ABERDEEN CITY COUNCILBORROWING STRATEGY FOR 2012/13 TO 2014/15

The proposed Treasury Management Borrowing Strategy for 2012/13 to 2014/15 is as follows:

1. Under the Prudential Code previous borrowing restrictions linked to consents no longer apply. Short-term PWLB (Public Works Loans Board) rates for periods of up to 10 years continue at relatively low levels and the strategy would be to borrow, if required, in these periods to take advantage of those rates. In addition to PWLB, there may be an opportunity to use longer-term LOBO (Lenders Option, Borrowers Option) loans later in the year, once interest rates start to rise again. Rates are monitored on an on-going basis to determine the optimum time to undertake any necessary borrowing. When decisions on new borrowing are being made, due consideration must also be given to the Council's Debt Maturity Profile.
2. Approximately 81% of the Council's borrowing is in fixed rate money which reflects the low interest rates in recent years. Whilst there is no immediate intention to reschedule debts in 2012/13, if opportunities arise to do so that will result in a decrease in the Council's cost of borrowing then these will be fully examined to determine whether this represents Best Value. Due care and attention to FRS 25 and 26 will be examined prior to entering any such commitment.
3. It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2012/13, 2013/14 and 2014/15 of 95% of its net outstanding principal sums.
4. It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2012/13, 2013/14 and 2014/15 of 30% of its net outstanding principal sums. This means that the Head of Finance will manage fixed interest rate exposures within the range 70% to 95% and variable interest rate exposures within the range 5% to 30%.
5. It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate:

	Upper limit	Lower limit
Under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	25%

6. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

The Scottish Government defines 'Borrowing in Advance of Need' as "*borrowing undertaken by the local authority which will result in the total external debt of the local authority exceeding the estimated capital financing requirement of the local authority at the end of the next twelve month period*".

## INVESTMENT STRATEGY FOR 2012/13 TO 2014/15

The proposed Treasury Management Investment Strategy for 2012/13 to 2014/15 is as follows:

1. The Council's investment priorities are: -
  - (a) the security of capital and
  - (b) the liquidity of its investments.
2. The risk appetite of this Council is low in order to give priority to security of its investments. The Council will also aim to achieve the optimum return on its investments in line with proper levels of security and liquidity.
3. The Council's approved counter party list will be adhered to when making short-term investments and reviewed as necessary. This ensures that only those counter parties with the highest credit ratings are used within the maximum limits set. If it is considered necessary to make any changes to the list Committee approval will be sought.
4. Prior to the introduction of the new investment regulations, investments made by Scottish local authorities were limited to one year. This restriction was removed from 1<sup>st</sup> April 2010 and the Council accordingly wishes to make use of these new powers at times when such investing is both appropriate and attractive.
5. Short-term investment rates for periods of up to 12 months continue at relatively low levels and in line with the Council's recent borrowing strategy of borrowing short-term to take advantage of lower rates, the Council does not envisage having substantial surplus funds to invest. Therefore any surplus cash which the Council does have at its disposal will be required to be kept fairly liquid for cashflow purposes, and accordingly will be invested on a short-term basis, using either Bank deposits or Money Market Funds.
6. Rates are monitored on an on-going basis to determine the optimum time to undertake any investments. When decisions on new investments are being made, due consideration must also be given to the Council's projected cashflow position.
7. With the introduction of the new investment regulations, the Local Authority investment market will start to develop new products. In order to protect against any possible loss of income, the power to add a new investment instrument to the list of Permitted Investments, should be delegated to the Head of Finance. Any such approval would be reported at the next committee meeting.

## LIST OF PERMITTED INVESTMENTS

This Council approves the following forms of investment instrument for use as permitted investments: -

DEPOSITS - Unlimited (subject to individual Counterparty list limits)

Debt Management Agency Deposit Facility

Term deposits – local authorities (as per Counterparty list)

Call accounts – banks and building societies (as per Counterparty list)

Term deposits – banks and building societies (as per Counterparty list)

Fixed term deposits with variable rate/maturities (Structured deposits, as per Counterparty list)

COLLECTIVE INVESTMENT SCHEMES - £30m

Government Liquidity Funds

Money Market Funds

Enhanced cash funds

Gilt Funds

Bond Funds

GOVERNMENT SECURITIES - £10m

Treasury Bills

UK Government Gilts

Bond issuance (from financial institution guaranteed by UK Government)

Bonds issued by multilateral development banks

CORPORATE SECURITIES - £10m

Certificates of deposit (as per Counterparty list)

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## PERMITTED INVESTMENTS - NON TREASURY INVESTMENTS

The Council can also invest in the following areas, which are outwith the Treasury Management scope and would be subject to separate committee approval: -

- a) All share holding, unit holding and bond holding, including those in a local authority owned company;
- b) Loans to a local authority company or other entity formed by a local authority to deliver services;
- c) Loans made to third parties are investments;
- d) Investment properties.

## TREASURY RISKS AND CONTROLS

All investment instruments listed are subject to the following risks: -

1. Credit and counter-party risk: this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have a very high level of creditworthiness.

Control: This authority has set minimum credit criteria to determine which counterparties are of high creditworthiness to enable investments to be made safely.

2. Liquidity risk: this is the risk that cash will not be available when it is needed. All counterparties are subject to at least a very small level of liquidity risk, as credit risk can never be zero. Liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, CDs, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a. cash may not be available until a settlement date up to three days after the sale b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.

Control: This authority has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.

3. Market risk: this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long-term increase in value.

Control: This authority does not purchase investment instruments that are subject to market risk in terms of fluctuation of their value.

4. Interest rate risk: this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk except for instruments with a variable rate of interest.

Control: This authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise borrowing costs.

5. Legal and regulatory risk: this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Control: This authority will not undertake any form of investing until it has ensured that it has all the necessary powers and also complied with all regulations.



**ABERDEEN CITY COUNCIL  
COUNTERPARTY LIST**

**Deposits up to 12 months**

**UK Nationalised and Part Nationalised Banks - £20m limit**

Lloyds Banking Group (includes Lloyds TSB Bank plc, Halifax Bank of Scotland)

The Royal Bank of Scotland plc  
(includes National Westminster Bank plc, Ulster Bank Ltd)

**UK Banks - £10m limit**

HSBC Bank plc

**UK Local Authorities, including Police Authorities - £10m Limit**

**Deposits up to 6 months**

**UK Banks - £10m limit**

Barclays Bank plc

**UK Building Societies - £10m limit**

Nationwide Building Society

**Deposits up to 3 months**

**Council's Bankers - £20m limit**

Clydesdale Bank plc

**UK Banks - £10m limit**

Santander UK plc (includes Abbey, Alliance & Leicester plc, Cater Allen)

**ABERDEEN CITY COUNCIL  
2012/13 to 2014/15**

**THE PRUDENTIAL CODE  
For Capital Finance in Local Authorities**

From 1 April 2004, Councils are required by Regulation to have regard to the Prudential Code (the Code) when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

In setting the revenue and capital budgets, members will be aware that under the Prudential Code, the level of capital investment is determined locally. Therefore, these indicators will be reviewed on an ongoing basis to ensure that the Council does not breach the indicators it sets.

The key objectives of the Code are to ensure:-

- The Council's capital programmes are affordable, prudent and sustainable.
- Treasury management decisions are taken in accordance with good professional practice.

The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

In setting the indicators, cognisance should be paid to the level of capital investment looking ahead for a three year period, for both the housing and non-housing capital programmes that the Council wishes to embark upon. For the purposes of this report, the underlying requirement to finance the 3R's project has been ignored on the basis that it is anticipated that the contract will continue to run as normal.

The Code requires the Council following Prudential Indicators are set for the Council:-

	<b>Capital Expenditure</b>				
	<b>2010/11 £'000 Actual</b>	<b>2011/12 £'000 Estimate</b>	<b>2012/13 £'000 Estimate</b>	<b>2013/14 £'000 Estimate</b>	<b>2014/15 £'000 Estimate</b>
Non HRA	60,588	35,155	32,060	31,469	28,954
HRA	52,911	46,540	39,825	37,563	35,178

	<b>Ratio of Financing Costs to Net Revenue Stream</b>				
	<b>2010/11 Actual</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Non HRA	7.2%	7.4%	7.6%	7.6%	7.7%
HRA	15.0%	16.7%	19.3%	20.5%	22.2%

	<b>Capital Financing Requirement</b>				
	<b>2010/11</b> <b>£'000</b> <b>Actual</b>	<b>2011/12</b> <b>£'000</b> <b>Estimate</b>	<b>2012/13</b> <b>£'000</b> <b>Estimate</b>	<b>2013/14</b> <b>£'000</b> <b>Estimate</b>	<b>2014/15</b> <b>£'000</b> <b>Estimate</b>
Non HRA	438,826	512,922	497,824	487,694	475,997
HRA	188,068	245,646	262,929	276,603	288,158
<b>Total</b>	<b>626,894</b>	<b>758,568</b>	<b>760,753</b>	<b>764,297</b>	<b>764,154</b>

The Prudential Code states:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.” For example, the 2012/13 total authorised limit for external debt (£678.398 million per table below) should not exceed the total capital financing requirement as at 2014/15 (£749.763 million per table above).

The Head of Finance reports that the Council can meet this requirement in 2012/13, and it is expected to do so for the future years, as outlined, taking into account current commitments, existing plans, and the assumptions in this report.

	<b>Authorised Limit for External Debt</b>			
	<b>2011/12</b> <b>£'000</b>	<b>2012/13</b> <b>£'000</b>	<b>2013/14</b> <b>£'000</b>	<b>2014/15</b> <b>£'000</b>
Borrowing	638,606	664,198	690,895	713,184
Other Long Term Liabilities	15,598	15,201	14,804	14,407
<b>Total</b>	<b>654,204</b>	<b>679,399</b>	<b>705,699</b>	<b>727,591</b>

	<b>Operational Boundary for External Debt</b>			
	<b>2011/12</b> <b>£'000</b>	<b>2012/13</b> <b>£'000</b>	<b>2013/14</b> <b>£'000</b>	<b>2014/15</b> <b>£'000</b>
Borrowing	639,289	649,966	662,145	670,313
Other Long Term Liabilities	0	0	0	0
<b>Total</b>	<b>639,289</b>	<b>649,966</b>	<b>662,145</b>	<b>670,313</b>

The estimate of the incremental impact of capital investment decisions proposed in this report, over and above capital investment decisions that have previously been taken by the Council are:

(a) for the Band D Council Tax

<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
£0	£0 (Prov)	£0 (Prov)

(b) for average weekly housing rents (assuming that increased capital investment is financed by way of cfc and borrowing)

<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
£1.61	£0 (Prov)	£0 (Prov)

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	15 March 2012
<b>DIRECTOR</b>	Stewart Carruth
<b>TITLE OF REPORT</b>	Applications for Financial Assistance 2011/12
<b>REPORT NUMBER</b>	CG/12/006

---

### 1. PURPOSE OF REPORT

The purpose of this report is to present applications for financial assistance which have recently been received by the Head of Finance 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:-

- i) £440 towards coach hire, in support of the annual bowling competition between Aberdeen and Dundee for the Meff-Spence Trophy.

### 3. FINANCIAL IMPLICATIONS

The financial assistance budget for 2011/12 was originally £54,140. Prior to this Committee, approvals for support to partner organisations, affiliation fees and grants have amounted to £46,630. If approval were given to the suggested funding levels detailed in this report then a balance of £6,582 will be available for future applications.

### 4. 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.

### 5. BACKGROUND

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 fundraising 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.

### **Applications**

#### **5.1 Bon-Accord Bowling Association – Meff-Spence Trophy (letter attached)**

A request has been received from Bon-Accord Bowling Association to consider paying the cost of hiring a coach from Aberdeen to Dundee to take part in the annual bowling competition for the Meff-Spence Trophy. It should be noted that date of the competition is 20th June rather than 13th June per the attached letter.

Whilst the criteria for financial assistance of this nature do not normally obtain approval, there is a history of support being provided by the Council for this event which alternates between Aberdeen and Dundee for its location. In 2010, there was an approved budget of £400 towards the cost of transport.

The Association has sought two quotes for the transport which shows the lowest price being £440.

It is suggested that this funding should be approved.

#### **6. 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.

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.

#### **7. BACKGROUND PAPERS**

Attached letter

#### **8. REPORT AUTHOR DETAILS**

Sandra Buthlay

Senior Accountant

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

☎ (52) 2565

Reference 5.1



**BON-ACCORD BOWLING ASSOCIATION**  
(Instituted 1934)

---

Honorary Secretary: Archie Watt, [REDACTED]

Tel: [REDACTED]

E-Mail [REDACTED]

MEFF-SPENCE

Mr Peter Stephen,  
Lord Provost,  
Aberdeen City Council,  
Town House,  
3 Broad Street,  
ABERDEEN.

Dear Sir,

On behalf of the above Association the Annual fixture between the two Councils Aberdeen and Dundee for the year 2012 is on Wednesday 13<sup>th</sup> June and the venue is at Broughty Bowling Club, Broughty Ferry

I have been instructed to request that the Council consider paying the cost of the coach for this match, as it is an Inter City competition started by two Lord Provosts.

I have enclosed two quotes from reputable coach companies for your perusal.

I look forward to hearing from you.

Yours sincerely,

Archie Watt,  
Honorary Secretary,  
14<sup>th</sup> December 2011



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**J & M BURNS**  
COACH OPERATORS

Archie Watt  
[REDACTED]  
[REDACTED]  
[REDACTED]

14<sup>th</sup> December 2011

Dear Mr Watt,

Thank you for your coach hire quotation request, please find details as follows:

13<sup>th</sup> June 2012

- Collect from Aberdeen at 1030hrs and travel to Dundee.
- Depart Dundee at 1900hrs and return to Aberdeen.
- The cost for a 49-seater coach is £440.

If you have any further queries, please let me know.

Yours sincerely

Jen Burns  
Burns Coaches



# CENTRAL

TAXIS • COACHES • GARAGE SERVICES

Derek Smith House  
Hareness Road,  
Altens,  
Aberdeen  
AB12 3LE  
TEL: (01224) 89 89 89  
FAX: (01224) 89 74 15

F.A.O: Aileen Watt.

As per telephone conversation today 14<sup>th</sup> Dec 2011

- Please find attached the quote for the hire for Wed 13<sup>th</sup> June 2012 from Aberdeen to Dundee. Leave Summerhill Indoor bowling Club @ 10.30 Arrive Dundee approx 11.45/12 noon & return from Dundee @ 19.00 to Aberdeen.  
The cost for a 49 seat coach to do the run would be £475.00.
- Please contact me if & when you want to go ahead with this hire.

Regards



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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	15 March 2012
<b>DIRECTOR</b>	Stewart Carruth
<b>TITLE OF REPORT</b>	Financial Assistance – Application Process Update
<b>REPORT NUMBER</b>	CG/12/040

---

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

The purpose of this report is to update the committee on the progress of updating and streamlining the application process for financial assistance, in response to the item included in the committee business statement.

### 2. **RECOMMENDATION(S)**

It is recommended that the Committee:-

- i) note the progress in moving towards a more streamlined process for financial assistance / grant applications; and
- ii) request a final report on the process when it is implemented.

### 3. **FINANCIAL IMPLICATIONS**

There are no financial implications directly associated with this report.

The awarding and approval of grants and financial assistance is a significant element of council business and as such millions of pounds are paid to external organisations each year. Appropriate and suitable means of approval following the principles of 'Following the Public Pound' require to be reviewed and maintained in order to ensure Best Value.

### 4. **OTHER IMPLICATIONS**

The award of grants and financial assistance provide benefits to the City of Aberdeen and its citizens.

### 5. **BACKGROUND**

The Finance and Resources Committee has considered many requests for financial assistance and has requested that officers bring forward proposals for streamlining the way in which the grants applications process works, particularly with regard to reporting to Committee.

In October 2011 the Council approved a revised Local Code of Guidance for Following the Public Pound and subsequent to this a group of officers was formed bringing together the various individuals associated with approving,

managing and administering external funding. This may be through the awarding of grants from hundreds of pounds to millions of pounds.

The group has focussed on ensuring the consistent application of the Local Code and in reviewing how individuals and organisations find out about funding opportunities, consider the marketing of the various funding streams and how to apply. In the past a Council Funding Pack has provided a great deal of information to interested organisations however this has been withdrawn as it was out of date and a new approach is considered necessary.

The group has embarked upon looking at the rebranding of funding opportunities that are available to organisations and individuals by the council and to develop a dedicated micro website to provide up to date information, a means of application, detailed criteria that apply to the various funding streams and contact details for assistance and advice.

The benefits of doing this are that there will be a single location to which all applicants are channelled, the information will be consistent, application forms can be tailored to contain standing data required – as per the Local Code – as well as specific data required to evaluate an application against the funding stream criteria.

Clear information will also be provided that ensures applicants are aware of deadlines for applications and the various approval processes that are then linked to those deadlines. For example, stating the date of Committee that will make any decision.

The varying nature of funding streams, and various criteria that apply, mean that linking all application approvals into a single reporting structure is considered impractical and that specific funding streams should continue to be progressed through Service Committees in the first instance, with ad-hoc requests for financial assistance coming to Finance and Resources Committee.

Where this can be streamlined is in ensuring that applications are not being duplicated and having confidence that applicants are not accessing different funding streams for the same purposes. This is now achievable with far greater certainty through the introduction of the Following the Public Pound central register that has been created and maintained through out this year.

Reporting to Committee is therefore expected to refer to the fact that the central register has been checked to ensure that funding is not being awarded previously for the same project / purpose.

The Committee are asked to note the content of the report and a further report will be provided when the work on the micro website is completed

## **6. IMPACT**

The City Council will within financial constraints seek to support external organisations and partnerships within the City. All applicants will be given equal

consideration within the general criteria for the disbursement of grants and donations from the budgets.

**7. BACKGROUND PAPERS**


None

**8. REPORT AUTHOR DETAILS**

Jonathan Belford

Corporate Accounting Manager

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

 (52) 2573

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## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Finance and Resources</b>
DATE	<b>15 March 2012</b>
ACTING DIRECTOR	<b>David Leng</b>
TITLE OF REPORT	<b>Applications for Round 4 Funding – Youth Activities Small Grants Fund 2011/12</b>
REPORT NUMBER	<b>ECS/12/013</b>

---

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

The report sets out the recommendations made by the Youth Activities Grant Funding Group for the fourth round of funding for the financial year 2011/12, the closing date for which was 17<sup>th</sup> January 2012

### **2. RECOMMENDATION(S)**

To note the grants awarded as detailed in the appendix to this report.

### **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**

None

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

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 17 January 2012. The Funding Group considered the applications on 24 January 2012.

c. Eight applications were received for this round. Two applications were from groups already funded within the year. It is recommended that **6** of the applications are funded. Appendix 1 holds the detail of applications received and the recommendations made. If council approves the applications, there will be **£3,426.07** 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 Partners' 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**

Craig Singer  
Development Manager  
01224 523103  
csinger@aberdeencity.gov.uk



Youth Activities Small Grants 2011/2012		Appendix 1					
Round 4 - Closing Date 17 January 2012							
Group Name & No.	Summary of Application	Amount Requested	Decision & Comment	Amount Awarded	Payment Details	Report Due	Report Received
YAG11/32 Tillydrone Vision	Funding requested to take 8 young people to Uganda to meet and get involved with partner groups there.	£1,000.00	Fully Fund	£1,000.00			
YAG11/33 Fersands and Fountain Young Girls Group	Funding requested to allow young people to budget and plan their own 4-6 week programme.	£1,500.00	Application Withdrawn - This was already submitted on last round.	£0.00			
YAG11/34 Mezzo Aberdeen	Funding requested to purchase equipment to enable group to do 'Random acts of Kindness' throughout the city. The group would also like to purchase a camcorder and be able to have an activity day.	£1,500.00	The Funding Group decided to fully fund on the understanding that the sports activity is available only to the young people from Aberdeen.	£1,500.00			
YAG11/35 Act Daft	Funding requested to help towards the cost of venue hire, set, costumes and props etc. for next performance.	£1,500.00	Fully Fund	£1,500.00			
YAG11/36 Stoneywood-Dyce Cricket Club	Funding requested towards the cost of installing a two-bay practice area.	£1,500.00	The Funding Group agreed to fully fund on the understanding that the funding will be returned if the group fail to raise the total cost required to purchase equipment.	£1,500.00			
YAG11/37 Cornhill Drama Group	Funding requested towards the cost of stage performance e.g. set, costumes, props etc.	£1,000.00	This will be part funded based on the total costings received.	£950.00			
YAG11/38 Voice of Reason Group	Funding requested to fund trip for 2 young people to attend a residential child care course in Esbjerg, Denmark to research similarities/differences between the care system in Scotland and Denmark.	£1,500.00	The Funding Group decided to part fund this based on the cost of flights, accommodation etc. Passports and sundries will not be funded.	£1,342.00			
YAG11/39 Music 4 U	Funding requested to purchase equipment for use on Youth Music Projects in Aberdeen	£1,344.00	Unable to fund, as the last application was within a year. The group is welcome to re-apply.	£0.00			

<b>Total Amount Requested</b>	<b>£10,844.00</b>	<b>Total Amount Recommended</b>	<b>£7,792.00</b>
<b>Balance c/f after Round 3</b>	<b>£11,218.07</b>		
<b>Balance</b>	<b>£3,426.07</b>		

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	15 March 2012
DIRECTOR	Pete Leonard
TITLE OF REPORT	Housing Capital Expenditure budget 2012/13
REPORT NUMBER:	H&E/12/020

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### 1. PURPOSE OF REPORT

This report has been submitted to request that

- a) approval be given to consider the sums shown in the Housing Capital budget set out in Appendix A to this report as estimated expenditure,
- b) authorisation be given to the Director of Housing and Environment to carry out the appropriate procedures to procure these works.

This report is coming before the Finance and Resources committee as a decision on the recommendations is required before the next available Housing and Environment committee on 22 May 2012.

### 2. RECOMMENDATION(S)

It is recommended that committee:

- a) give approval for the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix A of this report and for these sums to be approved as estimated expenditure in terms of Standing Order 1(3), and
- b) authorise the Director of Housing and Environment to carry out the appropriate procedures to procure these works.

### 3. FINANCIAL IMPLICATIONS

The Housing Capital programme will be managed within the capital framework as set out in the Prudential Code, subject to the revenue budgeting process.

The funding of the programme derives from several sources that include:

- Possible grants from the Scottish Government (i.e. new build),
- Revenue contributions from the Housing revenue Account, and
- External funding ( funding from energy suppliers).

#### 4. OTHER IMPLICATIONS

The Housing Capital Programme provides the catalyst to deliver many of the objectives in the Housing Business Plan. Failure to adequately maintain and improve the Council's housing stock may lead to the Council breaching Health & Safety regulations, poorer housing conditions in Aberdeen, and resulting in lower demand. Failure to deliver an effective programme will lead to tenant dissatisfaction.

#### 5. BACKGROUND/MAIN ISSUES

On 9 February 2012 Council approved the sums set out in the Housing Capital Expenditure budget for 2012/13 and indicative sums for 2013-2015. A copy of the budget has been attached at Appendix A. It is proposed that the members of the committee give approval for the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix A of this report to be treated as estimated expenditure to allow the Director of Housing and Environment to commence the appropriate procedures to procure these works

Approximately 15,000 addresses have been identified to date for various works under the headings contained within the Housing Capital Expenditure budget during 2012/13. Appendix B shows a break down by Ward of the numbers of those addresses to be included under certain budget heading. There are, however, a number of budget headings which contain funding for works that will be identified during the course of the financial year.

In addition to this the range of works and services procured under the Housing Capital Programme are diverse and complex. These can range from relatively simple works, such as door replacement, to large multi trade frameworks such as the modernisation programme, or programmes which require specialist consultants and contractors like the multi storey structural repairs contracts.

Agreement to consider the sums shown against each of the headings on the Housing Capital Expenditure budget as estimated expenditure will allow the Director of Housing and Environment to make early progress in terms of tendering for these works and maximising expenditure.

#### **Budget Monitoring**

In order to ensure that the committee is kept informed of the progress on expenditure within the Housing Capital Expenditure budget the Director of Housing and Environment and the Head of Finance will continue to submit a joint update report on the budget position to each committee cycle. These reports will detail any amendments to the budget amounts when appropriate.

This allows the Director of Housing and Environment and Head of Finance to ensure that this budget is being managed and monitored appropriately.

## 6. IMPACT

The City Council will operate within overall financial constraints taking into account recommended accounting practice and policies.

The programme aims to treat every tenant equally on the basis that replacement programmes are determined by the life cycle costing and prioritising on the basis of stock condition and sustainability of the estates.

Specifically within the Single Outcome Agreement there is a need to enhance the quality of housing and environment for individuals and the community. Furthermore within the Council's Vibrant Dynamic and Forward Looking policy document there is a commitment to increase the speed of the modernisation programme and adherence to the Scottish Housing Quality Standard.

## 7. BACKGROUND PAPERS

Report on the Draft Housing Revenue and Housing Capital Budget 2012/13 to 2014/15 submitted to the Council Budget Meeting of 9 February 2012

## 8. REPORT AUTHOR DETAILS

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Housing Improvement Officer  
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tel (4)39242

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**HOUSING CAPITAL SHQS EXPENDITURE**

CH Codes	Item	Scottish Housing Quality Standards		2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b>1</b>	<b>COMPLIANT WITH THE TOLERABLE STANDARD</b>				
11101	1.1	Major Repairs		600	550	550
			<b>Total</b>	<b>600.00</b>	<b>550.00</b>	<b>550.00</b>
	<b>2</b>	<b>FREE FROM SERIOUS DISREPAIR</b>				
11403	2.1.1	Primary Building Elements	Structural Repairs-Multi Storey	5650	4000	2000
11404	2.1.2		General Housing	1150	800	800
11401	2.2	Secondary Building Elements	Upgrading of Flat Roofs-General	150	350	350
11405	2.3		Upgrading of Flat Roofs-Multi Storey	510	550	550
11407	2.5		Mono-Pitched Types	500	250	500
11206	2.6		Window Replacement-General	600	900	500
11208	2.7		Window Replacement-Multi Storey	600	300	450
11212	2.8		Balcony Storm Doors	60	60	60
11505	2.9		Balcony Glass Renewal-Multi Storey	90	200	90
			<b>Total</b>	<b>9310.00</b>	<b>7410.00</b>	<b>5300.00</b>
	<b>3</b>	<b>ENERGY EFFICIENT</b>				
11211	3.1		EnergyEfficiency-General Houses	220	220	0
11204	3.2	Effective insulation	Loft Insulation	50	50	50
11214	3.3	Efficient Heating	Heating Systems	4950	4950	4100
11201	3.4		Medical Need-Heating	10	50	50
11210	3.5		Energy Efficiency-Multi Blocks	2120	2000	2000
11217	3.6		EnergyEfficiency-Sheltered	200	250	350
11216	3.7	Additional Energy Efficiency Measures	SCARF	35	35	35
11209	3.8		Solid Wall Insulation	50	150	150
11213	3.9		Vestibule Doors	0	0	0
			<b>Total</b>	<b>7635.00</b>	<b>7705.00</b>	<b>6735.00</b>
	<b>4</b>	<b>MODERN FACILITIES AND SERVICES</b>				
12101	4.1	Kitchen/Bathroom Condition	Modernisation Programme	16401	13894	13111
			<b>Total</b>	<b>16401.00</b>	<b>13894.00</b>	<b>13111.00</b>
	<b>5</b>	<b>HEALTHY, SAFE AND SECURE</b>				
11202	5.1	Healthy	Condensation Measures	50	50	50
11503	5.3		Rewiring	1000	1100	1100
11507	5.4		Lift Replacement-Multi Storey/Major Blocks	600	1000	1000
11506	5.5		Smoke Detectors-Common Areas-Major Blocks	100	150	50
12404	5.6		Services	50	200	200
			Ventilation Systems			
			Water Tanks/Pipework etc			
			Refuse Chutes/Chamber Etc			
			Dry Riser Systems			
			Standby Generators			
11901	5.7		Upgrading Entrance Halls or Concierge	50	175	175
11903	5.8		Laundry Facilities	50	150	150
11603	5.9		Upgrading of Lighting	36	36	10
11602	5.11	Secure	Door EntrySystems	40	40	40
11604	5.12		Replacement Door Entry Systems-Major Blocks	200	200	200
11706	5.13		Other Initiatives	400	1000	900
	5.14		Crime Prevention/Safety Features	0	0	0
			<b>Total</b>	<b>2576.00</b>	<b>4101.00</b>	<b>3875.00</b>
	<b>6</b>	<b>Community Plan &amp; Single Outcome Agreement Non Scottish Housing Quality Standards</b>				
11801/02	6.1		Housing for Varying Needs	300	300	300
11704	6.2		Community Initiatives	150	300	400
12301-2/4	6.5		Regeneration/Acquisition of Land or Houses	1000	1000	1000
11601	6.6		CCTV - Concierge	150	150	150
11702	6.7		Adaptations-Disabled	1250	1250	1250
11701	6.8		Special Initiatives/Barrier Free Housing	370	250	250
11803	6.9		Housing for varying Needs-Amenity/Adaptation	200	200	200
11804	6.10		Housing for varying needs-Sheltered/Adaptation	300	320	300
	6.11		Roads	150	180	180
12406/12407	6.12		Paths	150	150	150
12302	6.13		Garages	50	50	50
12305	6.14		New Affordable Housing	236.78	500	0
			<b>Total</b>	<b>4306.78</b>	<b>4650.00</b>	<b>4230.00</b>

	<b>7</b>		<b>Service Development</b>				
12506/7/8		7.1		Conditions Surveys	50	50	50
12002/6		7.2		Property Database	100	200	200
12003		7.3		Integrated Housing System	100	200	300
				<b>Total</b>	<b>250.00</b>	<b>450.00</b>	<b>550.00</b>
	<b>8</b>		<b>Service Expenditure</b>				
12501/2		8.1		Legal Services			
		8.2		Continuous Improvement-Community initiatives			
12503		8.3		Accounts Service			
12504		8.4		Asset Policy (Housing)			
		8.5		Resource Management			
		8.6		Area Services Housing Management Costs			
		8.7		Strategic Leadership			
12505		8.8		Area Services Housing Sales Consent			
		8.9		Building Designs			
		8.10		Asset Management			
12506		8.11		House Conditions Survey-Public Sector			
				<b>Total</b>	<b>5923.00</b>	<b>5686.00</b>	<b>5401.00</b>
				<b>Commitment Totals</b>	<b>47001.78</b>	<b>44446.00</b>	<b>39752.00</b>
				<b>Overall Totals</b>	<b>41,825.00</b>	<b>39,563.00</b>	<b>35,178.00</b>



**Breakdown of number of properties per budget heading by Ward**

	Ward													Total Number of Properties Per Programme
	1	2	3	4	5	6	7	8	9	10	11	12	13	
	Dyce/ Bucksburn/ Danestone	Bridge of Don	Kingswells/ Sheddocksley	Northfield	Hilton / Stockethill	Tillydrone / Seaton / Old Aberdeen	Midstocket / Rosemount	George Street / Harbour	Lower Deeside	Hazlehead / Ashley / Queen's Cross	Airy/hall / Broomhill / Garthdee	Torry / Ferryhill	Kincorth / Loirston	
Capital Programmes 2011/2012														
1.1 Major Repair (Roofs)			91											
1.1 Major Repairs (Communal)			3											
2.1.1 Multi storey Overcladding					198									
2.1.1 Multi Storey Structural Repairs					781									
2.1.1 Multi Storey Structural Surveys					242		284							
2.1.2 General Housing Structural Repairs					42							4		
2.1.2 General Housing Structural Surveys			42	126										
2.2 Upgrading of Flat Roofs General			28					12		37				
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2.5 Mono Pitched Properties												39		
2.6 General Housing Window Replacement	1	1	11	27	23	2	8	3	3	5	14	49	32	
2.7 Multi Storey Windows						198								
2.8 Balcony Storm Doors														
2.9 Balcony Glass Renewal			33		72									
3.3 Heating	80	25	100	242	189	384	72	141	21	33	25	126	64	
3.5 Energy Efficiency - Multi Blocks						132						156		
4.1 Modernisation (Kitchens)	493	88	165	101	960	671	29	498		21				
4.1 Modernisation (Bathroom)	494	56	179	130	996	21	24	143		21				
5.2 Smoke Detector	54	7	197	9	165	82	7	128	13	33	22	72	167	
5.3 Rewiring	57	101	196	40	155	150	92	180	1	4	18	184	19	
5.4 Lift Replacement - Multi Storey						360		72						
5.5 Communal Fire Alarm						288	74			184			52	
5.7 Upgrading Entrance Halls or Conceirge						198								
5.8 Laundry Facilities														
5.9 Upgrading Lighting					130									
5.11 Door Entry		2	12	7	20	40		12	9			36		
5.12 Door Entry Major Blocks					172	280	120					52		
5.13 Replacement Doors	112	12	35	26	25	11	19	4	5	17	13	72	28	
6.1 Housing for Varying Needs		20												
6.2 Community Initiatives						885								
<b>Total number of Properties Per Ward</b>	<b>1291</b>	<b>312</b>	<b>1092</b>	<b>708</b>	<b>3237</b>	<b>4923</b>	<b>445</b>	<b>1465</b>	<b>64</b>	<b>355</b>	<b>92</b>	<b>786</b>	<b>AssesPolicy</b>	

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## ABERDEEN CITY COUNCIL

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COMMITTEE Finance and Resources Committee

DATE 15<sup>th</sup> March 2012

DIRECTOR Gordon McIntosh

TITLE OF REPORT International Partnerships & Twinning Applications

REPORT NUMBER EPI/12/083

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### 1. PURPOSE OF REPORT

The purpose of this report is to bring before the Committee applications for financial assistance from the International Twinning Budget 2011-2012 and to make recommendations. International Twinning sits within the economic and business services set by Enterprise, Planning and Infrastructure.

### 2. RECOMMENDATION(S)

That the Finance and Resources Committee approve the following grants from the International Twinning Budget 2011-2012:

- i) £4,800 towards the participation of the Grampian Police Pipe Band in the 'Fête de la Rosière', from the 25<sup>th</sup>-28<sup>th</sup> May 2012, in Clermont-Ferrand.
- ii) £3,110 towards the visit of a group of staff and pupils from Kincorth Academy to allow them to continue and build on their existing twin city partnership link with School 71 in Gomel, 15<sup>th</sup>-24<sup>th</sup> June 2012.
- iii) £3,000 towards the Civic Visit by Regensburg, Clermont-Ferrand and Gomel to Aberdeen to meet with the Lord Provost, 21<sup>st</sup>-23<sup>rd</sup> March 2012.

### 3. FINANCIAL IMPLICATIONS

Full council approved the International Twinning Budget for 2011-2012 of £137,350 at its meeting 10<sup>th</sup> February 2011. The approved budget from the Common Good Fund, provides £102,000 of monies towards the support of twinning projects and/or visits.

		<b>£</b>
	<b>Balance of Budget Available</b>	<b>£63,559</b>
i	Contribution towards the participation of the Grampian Police Pipe Band in the 'Fête de la Rosière', from the 25 <sup>th</sup> -28 <sup>th</sup> May 2012, in Clermont-Ferrand.	£4,800
ii.	Contribution towards the visit of a group of staff and pupils from Kincorth Academy to allow them to continue and build on their twin city partnership link with School 71 in Gomel, 15 <sup>th</sup> -24 <sup>th</sup> June 2012.	£3,110
iii.	Contribution towards the Civic Visit by Regensburg, Clermont-Ferrand and Gomel to Aberdeen to meet with the Lord Provost, 21 <sup>st</sup> -23 <sup>rd</sup> March 2012.	£3,000
	<b>TOTAL</b>	<b>£10,910</b>
	<b>Amount remaining in Budget if recommendations approved:</b>	<b>£52,649</b>

#### 4. OTHER IMPLICATIONS

The health and safety implications of all visits are taken into account during planning, with any exceptional implications addressed at the time of application.

The International Partnerships Officer regularly reviews the travel advice provided by the Foreign and Commonwealth Office and is in close contact with counterpart officers in the twin cities to ensure information provided to participants is accurate and up-to-date.

Where individuals/groups from Aberdeen are travelling overseas, comprehensive pre-visit briefings are offered by the International Partnerships Officer and have the opportunity to ask questions and request support.

When participating in overseas visits, Council employees are covered by the Council's insurance policy while non-Council employees are instructed by the International Partnerships Officer to obtain comprehensive travel insurance.

Long-established twinning links will not be maintained without regular reciprocal visits and ongoing projects being initiated by communities, groups and individuals and there is the potential for the city's international image to be damaged if we don't continue to support established relationships.

Without support from the twinning budget, exchanges and visits of this nature could not take place and people in Aberdeen would lose a wide range of opportunities to engage with the international community. In addition, incoming visitors to the city on twin city projects support the local

economy through their participation at events and hospitality and retail expenditure while visiting the city.

The International Partnerships Officer will provide a link between Aberdeen and our twin cities provide organisational support, advice and guidance when required.

They will also make recommendations on funding available to the group and how they can continue to foster a relationship with the twin city so that it is long-lasting and beneficial to the people of Aberdeen without requiring ongoing financial support from the public purse.

All groups participating in twin city activities are encouraged to develop sustainable relationships with their partner groups. Links between most of the twin cities of Aberdeen are active, and links which have not recently been engaged have been contacted to reestablish communications. . It is important that all visits and projects through twinning are long-standing and fruitful to ensure their benefit to the local people of Aberdeen, to establish and promote positively the overseas image of Aberdeen and for best practice to be shared between cities.

## 5. BACKGROUND/MAIN ISSUES

### i **Contribution towards the participation of Grampian Police Pipe Band in the 'Fête de la Rosière', 25<sup>th</sup>-28<sup>th</sup> May 2012, in Clermont-Ferrand.**

Clermont Ferrand issued a letter of invitation to Aberdeen City Council seeking the participation of an Aberdeen based pipe band in their popular 'Fête de la Rosière' from the 26<sup>th</sup>-27<sup>th</sup> May 2012. Clermont-Ferrand has a population of around 140,000 people and is situated in the Auvergne region which has a total regional population of around 1.3 million people. The 'Fête de la Rosière' was established in 1886 and is a well-known and popular event in Clermont-Ferrand and the Auvergne region, drawing large crowds of audiences from both the city of Clermont-Ferrand and the surrounding areas.

Clermont-Ferrand specifically requested the participation of the Grampian Police Pipe Band as there is an established relationship that saw the band participate in the 'Fête de Montferrand' previously.

The Grampian Police Pipe Band compete at Grade 1 and are excellent ambassadors for the region and the piping tradition, competing regularly at national and international competitions.

The Grampian Police Pipe Band are available to participate in the 'Fête de la Rosière' and would welcome the opportunity to strengthen relationships with our international twinning partners showcasing Aberdeen's local talent and demonstrating our music, heritage and

culture. The band would undertake a number of performances adding to the programme of entertainment provided by Clermont Ferrand across the weekend.

Through their participation, Grampian Police Pipe Band will also promote Aberdeen as an attractive visitor destination and reach an international audience through our traditional music and national dress.

A maximum of 12 representatives from the Grampian Police Pipe Band will participate in the 'Fête de la Rosière', including pipers, drummers, and the Drum Major.

On the band's return to Aberdeen they will be required to produce a report outlining details of their visit, benefit of their participation in Clermont-Ferrand and to what extent they showcased Aberdeen and Scottish culture and traditions in the 'Fête de la Rosière'. They will also be asked to outline what impact the twinning visit had on the band and what plans they have to continue relationships with Clermont-Ferrand to ensure that the twinning link is fruitful. The International Partnerships Officer will also make contact with Clermont-Ferrand City Council for feedback on the Grampian Police Pipe Band's participation and their success in promoting Aberdeen and Scotland and for any spectator feedback on the event.

The application requests a total of £4,800 as assistance with meeting the cost of flights to and from Clermont-Ferrand. Clermont-Ferrand will be meeting all the costs associated with accommodation, meals and transport for Grampian Police Pipe Band while in Clermont Ferrand.

**ii Contribution towards the visit of a group of staff and pupils from Kincorth Academy to allow them to continue and build on their twin city partnership link with School 71, Gomel, 15<sup>th</sup>-24<sup>th</sup> June 2012.**

Kincorth Academy has a long-established link with School 71 in Gomel, but this link has been inactive since their last twinning project in 2009. A staff member from Kincorth Academy would like to re-activate the link with School 71 through the creation of a new joint twinning project.

The purpose of the visit and of the new project is to foster and promote the existing partnership through a Performing Arts Summer School. Previously, the aim of the partnership was to engage in active learning and teaching in each other's schools, however this was limited to individual lessons. This Performing Arts Summer School project has been designed to allow students and staff from Gomel to access native speakers delivering specialist teaching in visual arts, music and drama whilst still promoting lasting friendships and mutual understanding between the young people of the two cities.

The programme includes workshops with the Aberdeen city teachers delivering to a combined group of students from the two schools. The

focus of the project will be to perform a joint performance to an invited audience at the end of the week.

This workshop will allow Continued Professional Development for School 71 staff in active learning, the visual and performing arts and allow contemporary performance methods to be embedded within their curriculum.

The visit will involve the participation of 3 staff members from Kincorth Academy, two of which will not have been to Gomel before, and seven young people from S4-S6. Kincorth Academy stands to gain an International link in performing arts which is active, vibrant and ambitious. Already, Kincorth Academy is planning how to use their experience gained from Gomel to embed Belarusian culture, music and dance in their S1-S3 Curriculum for Excellence.

The partnership between Kincorth Academy and School 71 delivers long-term benefits to the individuals directly involved in the exchange programme as they gain perspectives into different cultures and ways of life, it develops communication skills between the young people, forging long-lasting friendships and it also develops art skills which is an important tool for later life as it encourages creative thinking. The partnership also benefits the local communities in both cities as they transfer their information and knowledge learnt during the project.

The application requests an amount of £3,110 towards the cost of flights, accommodation and visas for the group. The total cost of the visit comes to a total of £6,510 with £1,000 being raised through fund-raising events and the remaining £2,400 by the participants. Kincorth Academy has asked Gomel's permission for use of the facilities at School 71 during their visit. The school children in Gomel normally break for their summer holidays at the end of May. If Gomel allow Kincorth Academy to use the facilities of School 71 at no cost during the suggested dates of the visit this will be their contribution to lowering costs of the visit so alternative premises for the workshops are not required. Gomel City Council Education Department is backing the support of the visit between Kincorth Academy and School 71.

**iii Contribution towards the Civic Visit by the Mayors of Regensburg, Clermont-Ferrand and Gomel to Aberdeen to meet the Lord Provost, 21<sup>st</sup>-23<sup>rd</sup> March 2012.**

Prior to the current Lord Provost of Aberdeen vacating office on the 5<sup>th</sup> May 2012, the Mayors of Regensburg, Clermont Ferrand and Gomel will visit Aberdeen to review existing project commitments and discuss future joint working projects that will deliver mutual benefits to partner cities.

This visit provides an excellent opportunity for Aberdeen City Council to continue strengthening our twin city partnerships and to showcase the

exciting changes happening in our Aberdeen to the Mayors and representatives of the twin cities who are visiting.

The Mayors and a representative from their Council will visit Aberdeen from the 21<sup>st</sup>-23<sup>rd</sup> March and will undertake a programme of partner meetings and civic engagements as well as meeting previous twin partner project participants.

Based on existing relationship arrangements where the host city meets some of the costs associated with any twinning visits, estimates for accommodation and hospitality total £3,000.

## 6. IMPACT

The use of the International Twinning Budget to support international activity links closely to several of the Community Plan Challenges for example Learning; Arts, Heritage and Sport, Aberdeen's Image; Getting Involved; Being Informed and Leading the City. Many of the recommendations for projects in this report create a positive image of Aberdeen internationally and provide the local communities an opportunity to learn from others, to participate in a various, exciting events and to increase local pride in our city.

In the policy statement "Vibrant, Dynamic and Forward Looking", the Council sets out how it aims to make Aberdeen a better living place to live and work. Promoting and supporting international exchanges, involving various communities of interest and, contributes to this aim and to the actions of the Single Outcome Agreement. The outlined twinning projects also align with the cultural strategy vision as it allows for improved communication of cultural opportunities, helps with changing the perception of the city to develop a stronger cultural identity and to have increased levels of effective partnership working.

Aberdeen's twin city partnership initiatives:

- foster international understanding and friendship and an appreciation of cultural diversity
- provide Aberdeen's citizens with an awareness of, and insight into, international issues and perspectives and their impact on Aberdeen and Scotland
- promote the image and raise the profile of the city overseas; and
- provide a forum for the exchange of knowledge, expertise, skills, ideas and best practice in any given field

Opportunities for groups, communities and organisations to access twin city projects and exchanges and for possible sources of funding are advertised through the Council's website, press releases, school circulars where appropriate and the Aberdeen Council of Voluntary Organisations e-bulletin.



Human Rights, Equalities and Diversity: Aberdeen City Council has in place a range of statutory and discretionary plans, schemes and policies to promote equality. Officers endeavour to target groups and communities which have not previously had experience of international visits or exchanges, or which have been under-represented in twin city activities. Applicants complete an equal opportunities monitoring form as part of the application process.

7. BACKGROUND PAPERS

None

8. REPORT AUTHOR DETAILS

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## ABERDEEN CITY COUNCIL

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COMMITTEE:	Finance and Resources
DATE:	15 <sup>th</sup> March 2012
DIRECTOR:	Stewart Carruth
TITLE OF REPORT:	National Electricity & Gas Contracts for 2013 and 2014
REPORT NUMBER:	CG/12/017

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### 1. PURPOSE OF REPORT

This report seeks the approval of the Committee to allow for the signing of the Scottish Government's Agency Agreement in order for the Council to be party to the renewal process for the national electricity and gas contracts.

### 2. RECOMMENDATION(S)

It is recommended that the Committee approve:

- (i) the signing of an addendum to the Agency Agreement which will contractually commit the Council to entering into these renewed national electricity and gas contracts starting in 2013 and 2014 respectively.

### 3. FINANCIAL IMPLICATIONS

The overall cost for the supply of utilities to all Council sites, excluding housing, during 2010/2011 were £3.6 million for electricity and £3.5 million for gas. The costs incurred during the same period for street lighting, which is also part of the contract, was £1.6 million.

It should be noted that national contract only covers the payment for the electricity supplied. The Council has to pay transmission and distribution costs on top of this which constitutes approximately 17% of the overall cost. Although these ancillary costs are provided on a regulatory basis there is potential for them to increase above the rate of inflation.

Electricity and gas prices will be confirmed in 2013 and 2014 respectively after the tender process. Prices are expected to increase for the next few years. However the Distribution Use of System (DUoS) charges relating to street lighting have actually fallen because the

Council has moved from un-metered supply to half hourly passive supply in this area.

#### 4. OTHER IMPLICATIONS

If the Council were to conduct a competitive tendering exercise on their own it would incur significant staffing costs and also specialist advisory support would be required.

Further the economies of scale from such a collaborative joint exercise would be lost if the Council did not participate with the joint initiative and as such it is very likely that the end users would incur higher costs for the provision of these utilities.

#### 5. BACKGROUND/MAIN ISSUES

The Council is currently party to consortium contracts administered by the Scottish Governments Procurement and Commercial Directorate for the supply of both electricity and gas. The electricity contract comprises the supply to half hourly metered sites, non half hourly metered sites and un-metered supplies.

The existing electricity contract expires on 31 March 2013 and the gas contract expires on 31 March 2014.

There are currently 180 separate public bodies across Scotland participant to the national contracts accounting for 99% of all public sector volumes.

The re-tender process for the electricity contract is underway with responses being returned on 31 January 2012. Gas will be retendered during the third quarter of 2012. In preparation for commencement of the new electricity contract on 1 April 2013 (gas commences 1 April 2014) all public bodies wishing to participate in the new arrangements are required to formally agree to do so by 31 March 2012.

The renewed contracts depend on buying electricity and natural gas in advance. This forward commitment allows the Scottish Government to accurately identify the energy requirements for the public sector portfolio. Due to the buying strategy of the flexible contract ie price secured in advance of year of consumption it is necessary for the Scottish Government to have a forward commitment from public bodies one year in advance as well.

The UK electricity market in particular is dominated by 6 main suppliers all of whom have the capacity to manage the national contract. Whilst the UK market is amongst the most competitive in the world, the level of competition is not as strong as one would like and it is not anticipated that there will be any real variance in actual cost whoever the provider. New entrants are finding access to the market very

difficult and a number of market probes have been carried out by the regulators of the electricity and gas markets, OfGEM, in order to test and ensure that suppliers are not abusing their market positions.

The tender evaluation of these commodities will be centred on the cost models proposed, service delivery and quality, account management information, implementation capability which will be of prime importance should there be a change in provider and energy management and sustainability criteria. The sustainability criteria will give weighting to the incorporation of community benefits into the contract and what, if any, opportunities exist for tackling fuel poverty. A major focus of the re-tender will also be on increasing renewable generating capacity using the leverage of the contract.

Both the Scottish Government and the public bodies involved can terminate the agreement by providing 12 months notice. This period provides a realistic time frame both to determine exit arrangements and to put in place alternative contract arrangements.

6. IMPACT

The following outcomes derived from the SOA are relevant:

**National Outcome 14:** We reduce the local and global environmental impact of our consumption and production.

**Local outcome:** The impact of council activities on the environment is minimised, including a target of being carbon neutral overall by 2020 and a commitment that all new council developments will be carbon neutral. (VD&FL).

7. BACKGROUND PAPERS

N/A

8. REPORT AUTHOR DETAILS

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	15 March 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Corporate Mobile Telephony Contract
REPORT NUMBER:	CG/12/042

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### 1. PURPOSE OF REPORT

This report seeks the approval of the Committee to allow for an extension to the call-off contract under the existing framework agreement for mobile telecom devices with Vodafone.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- (i) Approve an extension to the call-off contract under the existing framework agreement for mobile telecom devices with Vodafone for a period of 28 months in order to secure savings of up to £150,000 pa.

### 3. FINANCIAL IMPLICATIONS

The current Council annual spend on Mobile Phones, Voice and Data devices, ranges from approximately £320,000 to £360,000. This annual spend consists of both line rental charges and voice/data tariffs. The costs are pro-rated from service revenue budgets and managed by the Council's ICT service through a central telecoms budget. By extending the contract with Vodafone, annual spend for financial year 2012/2013 could be reduced to deliver a saving of up to £150,000 through the migration of lines onto a new tariff. Under the new Vodafone "freedom tariff", for example, savings would be based upon all Council mobile calls, within the UK, being provided free of charge.

Spend variables include potential growth in the overall number of lines within the Council's mobile estate over the next two years and potential upgrades from Voice to Data devices. However, with current tight budgetary settlements the number of lines within the estate is unlikely to expand by any more than the 3% to 5% incurred within recent years.

#### 4. OTHER IMPLICATIONS

Any new lines initiated beyond the first four to five months of the proposed new contract period would incur new commitments that would remain part outstanding at the end of the 28 month period. This would have to be carefully managed so any outstanding liabilities would be limited at the point of re-tender.

Should the Vodafone "freedom tariff" be adopted then supporting arrangements would need to be put in place to bar any potential premium rate and International calls. Pricing for the Council's existing lines estate would be fixed during the proposed 28 month contract period.

Contract re-sign options from Vodafone are available on the existing national mobiles framework. No new terms and conditions are required.

#### 5. BACKGROUND/MAIN ISSUES

The Council's current Mobile Phones estate, both Voice and Data devices, are currently provided by Vodafone on the Office of Government Commerce (OGC) "Buying Solutions" Mobiles framework. The current mobiles framework contract is due to end on 1 July 2012 and be replaced by a newly tendered government framework agreement. Each public sector authority buying from the mobiles framework has the option to invite further competition from the suppliers that have been successful in winning a place on the framework. Direct award to one of the framework suppliers is also a compliant option where there is a valid supporting business case.

The Council's mobiles estate currently totals 3065 lines including Blackberry and ruggedized devices for craft operatives. Current lines are taken on a minimum two year industry standard commitment with major variations in both the start and end dates. Current lines are not "co-terminus" ie the contractual commitments end on different dates. At April 2012 one third of the Council's lines will still have variable commitment periods to run with Vodafone. The existing Council termination commitments to Vodafone currently total £187,000. This total comprises approximately 70% for outstanding line rental commitments and 30% for outstanding equipment credits.

Should the Council opt to run a further competition between the mobiles framework suppliers, within the first half of financial year 2012/2013, then total termination costs, similar to the above figure, would remain outstanding in the event of a full lines migration to a new mobiles supplier.

An alternative, more advantageous option, which the Council has the option of is to renew the full existing Council lines estate with Vodafone on a "co-terminus" contract arrangement, with all lines ending on a



single date in 28 months time. A future competitive process could then be scheduled to be undertaken and completed prior to the “co-terminus” end date. The minimum “co-terminus” contract available to the Council would be for a new 28 month period which would commence 1 April 2012 and complete mid 2014.

It is highly unlikely that any alternative supplier, on the national framework, would be able to offer a proposal that could compete with delivering an annual savings figure of up to £150,000 pa whilst also incurring outstanding charges of £187,000, when the overall annual costs are between £ 320,000 and £ 360,000.

This level of saving will not be available from Vodafone on any subsequent framework agreement within the next 28 months.

#### 6. IMPACT

The following outcome derived from the SOA is relevant:

**National Outcome 15:** Our public services are high quality, continually improving, efficient and responsive to local people’s needs.

Public – no anticipated interest from the public.

#### 7. BACKGROUND PAPERS

N/A

#### 8. REPORT AUTHOR DETAILS

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	15 March 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Condition and Suitability Programme 2012-2013
REPORT NUMBER:	EPI/12/059

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### 1. PURPOSE OF REPORT

This report advises on the provisional Condition and Suitability Programme that is included in the approved Non-Housing Capital Budget for 2012/13.

### 2. RECOMMENDATION(S)

1. The Committee approves the schemes listed in Appendix A.
2. Instruct appropriate officials to implement the detailed programme.
3. To delegate to the Head of Asset Management & Operations, in consultation with the Corporate Asset Group and the Convenor and Vice Convenor of this Committee, to amend the programme should priorities change due to unforeseen circumstances during the year.
4. Grant approval to appropriate officers to award contracts on receipt of a valid tender submission subject to necessary funding in the approved Non-Housing Capital Budget.

### 3. FINANCIAL IMPLICATIONS

Expenditure will be in accordance with the Council's approved Non-Housing Capital Budget for 2012 - 2013. The approved figure identified in the 2012-13 Capital Programme for the Condition & Suitability programme is £7.4m.

### 4. OTHER IMPLICATIONS

Certain works contained within the programme relate to Health & Safety, Fire Risk and DDA matters and are required to conform to statutory requirements. Although the works identified in this programme are based on the current information available, these elements require to remain flexible as inspections by Health & Safety and by the

Firemaster may require additional works to be carried out at short notice.

Some of the proposed works will require the obtaining of a Building Warrant or Planning Approval prior to commencing.

It should be noted that the proposed funding level for the C&S programme is not sufficient to address the backlog maintenance or all the suitability issues detailed in the Council's Property Asset Management Plan. It primarily focuses on wind & watertight works, Health & Safety works and mechanical/electrical issues. Even with this focus it will not be able to address all the higher category works identified within the condition surveys and it will be very difficult to improve suitability. In addition lower category works such as replacement of doors, replacement of fixtures/fittings or flooring are generally not considered for inclusion within the C&S programme. These may be more sensibly funded from devolved budgets within individual services e.g. DEM.

## 5. BACKGROUND/MAIN ISSUES

This report brings together, for members' approval, the proposed programme for the condition and suitability works on the Council's non-housing property stock. This programme was prepared utilising the detailed property information gathered as part of the development of the Property Asset Management Plan (as detailed below), and after discussions with all the relevant Services. It was approved by the Corporate Asset Group at its meeting on 22 February.

A Capital budget of £7,400,000 was approved at Full Council on 9 February to allow the continued condition and suitability work to be progressed. Large sections of the programme are specifically aimed at increasing the expected useful life of the buildings on which work is to be carried out. The proposed programme is contained in **Appendix A**.

The provisional programme for 2012/2013 will allow substitution of schemes should it not be possible to implement any of the schemes on the primary list, or should a statutory requirement arise. Potential projects for future programmes have been identified and could be brought forward in some instances. These projects are shown in **Appendix B**. It should be noted that it is not a definitive list of the capital spend required.

In addition to the major works contained in the overall programme, a sum of £250,000 has been identified for minor works. These works are primarily related to Health and Safety, Asbestos removal and DDA projects. This list requires to be flexible as works have to be carried out at short notice to address health and safety issues or to remove asbestos after it has been identified.

## Property Asset Management Plan

As part of the 2011 Property Asset Management Plan (PAMP) the following vision for property assets was stated:-

“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.”

In terms of Condition and Suitability this means that the aim is to have all assets in A or B Condition and A or B Suitability. The definitions of the gradings are contained in **Appendix C**. The Condition and Suitability programme clearly has an important role in supporting this vision and has been compiled accordingly.

Targets for improving the percentage of assets in satisfactory condition and reducing the backlog maintenance are also identified in the 2011 PAMP. This programme along with the rationalisation of our portfolio will provide the main tools for meeting these targets.

## Energy Management

The Condition and Suitability programme provides opportunities to reduce the Council's energy use and subsequent carbon emissions. Officials across Asset Management & Operations work closely to identify potential energy improvement works and these will be incorporated into individual projects where possible.

There are also opportunities to enhance these projects through the identification of additional funding such as CEEF (Central Energy Efficiency Fund). The assets listed also have CEEF funding tied into planned the Condition and Suitability work:-

- Aberdeen Grammar School - £180k from CEEF for heating replacement linked to replacement of the Building Energy Management system.
- Ashley Road School Nursery - £15k from CEEF for heating replacement linked to refurbishment.
- Central Library – £2k from CEEF for loft insulation linked to roof/ceiling works.

## Phased Works

The scale of works required for some assets, combined with budgetary restraints, makes it necessary for some works to be phased over a number of years. The 2011/12 programme saw the commencement of the following phased projects:-

- Aberdeen Grammar School – Windows

- Ashley Road School – Asbestos removal, heating replacement and external works
- Beach Leisure Centre – Replacement of Air Handling Units
- Scotstown Primary – Windows, asbestos removal and internal works

The 2012/13 programme seeks to commence the following phased projects:-

- Abbotswell Primary School – Windows, roofs and internal works
- Art Gallery – Roofs, ceilings (subject to consultation with EC&S)
- Beach Ballroom – Various work
- Town House – Roof works

## 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". This report may also be of interest to the public as it outlines the Council's capital spending on assets.

## 7. BACKGROUND PAPERS

Property Asset Management Plan Update 2011  
Property Asset Management Plan 2009

## 8. REPORT AUTHOR DETAILS

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Appendix A - Draft Programme 2012/13

Location	Property Type	Proposed Works	Notes
Abbotswell Primary School	School-Primary	Replace roofs and Lights.	Roofs in poorest condition will be replaced.
Abbotswell Primary School	School-Primary	Toilet refurbishment.	
Aberdeen Art Gallery	Museum	Phase 1 Roof and ceiling glazing works.	Subject to consultation with EC&S.
Aberdeen Art Gallery	Museum	Visitor toilet refurbishment.	
Aberdeen Grammar School	School-Secondary	Window replacements. Phase 2.	
Aberdeen Grammar School	School-Secondary	Replace fencing beside Denburn.	
Aberdeen Grammar School	School-Secondary	Building Energy Management System (BEMS) replacement.	Heating being replaced through CEEF at same time.
Adventure Aberdeen Office	Outdoor Centre	Boiler replacement.	Due to budgetary constraints this was not carried out as part of the recent refurbishment.
Altens Community Centre	Community Education Centre	Window replacement and roof repairs.	Asset is in C (poor) condition overall.
Ashley Road School	School-Primary	Repointing of external walls.	
Ashley Road School Nursery	School-Primary	Roof, roof drainage and window replacement.	These elements are either in C (poor) or D (bad) condition. Electric heating to be replaced with air source heat pump through CEEF.
Balnagask Golf Course Starters Box	Golf Course	Demolish and replace.	Asset is in C (poor) condition overall.
Bankhead Academy	School-Secondary	Demolition.	
Beach Ballroom	Leisure Facility	Phase 1 - Refurbish gents toilets and repoint South and West facing elevations.	Asset is in C (poor) condition overall.
Beach Leisure Centre	Sports Centre	Continuation of AHU replacement - Phase 2.	
Central Library	Library	Roof & ceiling works.	Potential to include loft insulation through CEEF.
Childrens Home Kingsfield	Childrens Home	Security Measures, lights, gates, DDA, access audit and other internal works.	Subject to consultation with SC&W.
Childrens Home Kingsfield	Childrens Home	Replace boiler and add heat emitters.	Subject to consultation with SC&W.
Craighill Primary	School-Primary	Demolition.	
Craigielea Childrens Centre	Childrens Home	Window replacement (Rear Extension).	Windows are in D (bad) condition.
Crematorium	Crematorium	Road and car parking	
Culter School	School-Primary	Repointing of external walls.	
Cummings Park Community Centre	Community Education Centre	Window replacement and surface drainage works.	Windows and surface drainage are in D (bad) condition.
David Welch Winter Gardens	Leisure Facility	Structural Repairs and replace aquarium roof.	
Deeside Family Centre	Family Centre	Refurbishment including window replacement.	Asset is in C (poor) condition overall.
Depot Westburn Park	Depot	Replacement Depot.	Asset is in D (bad) condition overall.
Duthie Park Workshops	Depot	Replacement Depot.	Asset is in C (poor) condition overall.

Appendix A - Draft Programme 2012/13

Location	Property Type	Proposed Works	Notes
Dyce Academy	School-Secondary	Heating/BEMS replacement.	
Dyce Academy	School-Secondary	Security Works.	
Dyce Community Centre	Community Education Centre	Windows and flat roof replacement. Extend heating system.	Asset is in C (poor) condition overall. Roof inspection required to assess extent of work.
Frederick St Training Centre	Office	Roof/wall issues to be resolved and works to ground floor.	
Harlaw Playing Fields Pavilion	Sports Pavilion	Perimeter fencing replacement.	
Hazlehead Academy	School-Secondary	Girls/Boys Toilet Refurbishment.	
Hazlehead Park Public Convenience	Public Convenience	Demolish and replace with APC.	Asset is in C (poor) condition overall.
Health & Safety Budget		Asbestos removal, fire risk assessment works and DDA works.	
Kincorth Academy	School-Secondary	BEMS replacement.	
Kincorth Sports Centre	Sports Centre	Replacement windows to original building and other external works including roof.	
Kingsford Primary School	School-Primary	Junior boy toilets upgrade.	
Kirkhill Primary School	School-Primary	Re-roof ASN Base.	
Kittybrewster School	School-Primary	Rewiring.	This is required for associated security works being carried out through revenue funding.
Memorials in City Centre		Stabilisation and H&S works.	
Public Convenience Demolitions	Public Conveniences	Demolish closed toilets and reinstate ground.	
Reserve Collection, Kittybrewster Depot	Depot	Roof replacement and associated M&E plant.	
Scotstown School	School-Primary	Window replacement and asbestos removal in Kitchen.	
Seaton Park Depot	Depot	Refurbish depot.	Asset is in C (poor) condition overall.
St Machar Academy	School-Secondary	Rewire (Part) and roof replacement.	
St Machar Academy Sports Pavilion	School-Secondary	Minor refurbishment including window replacement.	Asset is in C (poor) condition overall.
Stocket Parade Hostel	Group Home	Renew Emergency Lighting and Corridor Lighting.	
Sunnybank School	School-Primary	Refurbish staff toilets and create additional staff toilet.	
The Lemon Tree	Leisure Facility	New heating controls.	Not possible to control heat across building.
Town House	Office	Roof phase 1.	
Tullos School	School-Primary	Refurbish Staff & Pupil Toilets.	
West North Street Multi-storey Car Park	Car Park (Multi-storey)	Structural Repairs.	



Appendix A - Draft Programme 2012/13

Location	Property Type	Proposed Works	Notes
Woodside School	School-Primary	Repoint walls and replace nursery roof.	

Appendix B - Future Condition and Suitability Works

Location	Property Type	Proposed Works	Notes
Abbotswell Primary School	School-Primary	Window replacement.	Windows are in D (bad) condition.
Aberdeen Art Gallery	Museum	Phase 2 - Roofs and ceiling glazing.	
Beach Ballroom	Leisure Facility	Phase 2 - Potential demolition of Star Ballroom and installation of passenger lift. Replace dumb waiter. Refurbish ladies toilet and install disabled toilet. Replacement of life expired flat roofs.	Asset is in C (poor) condition overall. Need to establish if demolition can be funded through Capital.
Beach Leisure Centre	Sports Centre	Continuation of AHU replacement Phase 3.	
Bramble Brae Primary School	School-Primary	Replacement windows	Windows are in D (bad) condition.
Bridge Of Don Academy	School-Secondary	Replacement of windows, external doors, corridor lighting, Building Energy Management System (BEMS) and ventilation.	
Building & Works Depot Mansefield Place	Depot	Refurbishment and energy improvements.	
Cornhill Primary School	School-Primary	Repoint walls and replace external doors in poor condition.	
Cove Library	Library	Issue with windows to be resolved.	
Cowdray Hall	Hall	Works to roof, windows, mechanical and electrical plant.	Asset is in C (poor) condition overall.
Culter School	School-Primary	Boiler Replacement (Oil) and install solar water heating.	
Culter School	School-Primary	Toilet refurbishment.	
Cults Primary School	School-Primary	Roof replacement and work to ceilings.	
Cults Primary School	School-Primary	Boiler Replacement (Oil) - Ground source heat pump and solar water heating.	
Bucksburn Roads Depot	Depot	Staff facilities upgrade.	
Depot St Peter's Cemetery	Depot	Refurbishment.	Asset is in C (poor) condition overall.
Fernielea Primary School	School-Primary	Replace roofs and windows.	Windows are in D condition and the roof in C condition.
Fernielea Primary School	School-Primary	Toilet refurbishment.	
Forehill School	School-Primary	Heating replacement and re-render external walls.	
Harlaw Academy	School-Secondary	Replacement of roofs, windows, BEMS and external doors.	

Appendix B - Future Condition and Suitability Works

Location	Property Type	Proposed Works	Notes
Hazlehead Academy	School-Secondary	Replaces roofs and external doors. Works to external walls also required.	
Hazlehead Depot	Depot	Refurbishment.	Asset is in C (poor) condition overall. Work subject to Depots review.
Hazlehead Pets Corner	Leisure Facility	Refurbish/rebuild poor condition buildings.	Asset is in C (poor) condition overall.
Hazlehead Swimming Pool	Swimming Pool	Replacement of roofs, external doors and windows.	Asset is in C (poor) condition overall.
Hillylands Centre	Community Education Centre	Conversion to community centre.	Subject to discussions with EC&S.
Kincorth Academy	School-Secondary	Replace roofs, windows and external doors. Works to external walls also required.	
Kirkhill Primary School	School-Primary	Various External Works.	
Mastrick Community Centre	Community Education Centre	Window replacements.	Windows are in D (bad) condition.
Middleton Park Primary School	School-Primary	Heating replacement.	
Milltimber Primary School	School-Primary	DDA works and toilet refurbishment.	
Muirfield School	School-Primary	Replace roof, windows and toilet refurbishment. Works to external walls also required.	
Northfield Academy	School-Secondary	BEMS replacement.	
Oldmachar Academy	School-Secondary	Replacement of external doors, heating (BEMS) and ventilation plant.	
Powis Terrace Workshops	Workshop	Demolition.	Very poor condition and H&S risk. Held for Road Improvements. Need to establish if demolition can be funded through Capital and is appropriate at this time.
Public Convenience Skene Street	Public Convenience	Demolish and replace with APC.	Asset is in C (poor) condition overall.
Rosehill House	Day Centre-Learning Disabilities	Window replacements.	Windows are in D (bad) condition.
Rosemount Community Centre	Community Education Centre	Various External Works.	Asset is in C (poor) condition overall.
Ruthrieston Outdoor Sports Centre	Outdoor Sports Facility	Refurbishment.	
St Machar Academy	School-Secondary	Replace roofs, windows and external doors. Works to external walls also required.	
St Machar Academy	School-Secondary	BEMS replacement.	
St Peter's R.C. Primary School	School-Primary	Roof replacement and works to external walls.	

Appendix B - Future Condition and Suitability Works

Location	Property Type	Proposed Works	Notes
Stoneywood Primary School	School-Primary	Window and external door replacements.	
The Music Hall	Leisure Facility	Installation of heating controls.	
Torry Academy	School-Secondary	BEMS replacement.	
Torry Nursery School	Community Education Centre	Demolition.	
Town House	Office	Roof phase 2.	
Town House	Office	Refurbishment of Town House Accommodation.	
Victoria Road School	School-Primary	Demolition.	
Westburn House		Structural stability/ H&S works.	

**Condition**

A: Good - performing well and operating efficiently

B: Satisfactory - performing adequately but showing minor deterioration

C: Poor - showing major problems and/or not operating adequately

D: Bad - life expired and/or serious risk of imminent failure

**Suitability**

A: Good - performing well and operating efficiently. The buildings support the delivery of the service and are considered suitable for use now and in the future.

B: Satisfactory - performing well but with minor issues. The buildings generally support the delivery of services and would be considered suitable. There is room for improvement in certain areas but the property is fundamentally okay.

C: Poor - showing major problems and/or not operating optimally. The buildings impede the delivery of services and would not be considered suitable.

D: Bad - does not support the delivery of services at all. The buildings seriously impede the delivery of services and would definitely not be considered suitable.

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## ABERDEEN CITY COUNCIL

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COMMITTEE Finance and Resources

DATE 15 March 2012

DIRECTOR Pete Leonard

TITLE OF REPORT Housing and Related Consultancy Services

REPORT NUMBER: H&E/12/021

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### 1. PURPOSE OF REPORT

The purpose of this report is to seek approval for the Director of Housing and Environment to tender for the appointment of a consultant to provide the range of services outlined in this report.

This report is coming before the Finance and Resources committee as a decision on the recommendations is required before the next available Housing and Environment committee on 22 May 2012.

### 2. RECOMMENDATION(S)

It is recommended that the committee approve the recommendation to tender for the four year consultancy service detailed within this report

### 3. FINANCIAL IMPLICATIONS

The Housing Revenue Account 2012/13-2014/15 budget papers approved by Council on 9 February 2012 contained a proposed budget of £55,000 each year over the period of the budget for General Consultancy Services.

It is anticipated that there should be sufficient funding within this budget heading to cover the first three years of the proposed Consultancy Service contract. Funding for the final year of the contract will be built in to the 2015/16 financial year as and when this requires to be considered for approval by Council.

### 4. OTHER IMPLICATIONS

The Housing Investment and Regeneration Service has recently completed a revision of the Council's 30 year HRA Business Plan to ensure its fundability going forward. This identified certain streams of work such as rent restructuring, specialist multi storey asset management planning, and repairs budgeting which the Service is progressing with currently. It also identified the training needs for staff in business plan modeling

The capacity to deliver these work streams essential to the continual success of the 30 year plan is enhanced by the Service's capacity to call upon consultancy services if required as appointed through the agreed procurement route of the Council.

## 5. BACKGROUND/MAIN ISSUES

The Director of Housing and Environment requires the assistance of an external consultant for a four year period, commencing in 2012, to deliver the Council's strategies and business plans for its housing needs and other related services. It is anticipated that the successful Consultancy will be required to ensure the Council delivers on its targets whilst working to an agreed Housing Business Plan which is financed principally through the Housing Revenue Account (HRA),

The extent of the proposed consultancy service to be tendered for is:

### **To provide Housing Strategy consultancy services for Aberdeen City Council**

These include providing services modelling of the current 30 year Housing Revenue Account (HRA) business plan, developing strategies and policies to deliver the 30 year business plan, and providing annual reporting mechanisms to monitor the business plan. Examples of this may include helping the Council deliver Local Housing Strategies (LHS), and Sheltered Housing Strategies

### **To provide Housing Development consultancy services for Aberdeen City Council**

These include providing services modelling of affordable housing opportunities, including exploring funding and delivery models, and development vehicles. Examples of this may include helping the Council deliver social and affordable Council Housing opportunities, Housing Association opportunities, shared equity, mid market rent or other affordable housing opportunities

### **To provide Housing Asset Management consultancy services for Aberdeen City Council**

These include providing an Asset Management plan for all Council housing stock determined by type. It will also include delivering an Asset Management plan for all 59 No. multi storey housing blocks.

### **To provide Housing Financial consultancy services for Aberdeen City Council**

These include providing financial modelling, business plan reviews, assessment of financial systems, and other related financial services as determined for Housing related matters for the Council. Examples of this may



include delivering regular training and business plan modelling sessions for staff of the Housing services of the Council.

### **To provide Building Services and Construction consultancy services for Aberdeen City Council**

These include providing the financial profiling of the repairs and development businesses within the Housing service of the Council as related to the Housing Revenue Account Business Plan, asset management, strategic management and other such related disciplines for these businesses.

It is therefore proposed that the committee approve the recommendation to tender for the consultancy services detailed above.

#### **6. IMPACT**

The tendered contract will operate within the Council's overall financial constraints taking into account recommended accounting practice and policies. This will be delivered specifically to meet the requirements of the Single Outcome Agreement which indicates that there is a need to enhance the quality of housing and environment for individuals and the community. Furthermore within the Council's Vibrant Dynamic and Forward Looking policy document there is a commitment to increase the speed of the modernisation programme and adherence to the Scottish Housing Quality Standard. The capacity to use a Consultancy Service if required to ensure the HRA 30 year plan delivers on these standards is critical to the Service moving forward.

#### **7. BACKGROUND PAPERS**

Report on the Draft Housing Revenue and Housing Capital Budget 2012/13 to 2014/15 submitted to the Council Budget Meeting of 9 February 2012

#### **8. REPORT AUTHOR DETAILS**

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	15 March 2012
DIRECTOR	Pete Leonard
TITLE OF REPORT	Structural and Heating upgrades at Brimmond, Grampian and Morven Courts in Torry
REPORT NUMBER:	H&E/12/022

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### 1. PURPOSE OF REPORT

The purpose of this report is to:

- a) seek approval to carry out over cladding, window replacement and heating upgrade works at Brimmond, Morven and Grampian Courts in Torry.
- b) obtain approval to enter into an Installation Agreement with Aberdeen Heat & Power (AH&P) covering the capital costs and specifications of a gas-fired, heat-only, district heating system, to be installed by 30<sup>th</sup> September 2013.
- c) obtain approval to enter into a long-term Maintenance Agreement with AH&P covering the gas-fired, heat-only, district heating system, thereby enabling AH&P to provide a secure maintenance arrangements, not only for our tenants but also for the seven owners in these three blocks.

### 2. RECOMMENDATION(S)

That the committee approve:

- a) that a procurement process for over cladding and window replacement works at at Brimmond, Morven and Grampian Courts is undertaken at an estimated expenditure of £(see appendix).
- b) that AH&P are awarded the contract to Install a district heating system for the above blocks at an estimated expenditure of £1, 002, 048.
- c) that AH&P are awarded a long-term Maintenance Agreement in respect of the district heating system at an estimated expenditure of £8112 per annum.

### 3. FINANCIAL IMPLICATIONS

The Council has secured a Community Energy Savings Programme (CESP) grant, from SSE Energy Supply Ltd, of £1.5 million, towards the cost of “fitting external solid wall insulation and a new district heating systems and heating controls to all domestic premises at Morven, Brimmond and Grampian Courts”. A condition of this grant is that the works have to be completed by 30 September 2013. Aberdeen City Council would be required to fund the indicative cost of the project, estimated to be in the region of £(see appendix). It is estimated that the works in question should be completed by the deadline of 30 September 2012. If the deadline is not achieved however and some, or all, of the budget is not awarded then the Housing Capital Expenditure budget will have to absorb the remaining cost. If this situation arose then a report on the matter will be submitted to the Housing and Environment committee by the Director of Housing and Environment.

A Feasibility Study has been completed by AH&P’s CHP Engineer to provide costings for a gas-fired, heat-only, district heating scheme to provide heating and hot water to the flats at Morven, Brimmond, and Grampian Courts. The total cost of the heating is assessed as being £1,002,048, based on AH&P’s current contract prices. There is the potential in Torry to extend the district heating network in future to include other Council owned housing and public buildings, so the costed design includes provision for these three multi storey blocks to be linked into an expanded CHP district heating scheme in future at no additional cost.

The indicative cost of the external solid wall insulation, window replacement and new district heating system and heating controls will be split over two financial years. These costs have already been factored in to the Housing Capital Expenditure budget 2012/13 and indicative Housing Capital Expenditure budget for 2013/14 already presented to the Council’s budget meeting on 9 February 2012.

### 4. OTHER IMPLICATIONS

The Housing Capital Programme provides the catalyst to deliver many of the objectives in the Housing Business Plan. Failure to adequately maintain and improve the Council’s housing stock may lead to the Council breaching Health & Safety regulations, poorer housing conditions in Aberdeen, and resulting in lower demand. Failure to deliver an effective programme will lead to tenant dissatisfaction.

There will be an involvement for the Head of Legal and Democratic Services in connection with proposals to enter in to both an installation agreement with Aberdeen Heat and Power covering the capital costs and specifications of a gas-fired, heat-only, district heating system and a long-term Maintenance Agreement covering the gas-fired, heat-only, district heating system.

## 5. BACKGROUND/MAIN ISSUES

### **Installation of proposed district heating system for Brimmond, Grampian and Morven Courts**

The current heating system in these 156 flats consists of old, inefficient, electric storage heaters. Water is also heated electrically. A high proportion of residents of these three blocks are currently in fuel poverty. Heating and hot water in Morven, Brimmond, and Grampian Courts could be provided in a more flexible, efficient and economic way through the provision of a new communal heating system, fed by gas fired communal boilers. Such a heating system would lift the majority of the residents out of fuel poverty.

As Brimmond Court is a sheltered housing scheme these tenants currently pay for their electric heating and hot water through Heat with Rent. With a communal gas heating system to all three blocks the Council would purchase the gas through our existing gas contract, and the tenants of all three blocks would benefit from paying for their heating and hot water through Heat with Rent.

To deliver the installation of this heating system the Council would enter into an agreement with AH&P. AH&P and the Council already work in a partnership which has so far delivered combined heat and power district heating (CHP) to 22 multi storey blocks that are grouped into clusters at Stockethill, Hazlehead and Seaton, and, heat-only communal gas heating to 3 single multi storey blocks at Ashgrove Court, Mastrick Land and Denburn Court. This has proved to be a successful partnership with AHP designing, planning and installing the heating systems. In addition AHP work with local contractors, ensuring that they are properly trained to install gas communal and CHP systems. Within flats the installation of a gas fired communal heating system is the same as that of a CHP system. This arrangement will allow AH&P to use one of these local contractors to carry out the work at Morven, Brimmond, and Grampian Courts, therefore, ensuring continuity of work for local companies.

AH&P was set up by the Council in 2002 to develop and manage district heating schemes, in particular CHP schemes linked to clusters of multi-storey blocks and adjacent public buildings. AH&P is a not-for-profit company limited by guarantee. It has a board of unpaid Directors and an external CHP consultant who carries out design, procurement and project management. A Framework Agreement is in place between the Council and AH&P and, before each development begins, project specific agreements are drawn up detailing what is to be developed, capital costs, heat charges and maintenance arrangements. An underlying principle of any development by AH&P to provide heating to Council owned property is that AH&P's procurement is in line with the public procurement policy.

For each CHP scheme the Council enters into a Heat Supply and a Maintenance Agreement with AH&P: for heat-only schemes the Council purchases the gas direct and so there is no need for a Heat Supply Agreement. There is, however, still a benefit from the Council entering into a Maintenance Agreement with AH&P for gas-fired, heat-only communal schemes which include any sold flats. Any communal heating scheme needs to be maintained as a whole. A problem such as a lack of heating in one flat could be caused by a problem in the plant room, rather than actually in the flat that is displaying the problem. As such it is a pre-requisite that one company is responsible for the maintenance across the whole of the communal heating system, including all the flats. AH&P will provide a comprehensive maintenance arrangement to the Council for its flats for £1 per week.

Currently no other maintenance contractor offers a maintenance agreement to owners in blocks of flats with communal heating systems. To be sure the Council achieves best value from a long-term maintenance arrangement with AH&P for the gas-fired, heat-only district heating schemes it is proposed that AH&P's annual charge is compared against similar contracts, whenever maintenance contracts are awarded for domestic heating systems.

The owners of the seven sold flats in these three blocks would be charged for the equipment installed within their own flats, the cost of which would be £2,900 per flat. It is recognised that some or all of these owners may not be able to afford this capital outlay; however, they will be able to access a loan through the Aberdeen Affordable Warmth Scheme, managed by Care & Repair, to cover the full cost of the installation. Repayment of such a loan would be set at a level that enables each owner to repay out of the savings they make on their fuel bills, so none of the owners will be unable to afford to have the new efficient heating.

It should be noted that any resident, either tenant or owner, can choose not to have the new heating system fitted in their home. It is unlikely that large numbers of residents will refuse the heating installation works, however, if this was to occur then the Director of Housing and Environment would have to reconsider the viability of the heating works and report back to the Housing and Environment committee on the matter.

### **Over cladding of Brimmond, Grampian and Morven Courts**

The proposed over cladding of these blocks would increase the energy efficiency of hard to heat homes in one of the city's most vulnerable areas. Whilst there is no indication that these blocks suffer the persistent and extensive water penetration that is present in the Seaton multi storey stock, the over cladding would ensure that these blocks remain structurally sound for the next 30 years or so and would, in conjunction with the provision of district heating, reduce the impact of fuel poverty to the residents of the block.

In addition to the over cladding works it is also proposed to replace the windows through out the block. Recent investigations in to the condition of the windows in the block have found that there are widespread problems with draughts and that a number of windows suffer from penetrating damp to their heads. In addition window ironmongery and frames in individual flats and at some communal windows require comprehensive replacement.

Further, if the over cladding took place without the replacement of the windows it is likely the opening mechanism of some windows would be fouled by the over cladding. There is also a significant risk that over cladding would be damaged when windows are inevitably replaced in the future. This could cause the over cladding to be come ineffective. It is therefore proposed that the existing windows should be replaced at the time of the over cladding works.

As has been stated previously in the report the Council would qualify for a CESP grant of £1.5 million if the over cladding work is completed by September 2013. It is proposed that a portion of the grant would be used to cover the cost of the above works for the seven owners in these blocks. This would amount to approximately £(see appendix) per owner, or £(see appendix) in total.

Early consultation with the residents on these proposals has been undertaken by the Director of Housing and Environment and the residents are supportive of the proposals, including the heating upgrade, on the basis that grant funding was available to cover owners' costs. It is also proposed to meet with residents again in late March or early April to discuss the scope of works and costs further.

As all of the proposed works are considered to be an improvement and not a repair then consent from all owners in Morven and Grampian Courts will be required to allow the Council to carry out the necessary works in the communal areas of these blocks. This would cover the over cladding and the installation of pipework to connect each flat to the heating system. If this consent is not given by every owner in a block then that block cannot be included in the project. If this were to occur then the Director of Housing and Environment would then have to consider the future of this project. Such consent would require to be gained before the letting of any contract is undertaken.

A process to secure consent from the owners will be undertaken in the coming weeks, following full consultation with the Head of Legal and Democratic Services on the wording of the documentation.

This will be similar to the exercise which has been undertaken at three multi storey blocks in the Seaton area where works of this nature commenced in January of this year.

## 6. IMPACT

The City Council will operate within overall financial constraints taking into account recommended accounting practice and policies.

The contracts let under the aims to treat every tenant equally on the basis that replacement programmes are determined by the life cycle costing and prioritising on the basis of stock condition and sustainability of the estates.

Specifically within the Single Outcome Agreement there is a need to enhance the quality of housing and environment for individuals and the community. Furthermore within the Council's Vibrant Dynamic and Forward Looking policy document there is a commitment to increase the speed of the modernisation programme and adherence to the Scottish Housing Quality Standard.

## 7. BACKGROUND PAPERS

Report on the Draft Housing Revenue and Housing Capital Budget 2012/13 to 2014/15 submitted to the Council Budget Meeting of 9 February 2012

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