

ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 9 February 2012

MINUTES OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost Peter Stephen, Chairperson;  
Councillor Bill Cormie, the Depute Provost; and

COUNCILLORS

GEORGE ADAM  
YVONNE ALLAN  
MARIE BOULTON  
NORMAN COLLIE  
NEIL COONEY  
JOHN CORALL  
IRENE CORMACK  
BARNEY CROCKETT  
KATHERINE DEAN  
ALAN DONNELLY  
JACQUELINE DUNBAR  
JAMES FARQUHARSON  
NEIL FLETCHER  
GORDON GRAHAM  
MARTIN GREIG  
JAMES HUNTER  
LEONARD IRONSIDE  
MURIEL JAFFREY  
JAMES KIDDIE  
JENNIFER LAING  
GORDON LESLIE

NEIL MacGREGOR  
CALLUM McCAIG  
MARK McDONALD MSP  
AILEEN MALONE  
ANDREW MAY  
ALAN MILNE  
JAMES NOBLE  
GEORGE PENNY  
JOHN REYNOLDS  
RICHARD ROBERTSON  
JENNIFER STEWART  
JOHN STEWART  
KEVIN STEWART MSP  
WENDY STUART  
GORDON TOWNSON  
JOHN WEST  
KIRSTY WEST  
JILLIAN WISELY  
WILLIAM YOUNG  
and  
IAN YUILL

Lord Provost Peter Stephen, in the Chair;

**The agenda and reports associated with this minute can be found at:-**  
<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MId=2291&Ver=4>

## **DETERMINATION OF URGENT AND EXEMPT BUSINESS**

1. The Council was requested to determine that the following items of business be considered as matters of urgency in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973:-

6. Prudential Indicators - Report by Director of Corporate Governance
7. Local Authority Trading Company - Report by Director of Social Care and Wellbeing

The Council was also requested to determine that the following item of business, which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973, be taken in private:-

7. Local Authority Trading Company - Report by Director of Social Care and Wellbeing

### **The Council resolved:-**

- (i) in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, to agree that items 6 and 7 were matters of urgency and required to be considered this day (Articles 7 and 8 of this minute refer); and
- (ii) in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 7 (Article 8 of this minute refers) so as to avoid disclosure of exempt information of the class described in paragraph 11 of Schedule 7(A) of the Act.

## **DRAFT HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL BUDGET 2012/13 TO 2013/14 - CG/12/011**

2. The Council had before it a joint report by the Director of Corporate Governance and the Director of Housing and Environment which provided members with information to allow the setting of the rent level for the financial year 2012/13 as well as provisional rent levels for the financial years 2013/14 and 2014/15, explaining that this would allow a capital programme for 2012/13 to be set as well as a provisional programme for 2013/14 and 2014/15.

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

that the Council -

- (a) consider and determine any adjustments it may wish to make to the draft 2012/13 HRA and thereby:-
- (b) determine the average weekly unrebated rents for municipal houses to take effect from Monday 2<sup>nd</sup> April 2012 taking into consideration the Scottish Housing Quality Standard Delivery Plan, the Council House New Build Programme, the outcomes of the 2002 Tenants Referendum and the annual rent consultation;
- (c) determine the level of revenue contribution to the Housing Capital budget for 2012/13 as well as a provisional contribution for the subsequent two financial years;
- (d) determine the level of working balances that should be retained to meet future contingencies;
- (e) determine the level of miscellaneous rents and service charges, including heat with rent;
- (f) agree other adjustments it may wish to make to the draft HRA for the financial years 2012/13 to 2014/15; and

- (g) set a capital programme for the financial year 2012/13 based on the rent strategy adopted as well as an indicative level of programme for the financial years 2013/14 and 2014/15.

Councillor Malone addressed the meeting in the manner reproduced in Appendix A to this minute and moved, seconded by Councillor Dunbar:-

That the Council:-

- (a) agree an increase of 4.4%, or £2.87 per week, for unrebated rents for municipal houses to take effect from Monday 2<sup>nd</sup> April 2012 taking into consideration the Scottish Housing Quality Standard Delivery Plan, the Council House New Build Programme and the annual rent consultation;
- (b) approve, for 2012/13, £16.8million by way of a revenue contribution to the Housing Capital budget;
- (c) approve the level of miscellaneous rents and service charges, including heat with rent, as set out in Appendix 1 to the report;
- (d) instruct the Head of Finance to maintain working balances at 5% of gross spend or £3.9million;
- (e) set a capital programme for the financial year 2012/13 based on the rent strategy above of £47million before slippage; and
- (f) set an indicative rent increase for 2013/14 and 2014/15 of 4.4% to ensure the long term financial viability of the HRA with an annual review period.

Councillor Donnelly moved as an amendment, seconded by Councillor Leslie:-

That the Council:-

- (a) agree an increase of 7.8%, or £5.09 per week, for unrebated rents for municipal houses to take effect from Monday 2<sup>nd</sup> April 2012 taking into consideration the Scottish Housing Quality Standard Delivery Plan, the Council House New Build Programme, the outcomes of the 2002 Tenants Referendum and the annual rent consultation;
- (b) approve, for 2012/13, £18.2million by way of a revenue contribution to the Housing Capital budget;
- (c) approve the level of miscellaneous rents and service charges, including heat with rent, as set out in Appendix 1 to the report;
- (d) instruct the Head of Finance to maintain working balances at 5% of gross spend or £3.9million;
- (e) set a capital programme for the financial year 2012/13 based on the rent strategy above of £47million before slippage and £13million for new Council housing; and
- (f) set an indicative rent increase for 2013/14 and 2014/15 of 4.5% to ensure the long term financial viability of the HRA.

Councillor Cooney moved as a further amendment, seconded by Councillor Allan:-

That the Council:-

- (a) agree an increase of 4%, or £2.61 per week, for unrebated rents for municipal houses to take effect from Monday 2<sup>nd</sup> April 2012 taking into consideration the Scottish Housing Quality Standard Delivery Plan, the Council House New Build Programme, the outcomes of the 2002 Tenants Referendum and the annual rent consultation;
- (b) approve, for 2012/13, £16.5million by way of a revenue contribution to the Housing Capital budget and £400,000 from working balances;
- (c) approve the level of miscellaneous rents and service charges, including heat with rent, as set out in Appendix 1 to the report;
- (d) instruct the Head of Finance to maintain working balances at 5% of gross spend or £3.9million;
- (e) set a capital programme for the financial year 2012/13 based on the rent strategy above of £47million before slippage; and

- (f) set an indicative rent increase for 2013/14 and 2014/15 of 4.4% to ensure the long term financial viability of the HRA.

Housing Revenue Account		P5				
		Budget 2011/12	Out-turn 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15
		£000's	£000's	£000's	£000's	£000's
				6.30%	4.40%	4.00%
<b>Premises Costs</b>						
1	Rates	3	3	3	3	3
2	Rent	128	128	135	135	135
3	Repairs and Maintenance	23,531	24,454	23,264	23,264	23,264
4	Maintenance of Grounds	2,560	2,560	2,560	2,560	2,560
5	Gas	710	710	714	714	714
6	Electricity	2,310	2,310	2,361	2,361	2,361
7	Cleaning Service	520	520	476	476	476
8	Security Service	444	444	444	444	444
9	Window Cleaning	18	19	19	19	19
10	Refuse Collection	150	240	240	240	240
11	Cleaning - Sheltered Housing	475	475	475	475	475
12	Premises Insurance	71	56	56	56	56
13	Other Property Costs - Council Tax	72	115	115	115	115
		<b>30,991</b>	<b>32,034</b>	<b>30,862</b>	<b>30,862</b>	<b>30,862</b>
<b>Administration Costs</b>						
14	Tenants Incentive Scheme	78	78	52	52	52
15	Legal Expenses	340	222	222	222	222
16	Office Tel / Rent	88	88	88	88	88
17	Former Tenants Arrears Charges - Services Admin &	1,379	1,379	1,379	1,379	1,379
18	Management.	8,804	8,110	8,556	8,556	8,556
19	General Consultancy	55	55	55	55	55
20	Training for Front Line Staff	100	100	100	100	100
21	Benefits Staff	94	94	94	94	94
22	Charges - Tenants Participation	238	238	288	288	288
23	Charges for Property/Technical	0	0	0	0	0
24	Charges for Environmental Health	226	213	213	213	213
		<b>11,402</b>	<b>10,577</b>	<b>11,047</b>	<b>11,047</b>	<b>11,047</b>
<b>Supplies &amp; Services</b>						
25	Provision of Meals	218	177	177	177	177
26	Equipment Purchase	55	55	55	55	55
27	Television Licence	5	5	5	5	5
28	Integrated Housing System	384	384	338	338	338
		<b>662</b>	<b>621</b>	<b>575</b>	<b>575</b>	<b>575</b>
<b>Agencies</b>						
29	Mediation Service	98	98	98	98	98
30	Provision of furniture	0	0	0	0	0
31	Energy Advice	81	81	81	81	81
32	Citizens Advice Bureau	14	14	14	14	14
33	Disabled Persons Housing Service	38	38	38	38	38
		<b>231</b>	<b>231</b>	<b>231</b>	<b>231</b>	<b>231</b>
<b>Transfer Payments</b>						
34	Aberdeen Families Project	400	400	400	400	400
35	Loss of Rent - Council Houses	651	722	722	722	722
36	Loss of Rent - Garages, Parking etc	160	154	154	154	154
37	Loss of Rent - Modernisation Works	50	82	87	87	87

38	Supporting People Contribution	406	406	406	406	406
39	CFCR	13,828	15,796	18,151	16,814	16,532
		<b>15,495</b>	<b>17,560</b>	<b>19,920</b>	<b>18,583</b>	<b>18,301</b>
<b>Capital Financing Costs</b>						
40	Loans Fund Instalment	3,560	3,276	4,408	4,408	4,408
41	Loans Fund Interest	12,429	9,713	11,151	11,151	11,151
42	Heating Leasing Payment	131	131	131	131	131
		<b>16,120</b>	<b>13,120</b>	<b>15,690</b>	<b>15,690</b>	<b>15,690</b>
	<b>Expense Total</b>	<b>74,901</b>	<b>74,142</b>	<b>78,325</b>	<b>76,988</b>	<b>76,706</b>
<b>Income</b>						
43	Government Grant - General	(310)	(310)	(420)	(420)	(420)
44	Ground Rentals	(25)	(25)	(25)	(25)	(25)
45	Dwelling Houses Rent Income	(71,159)	(70,375)	(74,476)	(73,139)	(72,857)
46	Housing - Heat with Rent Income	(1,233)	(1,252)	(1,252)	(1,252)	(1,252)
47	Housing - Garages Rent Income	(1,029)	(1,018)	(1,018)	(1,018)	(1,018)
48	Housing - Parking Spaces Rent	(173)	(167)	(167)	(167)	(167)
49	Housing - Insurance Income	(36)	(36)	(8)	(8)	(8)
50	Housing - Other Service Charge	(495)	(515)	(515)	(515)	(515)
51	Legal Expenses	(360)	(323)	(323)	(323)	(323)
52	Revenue Balance Interest	(81)	(121)	(121)	(121)	(121)
	<b>Income Total</b>	<b>(74,901)</b>	<b>(74,142)</b>	<b>(78,325)</b>	<b>(76,988)</b>	<b>(76,706)</b>
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

On a division between the amendment by Councillor Donnelly and the amendment by Councillor Cooney, there voted:-

For the amendment by Councillor Donnelly (2) - Councillors Donnelly and Leslie.

For the amendment by Councillor Cooney (27) - Depute Provost Cormie; and Councillors Adam, Allan, Blackman, Boulton, Collie, Cooney, Corall, Crockett, Dunbar, Farquharson, Graham, Greig, Hunter, Ironside, Jaffrey, Kiddie, Laing, MacGregor, McCaig, May, Milne, Noble, Reynolds, Wendy Stuart, Townson and West.

Decline to vote (9) - Lord Provost Peter Stephen; and Councillors Cormack, Fletcher, Malone, Penny, Robertson, Jennifer Stewart, John Stewart and Yuill.

On a division between the motion and the amendment by Councillor Cooney, there voted:-

For the motion (28) - Lord Provost Peter Stephen; Depute Provost Cormie; and Councillors Blackman, Boulton, Corall, Cormack, Donnelly, Dunbar, Farquharson, Fletcher, Greig, Jaffrey, Kiddie, MacGregor, McCaig, Malone, May, Milne, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Wendy Stuart, Townson, West and Yuill.

For the amendment by Councillor Cooney (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter, Ironside and Laing.

Declined to vote (1) - Councillor Leslie.

**The Council resolved:-**  
to adopt the motion.

### **NORTH EAST SCOTLAND PENSION FUND (NESPF) 2012/13 - CG/12/012**

3. The Council had before it a report by the Director of Corporate Governance which provided details of the budget included in the 2012/13 General Fund budget relating to the NESPF, the cost of which was based on the Council's statutory obligation to administer the scheme and was met by the NESPF.

**The report recommended:-**  
that the Council -

- (a) note the provision contained within the Council's General Fund budget for 2012/13; and
- (b) instruct the Head of Finance to recover the actual cost from the NESPF.

**The Council resolved:-**

- (i) to approve the recommendations; and
- (ii) to thank Joanne Hope, former Pensions Manager who had now left the Council, for her excellent service, and to wish her well in her future endeavours.

### **COMMON GOOD BUDGET 2012/13 TO 2014/15 - CG/12/013**

4. The Council had before it a report by the Director of Corporate Governance which presented the draft Common Good budget for 2012/13.

**The report recommended:-**  
that the Council -

- (a) approve the Common Good budget for 2012/13 as detailed in Appendix 1 to the report;
- (b) consider the item referred to the budget process in Appendix 3 to the report;
- (c) instruct the Head of Finance to undertake a review of the level of cash balances that should be retained for a long term financial strategy, and report back to Council at an appropriate time; and
- (d) instruct the Head of Finance to report back to Council on a proposed five year budget, taking account of the cash balance strategy to be adopted.

**The Council resolved:-**

- (i) to approve an additional £50,000 for appropriate community events to celebrate the Queen's Diamond Jubilee;
- (ii) to instruct officers to report on the re-instatement of the Crematorium bus service;
- (iii) to approve £25,000 in grant funding to sports clubs for young people to purchase small items of sports equipment; and
- (iv) to otherwise approve the recommendations.

### **GENERAL FUND - DRAFT REVENUE AND NON HOUSING CAPITAL BUDGET - CG/12/015 AND CG/12/014**

5. The Council had before it (1) a report by the Director of Corporate Governance which provided members with information to allow the setting of Council Tax levels for the financial year 2012/13 as well as provisional Council Tax levels for the financial years 2013/14 and 2014/15, explaining that this would allow a capital programme for

2012/13 to be set as well as a provisional programme for future years; and (2) a further report by the Director of Corporate Governance which set out, for approval, a proposed three year funded capital programme (and revenue financed projects) which could be accommodated within the 2012/13 - 2014/15 budget process.

**The General Fund Revenue Budget report recommended:-**

that the Council -

- (a) approve the budget as at Appendix 1 to the report;
- (b) agree to the budget amendments set out in Appendix 2 to the report;
- (c) note the position with reserves and provisions in Appendix 3 to the report;
- (d) approve the Council's 5 Year Business Plan contained within Appendix 4 to the report;
- (e) note the Priority Based Budget savings approved at Council on 14<sup>th</sup> December 2011 as at Appendix 5 to the report (and summarised in Appendix 6 to the report);
- (f) agree the recommendation by the Head of Finance to retain working balances of 2.5% or approximately £11million;
- (g) freeze Council Tax levels for the financial year 2012/13 at 2011/12 levels; and
- (h) agree to the terms set out in the letter at Appendix 7 to the report from the Cabinet Secretary for Finance, Employment and Sustainable Growth.

**The Non Housing Capital Programme report recommended:-**

that the Council -

- (a) approve the three year proposed funded capital programme contained within the report (and revenue financed projects) which could be accommodated within the 2012/13 - 2014/15 budget process; and
- (b) instruct officers to submit a report to a suitable meeting of Council on the alternative funding sources identified within the report with a full options appraisal of each stream, noting that it was likely that such an appraisal would also look at a combination of these sources as funding mechanisms going forward.

Councillor McCaig moved, seconded by Councillor Noble:-

That the Council -

- (a) approve the budget as at Appendix 1 below;
- (b) agree to the budget amendments set out in Appendix 2 below;
- (c) agree the recommendation by the Head of Finance to retain working balances of 2.5% or approximately £11million;
- (d) freeze Council Tax levels for the financial year 2012/13 at 2011/12 levels;
- (e) agree to the terms set out in Appendix 7 to the report;
- (f) approve the 5 Year Business Plan attached as Appendix 4 to the report subject to the above amendments;
- (g) instruct the Director of Corporate Governance to prepare a report for the Finance and Resources Committee on 15<sup>th</sup> March 2012 detailing the progress to date on the Corporate Governance Alternative Delivery Model and whether this scheme should be progressed;
- (h) instruct officers to enter into discussions with Sport Aberdeen and the local community over the management of Tullos Pool; and
- (i) approve the capital programme as at Appendix 3 below.

## Appendix 1

### **SNP General Fund Revenue Budget 5 Year Position**

<b>Service</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>
Corporate Governance	27,832	26,886	26,893	26,722	27,017
Social Care and Wellbeing	118,824	121,054	122,844	124,713	128,764
Education, Culture and Sport	171,795	172,637	172,062	173,593	175,357
Housing and Environment	38,771	39,313	36,033	33,051	33,136
Enterprise, Planning and Infrastructure	52,067	47,065	47,111	47,526	49,388
Office of Chief Executive	1,084	784	787	791	793
Council Expenses	2,140	2,150	2,166	2,187	2,209
Miscellaneous Services	14,098	21,425	25,488	29,998	32,548
Joint Boards	35,587	35,587	35,943	36,302	36,665
<b>Net Cost of Service</b>	<b>462,198</b>	<b>466,901</b>	<b>469,327</b>	<b>474,883</b>	<b>485,877</b>
<b>Funding</b>					
General Revenue Grant	(175,237)	(165,100)	(150,711)	(150,711)	(150,711)
Non Domestic Rates	(164,576)	(177,084)	(193,738)	(193,738)	(193,738)
New 85% Floor	(3,008)	(1,854)	(2,054)	(2,054)	(2,054)
Assumed Settlement Position	0	0	0	(3,500)	(7,000)
Teachers Induction Scheme Grant	(968)	(991)	(1,069)	(1,070)	(1,070)
Council Tax	(107,711)	(108,192)	(108,672)	(111,335)	(111,624)
Trading Services Surplus	(8,100)	(8,600)	(9,000)	(9,500)	(9,750)
<b>Funding</b>	<b>(459,600)</b>	<b>(461,821)</b>	<b>(465,244)</b>	<b>(471,908)</b>	<b>(475,947)</b>
<b>Budget (Surplus)/Deficit</b>	<b>2,598</b>	<b>5,080</b>	<b>4,083</b>	<b>2,975</b>	<b>9,930</b>
Council Approved Service Options	(2,598)	(2,435)	(2,426)	(2,418)	293
<b>Current (Surplus)/Deficit</b>	<b>(0)</b>	<b>2,645</b>	<b>1,657</b>	<b>557</b>	<b>10,223</b>
<b><u>SNP Adjustments</u></b>					
Tullos Pool	220	330	330	330	330
3rd Don Crossing	0	228	664	927	981
Review administration of Kinship Payments	(50)	(50)	(50)	(50)	(50)
Housing Support Budget 2% Reduction	(50)	(50)	(50)	(50)	(50)
Business Parking Payments (Increase to £500)	(100)	(100)	(100)	(100)	(100)
Increased Vacancy Factor	(520)	(520)	(520)	(520)	(520)
DEM Investment*	500	500	400	0	0
	0	338	674	537	591
Revised Position	(0)	2,983	2,331	1,094	10,814
<b><u>Financed By:</u></b>					
Use of Provisions (LATS)	0				
Contribution from Reserves	0				
<b>(Surplus)/Deficit For Year</b>	<b>(0)</b>	<b>2,983</b>	<b>2,331</b>	<b>1,094</b>	<b>10,814</b>
<b><u>Movement on Reserves</u></b>					
Projected Reserves at 31/3/12	(13,283)				
In Year Use of Reserves	0				
Reserves Available	(13,283)				



Minimum Balances Required	11,330
<b>Surplus On Reserves Held</b>	<b>(1,953)</b>

**For Information**

*DEM Included	500	1,000	1,500	1,900	1,900
- Revised DEM Profile	1,000	1,500	1,900	1,900	1,900

**Appendix 2**

**Analysis of Movement 2011/12 to 2012/13**

**Service** **£'000**

Corporate Governance

Staff increments	193
Increased Vacancy Factor	(468)
Scotland Excel Contract Payment	132
Housing Benefits	707
PBB 1 Service Options	(732)

Social Care and Wellbeing

Staff increments	1,844
Increased Vacancy Factor	(583)
Demand Pressures due to change in demographics (note all elderly demand pressures contained by reablement option)	370
Cost Pressures (0.5% increase commissioned services)	970
PBB 1 Service Options	(5,417)
Reinstatement of part of £4M budget removed 11/12 (net)	1,051

Education, Culture and Sport

Staff Increments	1,066
Increased Vacancy Factor	(221)
Unitary Charge	850
Demand pressure due to change in demographics	200
Grants for Community Centres	300
PBB 1 Service Options	(2,620)
DEM Re-instatement	500

Housing and Environment

Staff Increments	464
Increased Vacancy Factor	(189)
PBB 1 Service Options	(2,638)
Care Co-ordinators	365
Waste Landfill Tax & Contract Payments	659
One Year Reduction in LATS provision	(975)

Enterprise, Planning and Infrastructure

Staff Increments (£330k absorbed)	0
Increased Vacancy Factor	(363)
PBB 1 Service Options	(946)
Energy and Fuel	750
Other	363
Marischal College	729
Roads Demand (£200 absorbed)	213
Flood Risk Management	210

Appendix 3

Project Description	2011/12 Carry Forward	Proposed Budget 2012/13	Proposed Budget 2013/14	Proposed Budget 2014/15
	£'000	£'000	£'000	£'000
<b>Projects Continued from 11/12</b>				
Western Peripheral Route (Net)*	0	4,100	1,000	600
3 <sup>rd</sup> Don Crossing	0	430	7,010	6,400
Tullos Pool	0	871	100	0
NESTRANS – Capital Grant	0	960	882	1,295
Ness Landfill Restoration	0	4,000	0	0
Hill of Tramaud Landfill – Change of Law Costs	500	500	0	0
Corporate Office Accommodation	0	1,000	0	0
<b>Carry forward - legally committed</b>				
Land Acquisition Contingency	550	650	0	0
3R's Furniture, Fittings & Equipment	50	50	0	0
Data Centre Move	223	223	0	0
Integrated Drugs Service	650	650	0	0
Duthie Park & Winter Gardens Replacement Greenhouses	4	4	0	0
<b>New Projects</b>				
Marchburn House	0	912	0	0
Raeden Centre	0	771	5,722	6,393
Victoria House	0	1,271	1,272	0
Hydrogen Buses	0	400	400	400
City Broadband	0	1,000	1,000	0
School Estate Strategy (Riverbank/Newhills/Bucksburn)	0	250	1,000	tbc
<b>Rolling Programmes</b>				
Police – Capital Grant	790	1,497	651	954
ICT Rolling Programme	0	0	0	0
Corp Property Condition & Suitability Programme	0	7,400	7,400	7,400
Planned Renewal & Replacement of Roads Infrastructure	0	3,748	3,768	3,659
Cycling Walking Safer Streets Grant	0	252	232	341
Private Sector Housing Grant	0	1,121	1,032	1,512
	<b>2,767</b>	<b>32,060</b>	<b>31,469</b>	<b>28,954</b>

Councillor John Stewart moved as an amendment, seconded by Councillor Robertson:-

That the Council -

- (a) approve the budget as at Appendix 1 below;
- (b) agree to the budget amendments as set out in Appendix 2 below;
- (c) agree the recommendation by the Head of Finance to retain working balances of 2.5% or approximately £11million;
- (d) freeze Council tax levels for the financial year 2012/13 at 2011/12 levels;
- (e) agree to the terms set out in Appendix 7 to the report;
- (f) approve the 5 Year Business Plan attached as Appendix 4 to the report subject to the above amendments; and
- (g) approve the capital programme as at Appendix 3 below.

## Appendix 1

### Liberal Democrats General Fund Revenue Budget 5 Year

#### Position

	2012/13	2013/14	2014/15	2015/16	2016/17
Service	£'000	£'000	£'000	£'000	£'000
Corporate Governance	27,832	26,886	26,893	26,722	27,017
Social Care and Wellbeing	118,824	121,054	122,844	124,713	128,764
Education, Culture and Sport	171,795	172,637	172,062	173,593	175,357
Housing and Environment	38,771	39,313	36,033	33,051	33,136
Enterprise, Planning and Infrastructure	52,067	47,065	47,111	47,526	49,388
Office of Chief Executive	1,084	784	787	791	793
Council Expenses	2,140	2,150	2,166	2,187	2,209
Miscellaneous Services	14,098	21,425	25,488	29,998	32,548
Joint Boards	35,587	35,587	35,943	36,302	36,665
<b>Net Cost of Service</b>	<b>462,198</b>	<b>466,901</b>	<b>469,327</b>	<b>474,883</b>	<b>485,877</b>

#### **Funding**

General Revenue Grant	(175,237)	(165,100)	(150,711)	(150,711)	(150,711)
Non Domestic Rates	(164,576)	(177,084)	(193,738)	(193,738)	(193,738)
New 85% Floor	(3,008)	(1,854)	(2,054)	(2,054)	(2,054)
Assumed Settlement Position	0	0	0	(3,500)	(7,000)
Teachers Induction Scheme Grant	(968)	(991)	(1,069)	(1,070)	(1,070)
Council Tax	(107,711)	(108,192)	(108,672)	(111,335)	(111,624)
Trading Services Surplus	(8,100)	(8,600)	(9,000)	(9,500)	(9,750)
<b>Funding</b>	<b>(459,600)</b>	<b>(461,821)</b>	<b>(465,244)</b>	<b>(471,908)</b>	<b>(475,947)</b>

#### **Budget (Surplus)/Deficit**

<b>2,598</b>	<b>5,080</b>	<b>4,083</b>	<b>2,975</b>	<b>9,930</b>
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#### Council Approved Service Options

(2,598)	(2,435)	(2,426)	(2,418)	293
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#### **Current (Surplus)/Deficit**

<b>(0)</b>	<b>2,645</b>	<b>1,657</b>	<b>557</b>	<b>10,223</b>
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#### Liberal Democrats Adjustments

Additional Spend on Roads Repairs	1,000	0	0	0	0
3rd Don Crossing	0	228	664	927	981
Review administration of Kinship Payments	(50)	(50)	(50)	(50)	(50)
Housing Support Budget 2% Reduction	(50)	(50)	(50)	(50)	(50)
Business Parking Payments (Increase to £500)	(100)	(100)	(100)	(100)	(100)
Increased Vacancy Factor	(520)	(520)	(520)	(520)	(520)
DEM Investment*	750	500	400	0	0
	1,030	8	344	207	261

#### Revised Position

1,030	2,653	2,001	764	10,484
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#### **Financed By:**

Use of Provisions (LATS)	0
Contribution from Reserves	(1,030)

#### **(Surplus)/Deficit For Year**

<b>(0)</b>	<b>2,653</b>	<b>2,001</b>	<b>764</b>	<b>10,484</b>
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#### **Movement on Reserves**

Projected Reserves at 31/3/12	(13,283)
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In Year Use of Reserves	1,030
Reserves Available	(12,253)
Minimum Balances Required	11,330
<b>Surplus On Reserves Held</b>	<b>(923)</b>

**For Information**

*DEM Included	500	1,000	1,500	1,900	1,900
- Revised DEM Profile	1,250	1,500	1,900	1,900	1,900

**Appendix 2**

**Analysis of Movement 2011/12 to 2012/13**

**Service** **£'000**

Corporate Governance

Staff increments	193
Increased Vacancy Factor	(468)
Scotland Excel Contract Payment	132
Housing Benefits	707
PBB 1 Service Options	(732)

Social Care and Wellbeing

Staff increments	1,844
Increased Vacancy Factor	(583)
Demand Pressures due to change in demographics (note all elderly demand pressures contained by reablement option)	370
Cost Pressures (0.5% increase commissioned services)	970
PBB 1 Service Options	(5,417)
Reinstatement of part of £4M budget removed 11/12 (net)	1,051

Education, Culture and Sport

Staff Increments	1,066
Increased Vacancy Factor	(221)
Unitary Charge	850
Demand pressure due to change in demographics	200
Grants for Community Centres	300
PBB 1 Service Options	(2,620)
DEM Re-instatement	500

Housing and Environment

Staff Increments	464
Increased Vacancy Factor	(189)
PBB 1 Service Options	(2,638)
Care Co-ordinators	365
Waste Landfill Tax & Contract Payments	659
One Year Reduction in LATS provision	(975)

Enterprise, Planning and Infrastructure

Staff Increments (£330k absorbed)	0
Increased Vacancy Factor	(363)
PBB 1 Service Options	(946)
Energy and Fuel	750
Other	363
Marischal College	729
Roads Demand (£200 absorbed)	213
Flood Risk Management	210

Appendix 3

Project Description	2011/12 Carry Forward	Proposed Budget 2012/13	Proposed Budget 2013/14	Proposed Budget 2014/15
	£'000	£'000	£'000	£'000
<b>Projects Continued from 11/12</b>				
Western Peripheral Route (Net)*	0	4,100	1,000	600
3 <sup>rd</sup> Don Crossing	0	430	7,010	6,400
NESTRANS – Capital Grant	0	960	882	1,295
Ness Landfill Restoration	0	4,000	0	0
Hill of Tramaud Landfill – Change of Law Costs	500	500	0	0
Corporate Office Accommodation	0	1,000	0	0
<b>Carry forward - legally committed</b>				
Land Acquisition Contingency	550	650	0	0
3R's Furniture, Fittings & Equipment	50	50	0	0
Data Centre Move	223	223	0	0
Integrated Drugs Service	650	650	0	0
Duthie Park & Winter Gardens Replacement Greenhouses	4	4	0	0
<b>New Projects</b>				
Marchburn House	0	912	0	0
Raeden Centre	0	771	5,722	6,393
Victoria House	0	1,271	1,272	0
Hydrogen Buses	0	400	400	400
City Broadband	0	1,000	1,000	0
School Estate Strategy (Riverbank/Newhills/Bucksburn)	0	250	1,000	tbc
<b>Rolling Programmes</b>				
Police – Capital Grant	790	1,497	651	954
ICT Rolling Programme	0	0	0	0
Corp Property Condition & Suitability Programme	0	7,400	7,400	7,400
Planned Renewal & Replacement of Roads Infrastructure	0	3,748	3,768	3,659
Cycling Walking Safer Streets Grant	0	252	232	341
Private Sector Housing Grant	0	1,121	1,032	1,512
	<b>2,767</b>	<b>31,189</b>	<b>31,369</b>	<b>28,954</b>

Councillor Boulton moved as a second amendment, seconded by Councillor Farquharson:-

That the Council -

- (a) approve the budget as at Appendix 1 below;
- (b) agree to the budget amendments as at Appendix 2 below;
- (c) agree to the amended Priority Based Budgeting savings in Appendix 3 below;
- (d) agree the recommendation by the Head of Finance to retain working balances of 2.5% or approximately £11million;
- (e) freeze Council Tax levels for the financial year 2012/13 at 2011/12 levels;
- (f) agree to the terms set out in Appendix 7 to the report; and

- (g) approve the 5 Year Business Plan attached as Appendix 4 to the report subject to the above amendments.

## Appendix 1

<u>Independent Alliance Proposed General Fund Revenue Budget</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
<u>Service</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate Governance	27,832	26,886	26,893	26,722	27,017
Social Care and Wellbeing	118,824	121,054	122,844	124,713	128,764
Education, Culture and Sport	171,795	172,637	172,062	173,593	175,357
Housing and Environment	38,771	39,313	36,033	33,051	33,136
Enterprise, Planning and Infrastructure	52,067	47,065	47,111	47,526	49,388
Office of Chief Executive	1,084	784	787	791	793
Council Expenses	2,140	2,150	2,166	2,187	2,209
Miscellaneous Services	14,098	21,425	25,488	29,998	32,548
Joint Boards	35,587	35,587	35,943	36,302	36,665
<b>Net Cost of Service</b>	<b>462,198</b>	<b>466,901</b>	<b>469,327</b>	<b>474,883</b>	<b>485,877</b>
<b>Funding</b>					
General Revenue Grant	(178,245)	(166,954)	(152,765)	(156,265)	(159,765)
Non Domestic Rates	(164,576)	(177,084)	(193,738)	(193,738)	(193,738)
Council Tax	(107,711)	(108,192)	(108,672)	(111,335)	(111,624)
Trading Services/Other Grants	(9,068)	(9,591)	(10,069)	(10,570)	(10,820)
<b>Funding</b>	<b>(459,600)</b>	<b>(461,821)</b>	<b>(465,244)</b>	<b>(471,908)</b>	<b>(475,947)</b>
December '11 Council Decisions	(2,598)	(2,435)	(2,426)	(2,418)	293
Council Approved Service Options (Appendix 3)	(349)	(2,006)	(2,379)	(2,379)	(2,379)
<b>Current (Surplus)/Deficit</b>	<b>(349)</b>	<b>639</b>	<b>(722)</b>	<b>(1,822)</b>	<b>7,844</b>
<b>Independent Alliance Group Investment Adjustments</b>					
Licensing standards officer	38	38	38	38	38
Building enforcement officer	44	44	44	44	44
<b>Revised Independent Alliance Group Position</b>	<b>(267)</b>	<b>721</b>	<b>(640)</b>	<b>(1,740)</b>	<b>7,926</b>
<b>Financed By:</b>					
Use of Provisions (LATS)	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0
<b>(Surplus)/Deficit For Year</b>	<b>(267)</b>	<b>721</b>	<b>(640)</b>	<b>(1,740)</b>	<b>7,926</b>
<b>Movement on Reserves</b>					
Projected Reserves at 31/3/12	(13,283)	(13,282)	(13,281)	(13,280)	(13,279)
In Year Use of Reserves	(267)	721	(640)	(1,740)	7,926
Reserves Available	(13,550)	(12,561)	(13,921)	(15,020)	(5,353)
Minimum Balances Required	11,263	11,306	11,379	11,533	11,628
<b>Surplus On Reserves Held</b>	<b>(2,287)</b>	<b>(1,255)</b>	<b>(2,542)</b>	<b>(3,487)</b>	<b>6,275</b>

## Appendix 2

### Analysis of Movement 2011/12 to 2012/13

<b>Service</b>	<b>£'000</b>
<u>Corporate Governance</u>	
Staff increments	193
Increased Vacancy Factor	(468)
Scotland Excel Contract Payment	132
Housing Benefits	707
PBB 1 Service Options	(732)
<u>Social Care and Wellbeing</u>	
Staff increments	1,844
Increased Vacancy Factor	(583)
Demand Pressures due to change in demographics (note all elderly demand pressures contained by reablement option)	370
Cost Pressures (0.5% increase commissioned services)	970
PBB 1 Service Options	(5,417)
Reinstatement of part of £4M budget removed 11/12 (net)	1,051
<u>Education, Culture and Sport</u>	
Staff Increments	1,066
Increased Vacancy Factor	(221)
Unitary Charge	850
Demand pressure due to change in demographics	200
Grants for Community Centres	300
PBB 1 Service Options	(2,620)
DEM Re-instatement	500
<u>Housing and Environment</u>	
Staff Increments	464
Increased Vacancy Factor	(189)
PBB 1 Service Options	(2,638)
Care Co-ordinators	365
Waste Landfill Tax & Contract Payments	659
One Year Reduction in LATS provision	(975)
<u>Enterprise, Planning and Infrastructure</u>	
Staff Increments (£330k absorbed)	0
Increased Vacancy Factor	(363)
PBB 1 Service Options	(946)
Energy and Fuel	750
Other	363
Marischal College	729
Roads Demand (£200k absorbed)	213
Flood Risk Management	210
<u>Office of Chief Executive</u>	
Staff Increments	4
Local Elections	300

## Appendix 3

### Independent Alliance Group Service Option Amendments

		Net Costs/Savings 2012/13 £'000 Yr 1	Net Costs/Savings 2013/14 £'000 Yr 2	Net Costs/Savings 2014/15 £'000 Yr 3	Net Costs/Savings 2015/2016 £'000 Yr 4	Net Costs/Savings 2016/17 £'000 Yr 5
<b>Social Care &amp; Wellbeing</b>						
SCW32	Review/Cap Kinship Payments	(50)	(50)	(50)	(50)	(50)
SCW31	Review Social Work charging policy (REPLACES SCW_LT25 AND SCW_SD6)	(50)	(50)	(50)	(50)	(50)
<b>Education, Culture &amp; Sport</b>						
ECS_E9a	Review Secondary school estate	(147)	(1,619)	(1,992)	(1,992)	(1,992)
ECS_E8d	Increase class sizes in Primary school - P1 classes become 25	(66)	(440)	(440)	(440)	(440)
ECS_EC29a	Primary School Estate Review	0	0	0	0	0
<b>Housing &amp; Environment</b>						
HE_ES_PT06	Close all Public Toilets and replace with Community Toilet scheme (except Fittie and beach promenade)	(122)	(122)	(122)	(122)	(122)
HE_HCS_CS05n	Remove funding contribution for non-HRA activity within ASBIT (Anti-Social Behaviour)	(25)	(25)	(25)	(25)	(25)
<b>Corporate</b>						
ACC_SO25	Salary Sacrifice Scheme	(40)	(40)	(40)	(40)	(40)
<b>Environment, Planning &amp; Infrastructure</b>						
NEW	Review Funding Arrangements with ACSEF and Aberdeenshire	(110)	(110)	(110)	(110)	(110)
EPI_AMO11b	Tactically Dispose of Selected Property	261	450	450	450	450
		(349)	(2,006)	(2,379)	(2,379)	(2,379)



Councillor Crockett moved as a third amendment, seconded by Councillor Graham:-

That the Council -

- (a) approve the budget as at Appendix 1 below;
- (b) agree to the budget amendments as at Appendix 2 below;
- (c) agree to the amended Priority Based Budgeting savings in Appendix 3 below;
- (d) agree the recommendation by the Head of Finance to retain working balances of 2.5% or approximately £11million;
- (e) freeze Council Tax levels for the financial year 2012/13 at 2011/12 levels;
- (f) agree to the terms set out in Appendix 7 to the report; and
- (g) approve the capital programme as at Appendix 4 below which excludes capital financing for the Third Don Crossing, and to approve the inclusion of Riverbank School at an estimated cost of £1.75million and Tullos Pool.

## Appendix 1

### **Labour Proposed General Fund Revenue Budget**

<b>Service</b>	<b>2012/13 £'000</b>
Corporate Governance	27,832
Social Care and Wellbeing	118,824
Education, Culture and Sport	171,795
Housing and Environment	38,771
Enterprise, Planning and Infrastructure	52,067
Office of Chief Executive	1,084
Council Expenses	2,140
Miscellaneous Services	14,098
Joint Boards	35,587
<b>Net Cost of Service</b>	<b>462,198</b>
<b>Funding</b>	
General Revenue Grant	(178,245)
Non Domestic Rates	(164,576)
Council Tax	(107,711)
Trading Services/Other Grants	(9,068)
<b>Funding</b>	<b>(459,600)</b>
December '11 Council Decisions	(2,598)
Council Approved Service Options (Appendix 3)	233
<b>Current (Surplus)/Deficit</b>	<b>233</b>
Labour Adjustments	<b>2,234</b>
<b>Revised Labour Position</b>	<b>2,467</b>
<b><u>Financed By:</u></b>	
Use of Provisions (LATS)	(1,850)
Contribution from Reserves	(617)

<b>(Surplus)/Deficit For Year</b>	<u>0</u>
<b><u>Movement on Reserves</u></b>	
Projected Reserves at 31/3/12	(13,283)
In Year Use of Reserves	<u>617</u>
Reserves Available	(12,666)
Minimum Balances Required	<u>11,325</u>
<b>Surplus On Reserves Held</b>	<b><u>(1,341)</u></b>

## Appendix 2

### **PROPOSED LABOUR INVESTMENT DECISIONS**

	<b>Net Costs/Savings 2012/13 £'000 Yr 1</b>
Crematorium Bus	25
Retain CG Employees Inhouse	782
Put back in school admin support budget that was taken out last year	385
Cost of free swimming for all school pupils in Aberdeen ( <b>NOTE:</b> this figure includes lost income and recruitment of 2 FTE lifeguards to cover anticipated additional numbers)	130
Impact Study to look at PSAs	25
2 trainee posts	60
Additional Roads Inspector	35
Resident parking permits (1st one at £40 i.e. reduction of £40)	340
Upgrade of Union Terrace Gardens	100
2 additional antisocial behaviour officers (salary of senior city warden)	82
Compliance Officer for upgrade of Union Street	50
Tullos Pool	220
	<u><b>2,234</b></u>

### **Analysis of Movement 2011/12 to 2012/13**

<b>Service</b>	<b>£'000</b>
<u>Corporate Governance</u>	
Staff increments	193
Increased Vacancy Factor	(468)

Scotland Excel Contract Payment	132
Housing Benefits	707
PBB 1 Service Options	(732)
<i><u>Social Care and Wellbeing</u></i>	
Staff increments	1,844
Increased Vacancy Factor	(583)
Demand Pressures due to change in demographics (note all elderly demand pressures contained by reablement option)	370
Cost Pressures (0.5% increase commissioned services)	970
PBB 1 Service Options	(5,417)
Reinstatement of part of £4M budget removed 11/12 (net)	1,051
<i><u>Education, Culture and Sport</u></i>	
Staff Increments	1,066
Increased Vacancy Factor	(221)
Unitary Charge	850
Demand pressure due to change in demographics	200
Grants for Community Centres	300
PBB 1 Service Options	(2,620)
DEM Re-instatement	500
<i><u>Housing and Environment</u></i>	
Staff Increments	464
Increased Vacancy Factor	(189)
PBB 1 Service Options	(2,638)
Care Co-ordinators	365
Waste Landfill Tax & Contract Payments	659
One Year Reduction in LATS provision	(975)
<i><u>Enterprise, Planning and Infrastructure</u></i>	
Staff Increments (£330k absorbed)	0
Increased Vacancy Factor	(363)
PBB 1 Service Options	(946)
Energy and Fuel	750
Other	363
Marischal College	729
Roads Demand (£200k absorbed)	213
Flood Risk Management	210
<i><u>Office of Chief Executive</u></i>	
Staff Increments	4
Local Elections	300

## Appendix 3

### Labour Groups Service Options Amendments

			<b>Net Costs/Savings</b>
			<b>2012/13</b>
			<b>£'000</b>
			<b>Yr 1</b>
	<b>No</b>		
<b>Education, Culture &amp; Sport</b>			
<b>Stop/Reduce Options</b>			
ECS_E34	48	Stop Curriculum for Excellence training in Modern Foreign Languages	(100)
<b>Housing &amp; Environment</b>			
<b>Stop/Reduce Options</b>			
HE_HCS_CS05o	33	Remove funding contribution for non-HRA activity within Aberdeen Families Project	(30)
HE_HCS_S04(iv)	45	Stop Occupational Therapist Dedicated Grant Post	(38)
HE_HCS H06	59	Reduce Homelessness Advice, Information & Support	(35)
HE_HCS H05	64	Reduce Homelessness Prevention	(10)
HE_HCS_S04(v)	65	Stop Funding top SCARF (Save Cash & Reduce Fuel) (managed by EP&I)	(16)
<b>Environment, Planning &amp; Infrastructure</b>			
<b>Efficiency Options</b>			
EPI_AMO28	19	Monitoring Officer to be partially funded from Developers Fund	(4)
			<hr/> <b>(233)</b> <hr/>

ABERDEEN CITY COUNCIL

Appendix 4

Project Description	2011/12 Carry Forward	Proposed Budget 2012/13	Proposed Budget 2013/14	Proposed Budget 2014/15
	£'000	£'000	£'000	£'000
<b>Projects Continued from 11/12</b>				
Western Peripheral Route (Net)*	0	4,100	1,000	600
Tulloch Pool	0	871	100	0
NESTRANS – Capital Grant	0	960	882	1,295
Ness Landfill Restoration	0	4,000	0	0
Hill of Tramaud Landfill – Change of Law Costs	500	500	0	0
Corporate Office Accommodation	0	1,000	0	0
<b>Carry forward - legally committed</b>				
Land Acquisition Contingency	550	650	0	0
3R's Furniture, Fittings & Equipment	50	50	0	0
Data Centre Move	223	223	0	0
Integrated Drugs Service	650	650	0	0
Duthie Park & Winter Gardens Replacement Greenhouses	4	4	0	0
<b>New Projects</b>				
Marchburn House	0	912	0	0
Raeden Centre	0	771	5,722	6,393
Victoria House	0	1,271	1,272	0
Hydrogen Buses	0	400	400	400
City Broadband	0	1,000	1,000	0
School Estate Strategy (Riverbank/Newhills/Bucksburn)	0	779	1,250	tbc
<b>Rolling Programmes</b>				
Police – Capital Grant	790	1,497	651	954
ICT Rolling Programme	0	0	0	0
Corp Property Condition & Suitability Programme	0	7,400	7,400	7,400
Planned Renewal & Replacement of Roads Infrastructure	0	3,748	3,768	3,659
Cycling Walking Safer Streets Grant	0	252	232	341
Private Sector Housing Grant	0	1,121	1,032	1,512
	<b>2,767</b>	<b>32,159</b>	<b>24,709</b>	<b>22,554</b>

On a division between the amendment by Councillor Boulton and the amendment by Councillor Crockett, there voted:-

For the amendment by Councillor Boulton (14) - Lord Provost Peter Stephen; and Councillors Boulton, Cormack, Farquharson, Fletcher, Greig, Malone, Milne, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart and Yuill.

For the amendment by Councillor Crockett (8) - Councillors Adam, Allan, Cooney, Crockett, Graham, Ironside, Jaffrey and Laing.

Declined to vote (15) - Depute Provost Cormie; and Councillors Blackman, Collie, Corall, Donnelly, Dunbar, Kiddie, Leslie, MacGregor, McCaig, May, Noble, Wendy Stuart, Townson and West.

Absent from the division (1) - Councillor Hunter.

On a division between the amendment by Councillor John Stewart and the amendment by Councillor Boulton, there voted:-

For the amendment by Councillor John Stewart (12) - Councillors Cormack, Donnelly, Fletcher, Greig, Leslie, Malone, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart and Yuill.

For the amendment by Councillor Boulton (3) - Councillors Boulton, Farquharson and Milne.

Declined to vote (22) - Lord Provost Peter Stephen; Depute Provost Cormie; and Councillors Adam, Allan, Blackman, Collie, Cooney, Corall, Crockett, Dunbar, Graham, Ironside, Jaffrey, Kiddie, Laing, MacGregor, McCaig, May, Noble, Wendy Stuart, Townson and West.

Absent from the division (1) - Councillor Hunter.

On a division between the motion and the amendment by Councillor John Stewart, there voted:-

For the motion (22) - Depute Provost Cormie; and Councillors Adam, Allan, Blackman, Collie, Cooney, Corall, Crockett, Donnelly, Dunbar, Graham, Ironside, Jaffrey, Kiddie, Laing, MacGregor, McCaig, May, Noble, Wendy Stuart, Townson and West.

For the amendment by Councillor John Stewart (15) - Lord Provost Peter Stephen; and Councillors Boulton, Cormack, Farquharson, Fletcher, Greig, Leslie, Malone, Milne, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart and Yuill.

Absent from the division (1) - Councillor Hunter.

**The Council resolved:-**  
to adopt the motion.

**Councillor Crockett stated, in respect of the foregoing decision, that the Labour Group had supported the motion but maintained their opposition to the Third Don Crossing, and requested that this be recorded in the minute.**

**ANNETTE BRUTON**

6. Councillor McCaig advised that this was Annette Bruton's last meeting as Director of Education, Culture and Sport before she left the Council to take up the post

of Chief Executive of the Care Inspectorate. Councillor McCaig thanked Annette for her excellent service to the Council during her two and a half years in post and wished her well in her new role. Councillor McCaig's comments were echoed by a number of other members.

**The Council resolved:-**

to concur with the remarks of Councillor McCaig.

**PRUDENTIAL INDICATORS 2012/13 TO 2014/15 - CG/12/016**

7. The Council had before it a report by the Director of Corporate Governance which provided information in relation to the Prudential Code indicators to be set for the financial years 2012/13 to 2014/15 as required by Part 7 of the Local Government (Scotland) Act.

**The report recommended:-**

that the Council -

- (a) consider the information contained within the report and set the Prudential indicators for the financial years 2012/13 to 2014/15, based on the approved budgets set to date as per Appendix 1 to the report; and
- (b) instruct the Head of Finance to monitor the indicators and report back to Council on the position where appropriate.

**The Council resolved:-**

to approve the recommendations based on the approved budgets set this day.

**In accordance with the decision recorded under Article 1 of this minute, the following item of business was considered with the press and public excluded.**

**LOCAL AUTHORITY TRADING COMPANY - BUSINESS CASE**

8. With reference to Article 16 of the minute of meeting of the Social Care and Wellbeing Committee of 2<sup>nd</sup> February 2012, the Council had before it, by way of remit, a report by the Director of Social Care and Wellbeing Committee which sought approval to proceed to the next stage of the project plan to implement a Local Authority Trading Company (LATC) to provide adult social care services.

**The report recommended:-**

- (a) that Social Care and Wellbeing proceed with implementation of the LATC in accordance with the timescales set out in the project plan;
- (b) that a review of progress is undertaken in April 2012 and reported to the Social Care and Wellbeing Committee; and
- (c) that a Transition Plan is submitted to Council in autumn 2012 seeking final approval to transfer staff and services to the LATC.

**The Social Care and Wellbeing Committee had resolved:-**

to recommend to Council approval of the recommendations in the report, with an amendment to recommendation (b) as follows: “to agree that a review of progress is undertaken in April 2012 by the Project Board, and reported to the Social Care and Wellbeing Committee at its first meeting after the election”.

**The Council resolved:-**

to approve the recommendation of the Social Care and Wellbeing Committee.

- **PETER STEPHEN, Lord Provost.**



## **APPENDIX A**

### **BUDGET SPEECH 2012/13**

Lord Provost and Members of Aberdeen City Council, I am pleased to present the administration's proposals for the 2012/13 Housing Revenue Account (HRA) and the Housing Capital Account.

Housing investment and service remains a priority for this administration and sustaining a sound financial basis for delivering our Housing Landlord responsibilities and objectives remains a priority. Efficient Management of our housing assets and other resources allows us to continue with confidence to develop the Housing Revenue Account and Housing Capital budgets for financial years 2012/13 and indicative programmes for years 2013/14 and 2014/15.

During the current year work carried out by officers on behalf of this administration has led to the development of a new 30 year Housing Revenue Account business plan which provides the basis for decision making both now and in the future with regard to investment in the current housing stock and the potential for additional housing as well as the income requirements to deliver this. This allows us to maintain our goal to achieve a sustainable financial plan and deliver the Council's commitments to improving Service and the quality of our homes. This investment has allowed us to continue to provide our tenants with warm modern homes and has created and sustained employment in the construction and manufacturing industry both in Aberdeen and throughout the country.

This financial year saw the completion of our phase one developments for new build at Hayton Road, Byron Court and Rorie Court. The phase two development at Marchburn is due for completion at the end of February 2012 which will provide an additional 35 affordable family homes to rent in the city. Phase three of our new build programme is on track to complete by the end of April 2012. A total of 151 new build highly sustainable and quality homes will be available as a result of the three phases of this new build programme.

We continue to work closely with officers to identify ways of delivering better services, and houses for our tenants. A great deal has been achieved over the last nine years and much more still requires to be done both in terms of financial investment and service improvement. Housing plays a key role in providing stability for families and is fundamental to the economic success of this city. As such therefore it is right that we give housing investment within the city significant priority.

In setting the rent level for the financial year 2012/13, as well as the provisional levels for 2013/14 and 2014/15 we have carefully balanced the need for continuing financial investment in the houses as well as ensuring we deliver our services in as efficient and effective way as possible.

The administration is aware that during the current economic climate families are facing real pressures on their family budgets. In line with previous years of practice by this administration we have sought the views of our tenants regarding maintaining our current rent policy at inflation plus 1%.

Of the tenants who responded to the question 49% agreed with the continuation of the policy and 51% either disagreed or did not know.

Based on November's figures inflation plus 1% would mean a rent increase of 6.3% for 2012/2013 (£4.11) however recognising the pressures that family budgets are under, work carried out by officers, based on the Bank of England forecast of inflation over the next 12 months suggests that this level of increase over the period will be significantly above our requirements to maintain the Housing Revenue Account business plan. To that end therefore this administration is recommending that a rent increase of 4.4% is set for this financial year and this should be maintained over the next two financial years also, subject to inflation remaining lower. I have asked officers to ensure that we continue to monitor closely inflation over the coming 12 months, and any adjustments necessary in years 2 and 3 of this budget to future rent increases will be recommended as part of that budget setting process. We believe that this increase will still compare favourably with other local authorities and the city's RSLs, will ensure there are adequate resources to maintain the Housing Revenue Account business plan given the likely change to inflation over the next 12 months, but fundamentally this will allow families some financial respite.

This administration is committed to ensuring that our staff will offer every assistance to tenants to ensure that where appropriate full housing benefit and other benefit take up is both encouraged and achieved. Changes agreed by this administration this year has resulted in an increase to front line housing staff, available to support tenants, and to carry out an increasing number of visits to tenants in their own homes. This approach is designed to maximise the amount of early intervention activity by staff, to support families before they encounter major financial difficulties.

In setting a three year rent strategy the Council must consider the level of capital investment we need in order to continue to improve the overall housing conditions in the city and to complete the current new build programme.

This work confirmed that as an authority our rent levels compared well with other cities and our supervision and management costs are significantly below the average for Scottish local authorities and in particular other cities in the country.

We will continue to seek ways of increasing value to our tenants through prudent management of vacancies, increasing performance on rent arrears and improving void performances.

I am also proposing that the miscellaneous rents and other service charges as outlined on pages 20 to 24 of Appendix 1 to the Council be approved.

The proposed heating charge increase represents good value for the residents who benefit from our heat with rent scheme. As members will be aware for the general population over the past few years, electricity and gas prices have typically shown a real increase of up to 30%

The proposal put before you today for the Council's Heat with Rent properties equates to an increase of between 5.71% and 8.6%. This would still represent good value for money, and helps to relieve fuel poverty.

A similar increase would be required for the next two years to cover costs.

However it should be noted that a review of consumption costs will be required each year as only the electric contract is fixed for four years.

To ensure that the Council can deliver the priorities for its housing stock and tenants we are proposing that the budget includes a revenue contribution to the Housing Capital programme for 2012/13 of £17.3 million and indicative levels of £17.7 million for 2013/14 and £18.4 million for 2014/15.

This combined with additional borrowing means that the level of capital investment I recommend will be £47 million for 2012/13 and an indicative level of £44.45 million for 2013/14 and £39.75 million for 2014/15. In addition we would propose that working balances should be maintained at 5% of gross expenditure with a minimum balance of £3.9 million for 2012/13.

During the current financial year significant progress has been made in redesigning the Housing Service, to make it fit for the 21<sup>st</sup> century. The Housing Management Service Modernisation programme will continue through the coming year and beyond and will deliver real benefits for tenants and the Council. During 2012 the latest phase of redesigning our area office staff structures will reduce the patch sizes for each housing assistant from 710 per housing officer to 540, which will enable a continuing focus on:-

- Improving rent arrears performance
- Better management of voids
- An increase in support for tenants to help them sustain their tenancy
- A stronger focus on estate management
- Increased performance in responding to tenant complaints
- Ensure the city meets its responsibilities with regard to the new Tenants Charter

Whilst not specifically the responsibility of the HRA service, I would like to make a comment about the homeless service being provided by Aberdeen City.

This administration has made a significant commitment to improving the operations and delivery of our homeless service. Specifically the Council has made the commitment for a significant investment in the quality and number of temporary accommodation flats available for homeless persons, the level of support and advice which is offered to them, and most significantly a major initiative to support a strategy of prevention of homelessness.

This work has reduced significantly the number of presentations, to the Council, by homeless persons. The increase in number of temporary flats available from the Council for homeless persons, together with the housing advice and support we provide has not only improved the service for service users but has reduced significantly the costs to this Council of the use of bed & breakfast accommodation, particularly where this has been inappropriate for the client group requiring help with accommodation.

I will now move on to our proposed Housing Capital programme. Our primary concern is to ensure that all of our tenants' homes meet the Scottish Housing Quality Standard by 2015. I am pleased to be able to say that we have achieved our target of 59% during

2011 and by the end of the next financial year we are confident we will achieve our milestone of 71% of the Council's housing stock meeting the Scottish Housing Quality Standard.

In 2012/13 we will commence the installation of high efficiency low carbon emission gas fired combined heat and power schemes for 7 high rise blocks in the Seaton area. In addition we will commence the installation of a district heating system which will serve 3 high rise blocks in the Torry area. This will provide much welcomed affordable warmth to our tenants in a time of continuing high energy prices.

This work will be in addition to restarting our normal heating work following protracted delays caused by the legal challenge to the award of the heating framework tender in 2009. We anticipate that nearly 1500 homes will be provided with high efficiency gas heating systems through this programme in the coming financial year.

In 2012/13 we commenced the preparation of a major programme of over cladding involving 3 high rise blocks in the Seaton area. This work will be concluded during the 2012/13 financial year. In addition to this we also plan to commence the over cladding of another 3 high rise blocks in the Torry area. This will not only help to eradicate water penetration in these blocks but will have the added benefit of increasing insulation to the external walls, thereby driving down energy use and fuel costs to the residents.

All of the above will therefore assist us to continue towards our target of ensuring that the energy rating of the Council housing stock is well above the current SHQS minimum of 5.0. During 2012/13 we intend to improve our SHQS compliance during the year by modernising the kitchens and/or bathrooms in approximately 2700 homes, replacing windows in 177 homes, rewiring 885 homes and improving security in up to 400 homes through the installation of crime check doors.

This is an ambitious and challenging capital programme that will produce great benefits for residents in our housing estates.

### **Housing New Build Programme**

During the next financial year we will have effectively completed our current new build programme. However in addition to our own new build programme the Council has supported the delivery of 41 properties through the National Housing Trust scheme and we are currently involved in a second procurement phase for a further 50 properties. This administration will continue to seek the support both from Scottish Government and also developers for the delivery of additional housing within the city of Aberdeen.

Lord Provost and Members, this is a budget, which will continue to raise the standards across the city. It will accelerate our housing service modernisation and our housing investment programme.

It will bring about the improvement in the way we provide the service to our tenants.

I would also like to take this opportunity to thank all staff whose hard work throughout the year has enabled us to continue to raise the standards across the city for our tenants.

**Most of all they have helped us improve the quality of life for our tenants**

Councillor Aileen Malone  
Convener Housing & Environment

February 2012