

# Public Document Pack



To: Councillor Young, Convener; Councillor Allan, Vice-Convener; and Councillors Cameron, Crockett, Dickson, Donnelly, Jackie Dunbar, Graham, Laing, Malone, McCaig, Milne, Noble, Reynolds and Yuill.

Town House,  
ABERDEEN 28 November 2012

## **FINANCE AND RESOURCES COMMITTEE**

The Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in the Council Chamber - Town House on **THURSDAY, 6 DECEMBER 2012 at 2.00 pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **BUSINESS**

#### **DETERMINATION OF EXEMPT BUSINESS**

- 1.1 The Committee is requested to determine that any exempt business be considered with the press and public excluded.

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

- 2.1 Minute of Previous Meeting of 4 October 2012 (Pages 1 - 18)
- 2.2 Minute of Meeting of the St Nicholas House Working Group of 23 November 2012 (Pages 19 - 20)
- 2.3 Committee Business Statement (Pages 21 - 32)
- 2.4 Motions List (Pages 33 - 34)

## **MOTION**

### 3.1 Notice of Motion by Councillor McCaig - referred from Council meeting of 10 October 2012

“In order to ensure that Aberdeen City Council reaps the financial benefits of the Scottish Government’s Business Rates Incentive Scheme, Council instructs the Director of Enterprise, Planning and Infrastructure to consider measures to boost the city’s business rates income and agrees that 50% of any additional funding received by the Council as a result of this scheme be reinvested in economic development.”

## **CORPORATE GOVERNANCE SERVICE ISSUES**

### 4.1 2012/13 Financial Monitoring - Corporate Governance (Pages 35 - 38)

## **FINANCE**

### 5.1 Revenue Budget 2012/13 Monitoring (Pages 39 - 44)

### 5.2 2012/13 Common Good Budget Monitoring (Pages 45 - 48)

### 5.3 Capital Monitoring - Non Housing Capital Programme 2012/13 (Pages 49 - 66)

### 5.4 Aberdeen City Council Charitable Trusts - Annual Report 2011/12 (Pages 67 - 90)

### 5.5 General Fund Revenue and Capital Budget 2013/14 and Indicative 5 Year Budgets (Pages 91 - 108)

### 5.6 Draft Housing Revenue Account (HRA) Budget and Housing Capital Budget 2013/14 to 2015/16 (Pages 109 - 148)

### 5.7 Common Good Budget 2013/14 and indicative 2014/15 - 2017/18 Budget (Pages 149 - 170)

### 5.8 North East Scotland Pension Fund 2013/14 Budget and Indicative 5 Year Budget (Pages 171 - 190)

### 5.9 Unrecoverable Debt (Pages 191 - 198)

### 5.10 Annual Housing and Council Tax Benefit Report (Pages 199 - 220)

## **GENERAL BUSINESS**

- 6.1 ICT Asset Management Plan (Pages 221 - 260)
- 6.2 Corporate Records Management (Pages 261 - 264)
- 6.3 Provost Skene's House - to follow

## **PROCUREMENT**

- 7.1 Request for Authority to Procure the Provision of Banking Services (Pages 265 - 266)
- 7.2 Request for Approval of Expenditure for supply of Electric Vehicle Charging Infrastructure Tender (Pages 267 - 270)

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

### **FINANCE**

- 8.1 Unrecoverable Debt - Appendix V (Pages 271 - 272)

### **PROCUREMENT**

- 9.1 Corporate Systems and Mobile Applications Integration Tool - Tender (Pages 273 - 278)

### **PROPERTY**

- 10.1 Jessiefield Farm - Proposed Equestrian Centre (Pages 279 - 286)
- 10.2 Appeal Against Decision not to Sell Land adjacent to 132 Johnston Gardens North (Pages 287 - 296)
- 10.3 Property - Vacant and Surplus Assets - December 2012 (Pages 297 - 324)
- 10.4 Property Sales (Pages 325 - 332)
- 10.5 Agricultural Tenancies, the Common Good and the Aberdeen Local Development Plan - to follow
- 10.6 Pinewood/Hazledene - Outcome of Marketing - to follow

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

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# Agenda Item 2.1

## FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 4 October 2012 – minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present: Councillor Young, Convener; Councillor Allan, Vice Convener; and Councillors Cameron, Cormie (as a substitute for Councillor McCaig), Delaney (as a substitute for Councillor Malone), Dickson, Donnelly, Jackie Dunbar, Graham, Len Ironside CBE (as a substitute for Councillor Crockett), Milne, Jean Morrison MBE (as a substitute for Councillor Laing), Councillor Nathan Morrison (as a substitute for the Convener for items 30 and 35 only, and as a substitute for Councillor Jean Morrison MBE for item 29 only), Noble, Reynolds, and Yuill.

Also in attendance: Councillor Greig (for item 11).

**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=2578&Ver=4>**

### AGENDA ORDER

1. The Convener advised that item 10.4 (Supplementary Review of Advance Factories) had been withdrawn from the agenda. He also proposed that the Committee consider item 8.1 (Property Asset Management Plan) following item 2.5 (Motions List) on today's agenda, and item 10.7 (St Nicholas House) as the last item of business.

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

to concur with the proposals of the Convener.

### DETERMINATION OF EXEMPT ITEMS OF BUSINESS

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

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

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from item 10.1 of the agenda (article 27 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 27 (paragraphs 12), article 28 (paragraphs 6 and 9), article 29 (paragraphs 4, 6, 8 and 9), article 30 (paragraph 6 and 9), article 31 (paragraph 6 and 9), article 32 (paragraph 6 and 9), article 33 (paragraphs 6 and 9), and article 34 (paragraphs 6 and 9).

### MINUTE OF PREVIOUS MEETING

3. The Committee had before it the minute of its previous meeting of 21 June 2012.

**The Committee resolved:**

to approve the minute as a correct record.

**MINUTE OF ADDITIONAL MEETING**

4. The Committee had before it the minute of its additional meeting of 17 August 2012.

**The Committee resolved:**

to approve the minute as a correct record.

**MINUTE OF MEETING OF THE LORD PROVOST SUB COMMITTEE OF 26 APRIL 2012**

5. The Committee had before it the minute of meeting of the Lord Provost Sub Committee of 26 April 2012, for approval.

**The Committee resolved:**

to approve the minute.

**COMMITTEE BUSINESS STATEMENT**

6. 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 remove items 4 (Station House Media Unit), 13 (City Garden Project), 26 (Non Scheme Municipal Housing - 60 Rosemount Viaduct);
- (ii) to note that an oral report on item 15 (Trade Waste Charges Review) would be considered as the first item of exempt business;
- (iii) to note that reports on items 8 (Accord Card – Citizens Roll Out), 16 (Alternative Delivery Model), 18 (Satrosphere Limited), 20 (Review of Common Good Miscellaneous Properties - Garages in Hilton/Footdee), 24 (Ferryhill Engine Shed), and 25 (Non Housing Capital Programme 2012/2013 – 2014/2015 Budgets), were to be considered on today's agenda and to remove subject to the decision taken; and
- (iv) to otherwise note the updates contained therein.

**MOTIONS LIST**

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

**The Committee resolved:**

to note that a report on the remaining motion was to be considered later on today's agenda (article 11 refers).

## **PROPERTY ASSET MANAGEMENT PLAN 2012**

8. The Committee (1) received a presentation from Mike Duncan and Alister Reid (Asset Management) on the Property Asset Management Plan 2012; and (2) had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval of the Plan.

**The report recommended:**

that the Committee approve the Property Asset Management Plan 2012 and instruct the Corporate Asset Group to implement and develop the Plan.

**The Committee resolved:**

to approve the recommendation.

## **CITY EVENTS PROGRAMME 2013-2014 (EPI/12/146)**

9. Reference was made to article 16 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 11 September 2012, at which time members agreed, amongst other things, to refer the report before them to this Committee for consideration of allocating funding from the Common Good Fund in 2013/2014 for the delivery of the approved City Events programme for that period. The Committee had before it on this day, the report as presented to the Enterprise, Planning and Infrastructure Committee.

**The Committee resolved:**

to refer the request for monies required for the delivery of the City Events programme for 2013/2014 to the budget process.

## **REVIEW OF THE NATIONAL SPEED LIMIT ON THE C128C ROAD BETWEEN ITS JUNCTION WITH THE A944 AT KINGSWELLS ROUNDABOUT AND THE EXISTING 40MPH RESTRICTION TO THE NORTH OF CULTS – EPI/12/161**

10. Reference was made to article 27 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 11 September 2012, at which time members agreed, amongst other things, to refer the report before them to this Committee for consideration of allocating funding to (a) undertake the statutory consultation procedure for the proposed reduction of speed limit on the currently derestricted section of the C128C road between its junction with the A944 at Kingswells Roundabout and the existing 40mph restriction to the north of Cults, and (b) subject to the outcome of the consultation the implementation of the measure.

**The Committee resolved:**

to request the Director of Corporate Governance and the Head of Finance to identify an appropriate budget within the service to fund the measure, and that all members of the Committee be advised, by email, of the budget identified.

## **MOTION BY COUNCILLOR GREIG – COMMEMORATION OF DIAMOND JUBILEE**

**11.** Reference was made to article 9 of the minute of meeting of this Committee of 21 June 2012, at which time officers were instructed to report back on the terms of the following motion by Councillor Greig:-

“That this Council produces a report with recommendations for identifying any possible financial sources and fundraising opportunities in order to create a permanent commemoration in the city of the Diamond Jubilee and of the Queen’s reign”.

The Committee had before it on this day, a report by the Director of Corporate Governance as requested at the aforementioned meeting.

### **The report recommended:**

that the Committee note the suggestions provided by elected members as requested and indicate which, if any, it wished to see developed as proposals for a permanent commemoration in the City of the Diamond Jubilee and of the Queen’s reign.

Councillor Greig joined the meeting; spoke in support of his motion; and advised of the proposals which he would wish to see further investigated.

### **The Committee resolved:**

- (i) to establish a working group of seven members (comprising 2 Labour representatives, 2 SNP, 1 Liberal Democrat, 1 Conservative and 1 Independent Alliance), to be chaired by the Depute Provost, to consider the proposals contained in the report and any other members might make, and that officers report back on a preferred option for approval; and
- (ii) to note that Councillor Greig would be the Liberal Democrat group member, Councillor Donnelly the Conservative group member, and that the remaining groups would advise the clerk of their appointments outwith the meeting.

## **CORPORATE GOVERNANCE IMPROVEMENT DISCUSSION PAPER (CG/12/085)**

**12.** The Committee had before it a report by the Director of Corporate Governance which provided an update on the Corporate Governance Improvement Discussion Paper.

### **The report recommended:**

that the Committee note the publication of the Corporate Governance Improvement Discussion Paper for engagement with staff and other stakeholders.

### **The Committee resolved:**

to approve the recommendation.



## **CORPORATE GOVERNANCE SERVICE ASSET MANAGEMENT PLAN (CG/12/098)**

**13.** The Committee had before it a report by the Director of Corporate Governance which sought approval of the Corporate Governance Service Asset Management Plan.

### **The Committee resolved:**

- (i) to approve the Service Asset Management Plan for Corporate Governance; and
- (ii) to commend staff for their work in this area.

## **2012/2013 FINANCIAL MONITORING – CORPORATE GOVERNANCE SERVICE (CG/12/091)**

**14.** With reference to article 10 of the minute of the meeting of this Committee of 15 March 2012, 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 report recommended:**

that the Committee -

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

### **The Committee resolved:**

- (i) to approve the recommendations; and
- (ii) to commend staff for their work in this area.

## **2012/2013 COMMON GOOD BUDGET– MONITORING REPORT (CG/12/092)**

**15.** With reference to article 11 of the minute of its previous meeting of 21 June 2012, 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 31 July 2012, and outlined the forecast position of the cash balances.

### **The report recommended:**

that the Committee -

- (a) note the income and expenditure position as at 31 July 2012 and the forecast outturn for the year; and
- (b) note the forecast cash balances as at 31 March 2012 of £6,500,000 based on current estimates, which was within the recommended levels indicated by the Head of Finance.

### **The Committee resolved:**

to approve the recommendations.

## **MATTER OF URGENCY**

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 that the following report be considered as a matter of urgency in order that the Committee could consider the current revenue position of the Council.

### **REVENUE BUDGET 2012/2013 MONITORING (CG/12/079)**

16. With reference to article 10 of the minute of its meeting of 21 June 2012, the Committee had before it a report by the Head of Finance which presented the revenue position for the Council for 2012/2013 and advised as to any areas of risk that had been highlighted by the Directors.

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

that the Committee -

- (a) approve the revised financial reserves strategy as appended to the report;
- (b) instruct Directors to maintain the tight cost control arrangements, that were presently in place, during the remainder of the year to ensure a balanced budget was delivered;
- (c) agree that, subject to future Council approval on the implementation of the transfer of Social Work Services to a Local Authority Trading Company (LATC), the Council would act a guarantor for the North East Scotland Pension Fund in respect of the transferring employees to the LATC; and
- (d) otherwise note the content of the report.

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

- (i) to approve the recommendations; and
- (ii) to note that the Director of Corporate Governance would iterate the importance to officers of having reports prepared timeously for inclusion on the initial agenda.

### **TREASURY MANAGEMENT – MID YEAR REVIEW (CG/12/095)**

17. With reference to article 13 of the minute of its meeting of 21 June 2012, the Committee had before it a report by the Head of Finance which provided an update on treasury management activities for 2012/2013.

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

that the Committee recommend that Council -

- (i) note the treasury management activities undertaken in 2012/2013 as detailed within the report; and
- (ii) approve the revised counterparty list as detailed at appendix 1.

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

to approve the recommendations.

## **APPLICATIONS FOR FINANCIAL ASSISTANCE 2012/2013 (CG/12/064)**

18. The Committee had before it a report by the Head of Finance which presented a number of applications for financial assistance.

### **The Committee resolved:**

- (i) to provide £2000, on an exception basis, to individuals from the School of Pharmacy and Life Sciences, Robert Gordon University towards the cost of their attendance at the 'All Together Better Health VI' conference in Kobe, Japan, from 5-8 October 2012; and
- (ii) to note that the individuals would provide a report of the above conference to members of the Committee.

## **CHIEF OFFICER VOLUNTARY PAY RESTRAINT (OCE/12/017)**

4. Reference was made to article 4 of the minute of the additional meeting of 17 August 2012, at which time the Committee deferred consideration of a report by the Chief Executive which (a) indicated the saving which was achieved by the authority's Chief Officers voluntarily declining to accept the nationally agreed pay award of 2.5% in respect of the financial year 2010/11, and (b) advised that, as the agreed period of non-payment was for twelve months, the pay for all Chief Officers (other than the Chief Executive) should have reverted to the nationally agreed pay-spine as of 1 April 2011. The Committee had before it on this day the deferred report by the Chief Executive for consideration.

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

that the Committee -

- (a) note that approximately £67,000 of savings were generated by virtue of the Council's Chief Officers voluntarily agreeing not to accept a national pay award during the financial year 2010/2011;
- (b) note that Chief Officer pay should have been normalised with effect from 1 April 2011, and that steps were being taken to rectify this position;
- (c) note that the salary for the post of Director of Education, Culture and Sport would be £109,827, i.e. the rate for the job; and
- (d) note that the impact of normalising the pay grades would be met within existing budgets with minor virements as appropriate.

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

to approve the recommendations.

## **SETTING OF CHARGE RATE FOR CIVIL ENFORCEMENT OF BUS LANES (EPI/12/179)**

19. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval of the proposed level of penalty charge for civil bus lane enforcement.

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

that the Committee -

- (a) approve the level of charge for civil bus lane enforcement at £60 and instruct Officers of Enterprise, Planning and Infrastructure to write to the Scottish Ministers to seek approval of this rate of charge;
- (b) note the award of tender for the upgrade of existing bus lane camera system;
- (c) note that civil enforcement of bus lanes in Aberdeen would commence early in 2013;
- (d) note that a four week public awareness campaign would be undertaken prior to commencement of civil bus lane enforcement.

**The Committee resolved:**

to approve the recommendations.

**ACCORD CARD: CITIZEN ROLL OUT UPDATE (CG/12/093)**

20. With reference to article 35 of the minute of its meeting of 29 September 2011, the Committee had before it a report by the Director of Corporate Governance which provided an update on progress on enabling Accord Card holders to obtain services offered by the Council and its partner organisations at a preferential rate via the Residents' Discount Scheme.

**The report recommended:-**

that the Committee -

- (a) approve the next steps outlined in section 5.7 of the report; and
- (b) otherwise note the content of the report.

**The Committee resolved:**

to approve the recommendations.

**LIBRARIES NETWORK (CG/12/097)**

21. The Committee had before it a report by the Director of Corporate Governance which sought approval for officers to conduct a tender exercise for the provision of circuit requirements for the Council's library network.

**The report recommended:-**

that the Committee -

- (a) instruct officers to conduct a tender exercise via the Government Procurement Service, for the provision of circuit requirements for the Council's library networks; and
- (b) authorise the estimated expenditure of approximately £60000 annually over a three year period, with the possibility of a two year extension.

**The Committee resolved:**

- (a) to approve the recommendation (a); and
- (b) to agree that the Director of Corporate Governance and Head of Service, in consultation with Convener and Vice Convener, approve the estimated expenditure for the contract over a three year period, with the possibility of an extension of two years, prior to the contract being advertised.

## **MATTER OF URGENCY**

**The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 that the following report be considered as a matter of urgency in order that the Committee could determine the matter as soon as possible.**

### **HOGMANAY FIREWORKS CELEBRATIONS 2012 (EPI/12/229)**

**22.** With reference to article 22 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 11 September 2012, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval of an allocation from the Common Good Fund to provide a Hogmanay event in 2012 and set out plans for 2013.

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

that the Committee -

- (a) recognise the city's desire to include a Hogmanay event in its Festivals and Events programme in support of Aberdeen's bid to become the UK City of Culture;
- (b) approve the allocation of £50,000 from the Common Good Fund to deliver Aberdeen's Hogmanay Fireworks Celebrations in December 2012;
- (c) approve the resource requirements to deliver this event and agree that suitable remuneration be provided to the staff concerned to ensure that Council met its health, safety and legal requirements when organising and delivering this event; and
- (d) note that officers would submit a report to the Enterprise, Planning and Infrastructure Committee prior to the end of February 2013, assessing the potential for a 2013 Hogmanay event and requesting approval of an appropriate budget to deliver a safe, inclusive and enjoyable family event in 2013.

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

to approve the recommendations.

### **SMALL SALES PROCEDURES (EPI/12/194)**

**23.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which sought approval of the updated Sale of Areas of Amenity Ground policy.

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

that the Committee -

- (a) agree to update the Council's current Sale of Amenity Ground policy, as outlined in Appendix 1 to the report;
- (b) agree to the revised fee charges proposed; and
- (c) authorise the Head of Asset Management and Operations to undertake regular reviews of the charges and implement any future increase in charges, as required.

**The Committee resolved:**

- (i) to approve the recommendations; and
- (ii) to instruct officers to introduce an appeal process and report back should issues with the approved procedure arise.

**UPDATE ON FUTURE OF SEVERAL GARAGE SITES (EPI/12/192)**

**24.** Reference was made to article 34 of the minute of the meeting of this Committee of 15 March 2012, at which time the Committee agreed to instruct officers to provide further information on the management options and costs in relation to the garage sites located within Hilton and Footdee. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure.

**The report recommended:-**

that the Committee agree that the garage sites at Footdee, Hilton Avenue and Smithfield Drive be retained within the Common Good Account.

**The Committee resolved:**

to approve the recommendation.

**FUTURE USE – MISCELLANEOUS SURPLUS HOUSING AND ENVIRONMENT PROPERTIES (EPI/12/190)**

**25.** With reference to article 11 of the Housing and Environment Committee of 10 May 2011, when a number of properties were declared surplus to the requirements of the Service, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure on progress in their disposal.

**The report recommended:-**

that the Committee -

- (a) agree that the cleansing depot, Sillerton Lane, Kincorth, be retained on the General Services Account until such time as the adjoining building services depot became available and that, in the meantime, the Head of Asset Management and Operations give consideration to the possibility of the subjects being made available for lease on a short-terms basis;
- (b) instruct the Head of Asset Management and Operations to further investigate the possibility of utilising part of the Council owned car park adjacent to the cleansing sub-depot and public convenience, Victoria Street, Dyce, and thereafter market the combined site for sale on the open market, and that a further report be submitted to this Committee on the outcome;
- (c) instruct the Head of Asset Management and Operations to market the cleansing sub-depot, Pitmedden Terrace, Kaimhill, for sale on the open market, and that a further report be submitted to this Committee on the outcome;
- (d) agree that the lock-up garage/sub-depot, Watchman Brae, Middlemuir Place, Bucksburn, be included within the mainstream housing garages stock on the Housing Revenue Account, and, as such, that this report be referred onto the next appropriate meeting of the Housing and Environment Committee for action;

- (e) agree that the cleansing sub-depot and public convenience, ASDA shopping centre, Jesmond Drive, Middleton Park, Bridge of Don, be returned to the owners of the supermarket development;
- (f) instruct the Head of Asset Management and Operations to market the former shop, 33 Richmond Street, Rosemount, for sale on the open market, and that a further report be submitted to this Committee on the outcome;
- (g) agree that the public convenience, multi-storey car park, West North Street, be retained on the General Services Account, per car parks, as part of the multi-storey car park;
- (h) in relation to the public convenience, 800 King Street, Seaton, to instruct the Head of Asset Management and Operations to:- (1) submit a planning application for change of use, for the most likely use of hot food takeaway, in terms of Class 3 of The Town and Country Planning (Use Classes) (Scotland) Order 1997 following further investigation into the possibility of also utilising part of the adjacent Council-owned ground; (2) market it thereafter for sale on the open market; and (3) submit a further report to this Committee on the outcome;
- (i) agree that the public convenience, Inverurie Road, Bucksburn, be returned to the owners of the site;
- (j) instruct the Head of Asset Management and Operations to market the public convenience, Cove Road, Cove Bay, for sale on the open market, and that a further report be submitted to this Committee on the outcome; and
- (k) agree that the public convenience, Kincorth shopping centre, Provost Watt Drive, Kincorth, be retained on the General Services Account for inclusion within the Kincorth shopping centre as part of the investment properties portfolio, with a view to seeking its lease.

**The Committee resolved:**

to approve the recommendations.

**REQUEST FOR APPROVAL OF EXPENDITURE FOR WINES, BEERS AND SPIRITS TENDER – BEACH BALLROOM (CG/12/106)**

**26.** The Committee had before it a report by the Director of Corporate Governance which sought approval for officers to conduct a tender exercise for the provision of wines, beers and spirits to the Beach Ballroom for a maximum of four years.

**The report recommended:-**

that the Committee approve the estimated expenditure of £85,000 per annum on the provision of wines, beers and spirits, in accordance with Standing Order 1(3) of the Council's Standing Orders relating to contracts and procurement, for the four year period from 2013/2014 at a total estimated expenditure of £340,000.

**The Committee resolved:**

to approve the recommendation.

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

## **TRADE WASTE CHARGES REVIEW – SENSITIVE INFORMATION**

27. Reference was made to article 23 of the Housing and Environment Committee of 24 January 2012, at which time members requested that the Head of Legal and Democratic Services investigate how the Council should present reports containing sensitive information to Committee. The Committee now received an oral report from the Head of Legal and Democratic Services wherein she explained the background to the request and advised of the way in which sensitive information should be presented to Committee in future.

### **The Committee resolved:**

to note the update from the Head of Legal and Democratic Services and to remove item 15 (Trade Waste Charges Review – Sensitive Information) from the Committee Business Statement.

## **PROPERTY SALES (EPI/12/191)**

28. The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which presented the outcome of the marketing of 254 Queen's Road, Hazlehead.

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

that the Committee –

- (a) accept the offer submitted by Aberdeen Considine, on behalf of Mr Alistair Raymond Moncur and Miss Gemma Daisy Moncur, for Woodend House, 254 Queen's Road, Hazlehead;
- (b) instruct the Head of Finance to obtain the First Minister's approval for the sale of the property on the basis of the offer to be accepted; and
- (c) instruct the Head of Legal and Democratic Services to conclude missives for the sale of this property, incorporating various qualifications as necessary to protect the Council's interests.

### **The Committee resolved:**

to approve the recommendations.

## **DECLARATION OF INTEREST**

**Prior to the consideration of the following item of business, Councillor Jean Morrison MBE declared an interest in the subject matter due to her position on the Satrosphere Board. She then withdrew from the meeting and was substituted by Councillor Nathan Morrison for this item of business only.**

## **SATROSPHERE LIMITED – 2011/12 FINANCIAL UPDATE AND PROPERTY ISSUES (EPI/12/046)**

29. With reference to article 29 of the minute of the meeting of this Committee of 15 March 2012, the Committee had before it a report by the Director of Corporate



Governance which provided an update on financial and property matters in relation to Satrosphere Limited.

**The report recommended:-**

that the Committee –

- (a) note the financial update provided within the report;
- (b) instruct officers to:-
  - (1) provisionally negotiate terms and conditions of lease, or an extension to an existing lease, or other potential property transaction, in the event that consideration leads Satrosphere to the conclusion that either relocation to another venue held on the Council's Property Account or redevelopment of their existing facility at 179 Constitution Street was the preferred option, on the basis that any provisional agreement between the parties be reported to a future meeting of this Committee, in order that members might consider formal approval of the same; and
  - (2) offer support, in the form of advice, to assist Satrosphere Limited to assess the potential for redevelopment of the existing facility at 179 Constitution Street should the option for relocation to an alternative Council owned premises not prove viable.

**The Committee resolved:**

- (i) to approve the recommendations contained in the report; and
- (ii) to formalise continued support by the Council of Satrosphere by instigating discussions on establishing a service level agreement on the operation of Satrosphere at whichever location Satrosphere deemed suitable for its future.

**DECLARATION OF INTEREST**

**Prior to the consideration of the following item of business, the Convener declared an interest in the subject matter by virtue of knowing the appellant. The Convener then withdrew from the meeting and was substituted by Councillor Nathan Morrison for this item only.**

**At this juncture, the Vice Convener assumed the Chair.**

**APPEAL OF DECISION NOT TO SELL GROUND ADJACENT TO 132 JOHNSTON GARDENS NORTH (EPI/12/193)**

**30.** The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members of the appeal of an officers' decision not to sell an area of amenity ground adjacent to 132 Johnston Gardens North, Peterculter.

**The report recommended:-**

that the Committee uphold the officers' decision not to sell the area of amenity ground adjacent to 132 Johnston Gardens North, Peterculter.

**The Committee resolved:**

to defer the report to the next meeting of the Committee on 6 December at which time officers were requested to ensure that the report contained a more detailed map of the location and photographs and that representatives from the Housing and Environment Service be present.

**At this point, the Convener rejoined the meeting and resumed the Chair.**

#### **DECLARATIONS OF INTEREST**

**Prior to the consideration of the following item of business, Councillors Cormie, Jean Morrison MBE and Yuill declared an interest in the subject matter by virtue of their appointment by the Council as members of the Robert Gordon's College Board of Governors but did not consider that the nature of their interests required them to leave the meeting.**

#### **PROPERTY - VACANT AND SURPLUS ASSETS (EPI/12/202)**

**31.** With reference to article 27 of the minute of meeting of this Committee of 21 June 2012, 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 report recommended:-**

that the Committee –

- (a) note the position in relation to all the vacant and surplus assets, as identified in appendices A, B and C of the report;
- (b) note that the Pinewood/Hazledene sites, held on the Common Good Account, were currently on the market with a closing date set for 9 October 2012, with an intention of the outcome being reported to the Committee at its meeting in December;
- (c) declare the former Janitor's Lodge at Hetherwick Road, which was currently vacant, surplus to the requirements of the property account and subject to this approval, note that the future use/disposal of this property would now be taken forward in accordance with the surplus property procedure with a report being submitted to a future meeting of this Committee when appropriate;
- (d) declare the former Registrar's flat at 102 North Deeside Road, which was currently vacant, surplus to the requirements of the property account, and subject to this approval, note that the future use/disposal of this property would now be taken forward in accordance with the surplus property procedure with a report being submitted to a future meeting of this Committee when appropriate;
- (e) (a) note that the Council had been approached by the separate adjacent owners of sites either side of an area of Council owned landscaped ground at Denmore Road, Bridge of Don, and that this area was not required by Council Services; and (b) agree that a closing date be set for the submission of offers from the interested parties, and subject to this approval, note that a

report advising of the outcome would be submitted to this Committee at its meeting in December;

- (f) note the concluded sales for the following properties since the Committee's meeting of 19 June 2012:-
- Paddock, Airyhall House (General Services Account- £1,127,000)
  - 37g Victoria Road (Housing Revenue Account - £52,750)
  - Ruthrieston Depot (Common Good - £180,000)
  - 12 Devanha Gardens West (General Services Account - £462,000)
  - 2 Elmbank Road (Housing Revenue Account - £57,301); and
- (g) note the concluded leases of the following properties held on the tenanted non residential portfolio since the Committee's meeting of 19 June 2012:-
- 57 Howe Moss Avenue, Dyce (£10,500 per annum)
  - Hazlehead Restaurant (£26,650 per annum)
  - Offices 13-15, Aberdeen Business Centre (£24,000 per annum)
  - Plot 7, Kirkhill Place (£20,000 per annum)
  - Suites B&E, 15-17 Belmont Street (£12,600 per annum)
  - Unit 4, Kincorth Shopping Centre (£13,200 per annum)
  - 2.85 hectares at Mackie Steps, Carnie (£625 per annum)
  - Unit 5, Cornhill Shopping Centre (£5,800 per annum)
  - Unit 53, Howe Moss Avenue, Dyce (£12,000 per annum)
  - Unit 1B, Campus 3, Science and Tech Park (£90,000 per annum)

**The Committee resolved:**

to approve the recommendations.

**FERRYHILL ENGINE SHED (EPI/12/196)**

**32.** With reference to article 43 of the minute of its meeting of 15 March 2012, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided an update on progress to discuss a business and development plan with Ferryhill Railway Heritage Trust to support their plans to create a Railway Heritage Centre in and around Ferryhill Engine Shed.

**The report recommended:-**

that the Committee note the report and instruct officers to report to the appropriate Committees at the earliest opportunity on progress on all the identified issues.

**The Committee resolved:**

to approve the recommendation.

**UPDATE ON SOLAR PHOTOVOLTAIC PANEL INSTALLATION CONTRACT (EPI/12/205)**

**33.** With reference to article 31 of the minute of its meeting of 21 April 2012, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which provided members with an update on the contract to install solar photovoltaic (PV) panels on around ninety council owned operational buildings.

**The report recommended:-**

that the Committee -

- (a) note the circumstances and ongoing changes to the governance and delivery of the Feed-in-Tariff which had occurred over the past twelve months; and
- (b) agree that officers continue to negotiate with the installer to optimise the level of reimbursement to the Council per site whilst acknowledging the long term nature of the contract, the importance of establishing sound governance and contract management and delivery of savings as originally envisaged as part of the Council's Business Plan, with the Heads of Legal and Democratic Services and Asset Management and Operations authorised to take appropriate action to protect the Council.

**The Committee resolved:**

to approve the recommendations.

**NEWHILLS EXPANSION – INITIAL CONSULTANTS APPOINTMENT**

**34.** With reference to article 12 of the minute of its meeting of 21 June 2012, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure Committee which sought approval to exempt a contract for a consultant to undertake the initial works to produce a Development Framework in conjunction with the adjoining landowners on sites OP26/28/29/30 and 31 within the Aberdeen Local Development Plan (site 31 being in Council ownership), from Standing Order 5 of the Standing Orders relating to contracts and procurement, namely the requirement to go out to competitive tender and to advertise on the Public Contracts Scotland Portal.

**The report recommended:-**

that the Committee -

- (a) approve the invoking of the provisions of Standing Order 1(6)(a) and thereby waive the need for competitive procurement for the provision of these services on the basis of the reasons set out in the report;
- (b) agree that the Council enter into an initial contract with Optimised Environments Limited, as detailed within the report;
- (c) approve the estimated expenditure and that the provision of these services be funded from the Common Good Fund, specifically from the 'windfall receipt' generated from the sale of an area of ground at Westburn Crescent which concluded on 28 September 2012 and received approval from this Committee on 15 March 2012;
- (d) note that this commission would be the first phase of the programme of work for the implementation of a Development Framework for the site, and that a further report would be submitted to this Committee; and
- (e) note that the Council would require to sign the statement of co-operation with the Development Framework scoping report, attached as appendix 1 to the report, and therefore to authorise the Head of Asset Management and Operations to sign the co-operation agreement in the Council's role as a landowner.

**The Committee resolved:**

to approve the recommendations.

## DECLARATION OF INTEREST

During the consideration of the following item of business, the Convener declared an interest in the subject matter by virtue of knowing one of the parties involved in the bidding process. The Convener then withdrew from the meeting and was substituted by Councillor Nathan Morrison, for this item only.

At this juncture, the Vice Convener assumed the Chair.

## ST NICHOLAS HOUSE – OUTCOME OF STAGE 1 MARKETING

35. Reference was made to article 11 of the minute of meeting of the Council of 6 October, 2011, when the Council, having considered a report on the future of St Nicholas House, made a number of decisions relating to the demolition of the building and the marketing of the vacant site. Members now had before them a report by the Director of Enterprise, Planning and Infrastructure on progress in the sale of the site which advised on the range and types of offers received and the process to assess and score these.

The report explained that thirteen offers had been received from twelve parties, listed those parties in alphabetical order and then identified the next stage in the process.

### The report recommended:-

- (a) that the Committee instruct the Head of Asset Management and Operations to advise the top four scoring bidders that they have been selected as preferred bidders to move forward to the next stage; and
- (b) that the Committee note the next stage of the bidding process, with a full report to be brought back to a meeting of this Committee in early 2013.

The report at this point did not identify the top four bidders, it being noted that this information would be presented to Committee on the day.

At this juncture, a further report by the Director of Enterprise, Planning and Infrastructure was circulated which explained that the offer submitted by one of the parties had been withdrawn, set out the points available and the range applied by officers in respect of the financial and non-financial scores for each of the offers, gave the monetary difference between the highest and lowest bids submitted and named the top four scoring bidders in alphabetical order. The report then reiterated the recommendations contained in the original report, now incorporating the names of the top four bidders.

Following discussion, Councillor Noble moved, seconded by Councillor Yuill:-  
that the recommendations contained in the report be approved.

The Vice Convener moved as an amendment, seconded by Councillor Milne:-  
that the recommendations contained in the report be approved except that the top six scoring bidders be selected as preferred bidders to move forward to the next stage.

On a division, there voted:- for the motion (7) – Councillors Cameron, Cormie, Delaney, Dickson, Jackie Dunbar, Noble and Yuill; for the amendment (8) – the Vice Convener; and Councillors Donnelly, Graham, Len Ironside CBE, Milne, Jean Morrison MBE, Nathan Morrison and Reynolds.

**The Committee resolved:-**  
to approve the amendment.

**In terms of Standing Order 36(3), Councillor Noble intimated that he wished this matter to be referred to Council for final determination and was supported by Councillors Cameron, Cormie, Delaney, Dickson, Jackie Dunbar and Yuill.**

**- COUNCILLOR WILLIE YOUNG, Convener.**

# Agenda Item 2.2

## ST NICHOLAS HOUSE WORKING GROUP

ABERDEEN, 22 November 2012. - Minute of Meeting of the ST NICHOLAS HOUSE WORKING GROUP. Present:- Councillors Allan, Boulton, Malone and Noble.

Officers in Attendance:- Hugh Murdoch, Mike Duncan and Stephen Booth (Enterprise, Planning and Infrastructure); and Ian Jamieson, Roderick MacBeath and Allison Swanson (Corporate Governance).

### **APPOINTMENT OF CHAIRPERSON**

1. Roderick MacBeath called for nominations for a Chairperson, whereupon Councillor Malone moved, seconded by Councillor Boulton:  
that Councillor Allan be appointed as Chairperson.

### **The Working Group resolved:-**

that Councillor Allan be appointed as Chairperson for the duration of the Working Group.

### **STAGE 2 CONCEPT / TIMELINE AND REMIT OF GROUP**

2. The Working Group had before it a discussion paper which sought members' views on the role and remit of the Group, and advised of the actions required to be undertaken and the timescales for the St Nicholas House project.

The paper provided an overview of the sale process for the St Nicholas House site and advised of the actions that would be required of the Working Group, namely:

- (1) consider its remit and role;
- (2) note the process undertaken so far;
- (3) receive information on the preferred bidders' initial design proposals;
- (4) discuss in general terms the development issues critical to elected members and the community and agree the importance of each issue;
- (5) discuss the process and timescale for formal legal offers being submitted;
- (6) discuss the procedure for receiving presentations from bidders, following a formal closing date;
- (7) identify any training needs for members of the Working Group; and
- (8) identify any other actions required.

In relation to the remit of the Group, the paper proposed that the following be endorsed and referred to the Finance and Resources Committee for approval:

- (a) to provide support to the Project Owner (Head of Asset Management and Operations) and Project Decision Maker (Finance and Resources Committee);

- (b) to operate as a high level consultation group, addressing strategic issues and any potential major points of difficulty and ensuring that other stakeholders were committed to the project;
- (c) to assist in the assessment of the non-financial elements of proposals that related to the cultural, heritage, aesthetic, community and business perceptions of the designs;
- (d) to hold meetings as required; and
- (e) to respect the confidentiality of the process.

Speaking in furtherance of the report Stephen Booth provided an overview of the timeline and emphasised the importance of the timescales being met.

Members supported the proposed remit and the process to be followed for stage 2 of the project.

**The Working Group resolved:-**

- (i) to note the process undertaken to date;
- (ii) to endorse the proposed remit detailed above and to recommend approval of this to the Finance and Resources Committee on 6 December 2012;
- (iii) subject to approval of the remit by the Finance and Resources Committee, to: (a) note the actions to be undertaken by the Group and the associated timeline; (b) instruct officers to identify training requirements for members; and (c) instruct officers to arrange a further meeting of the Working Group to discuss actions 4, 5, 6 and 7 detailed above.

- **YVONNE ALLAN**, Chairperson.



**FINANCE AND RESOURCES COMMITTEE**

**COMMITTEE BUSINESS**

**6 DECEMBER 2012**

Please note that this statement contains a note of every report which has been instructed for submission to this Committee. All other actions which have been instructed by the Committee are not included, as they are deemed to be operational matters after the point of committee decision.

<b>No.</b>	<b><u>Minute Reference</u></b>	<b><u>Committee Decision</u></b>	<b><u>Update</u></b>	<b><u>Lead Officer(s)</u></b>	<b><u>Report Due</u></b>	<b><u>Report Expected (if known)</u></b>
1.	<p>Finance and Resources Committee 28/01/10 article 2 &amp; 11/03/10 article 31 &amp; 11/05/10 article 34</p> <p>Audit and Risk 29/03/11 article 12</p>	<p><b><u>CAB – Debt Advice Service</u></b></p> <p>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.</p> <p><b><u>Internal Audit - Summary of Audit Findings - Report by Pricewaterhouse Coopers</u></b></p> <p>The Committee resolved: to instruct officers to report on the following bodies to their relative Service Committee explaining why no Service Level Agreement was currently in place and to instruct the Service to establish a Service Level Agreement within a strict timeframe:</p> <ul style="list-style-type: none"> <li>• Citizens' Advice Bureau.</li> </ul>	<p><b>A report will be presented when an SLA has been established.</b></p> <p>Financial Inclusion has recently become the responsibility of the Head of Housing and Community safety. All of the issues around the commissioning of services from partners including the CAB will of necessity be given consideration as part of our considered response to Welfare reform. Our response to welfare reform is a major piece of work and a bulletin update was provided to members at the last F and R meeting. The major issues for the Council will only become clear over the next few months and arrangements are being put in place for joint working arrangements with The Department of Work and Pensions to develop an appropriate response. Consideration of the role to be played by partners will be integral to this. Discussions have been held recently with the CAB about an SLA and agreement to the benefits of this</p>	Head of Housing and Community Safety	19/06/12	13/06/13

<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>
			have been agreed. The CAB has shared key financial information with the City Council as to its cost base etc. A sensible SLA can only be developed once the issues around welfare reform are clear. Council will be kept advised on progress.			
2.	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.	Review by internal audit was presented to the June meeting of the Audit and Risk Committee and recommendations were agreed. The Common Good Budget 2013/14 report is on the agenda and further work on assessing best value is continuing.	Head of Finance	<b>28/09/10</b>	25/04/13
3.	Finance and Resources Committee 11/03/10 article 20  Finance and Resources Committee 15/03/10 article 18	<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.  The Committee resolved: (i) to note the progress in moving towards a more streamlined process for financial assistance and grant applications; and (ii) to request that a final report be brought back on the process when it is implemented.	A process will be prepared and implemented for financial year 2013/14, and reported to Finance and Resources Committee in February.	Head of Finance	<b>06/12/12</b>	21/02/13

<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>
4.	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>	A report is on the agenda.	Head of Finance	04/10/12	06/12/12
5.	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	
6.	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 schedule of property reviews with a view to completing within eighteen months and to report on those reviews, to appropriate meetings of this Committee.</p>	A report on Common Good Farms is on this agenda. The remaining T.N.R.P. Reports will be prepared and submitted by December 2013, a timescale set by Committee on 04/10/12, after consideration of a report on the Property Asset Management Plan 2012.	Head of Asset Management and Operations	04/10/12	6/12/12 – Common Good Farms Other matters December 2013

<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>
7.	Finance and Resources 01/02/11 article 32 & Budget Meeting of Council 10/02/11 article 2.	<p><u>Accord Card – Citizen Roll Out</u></p> <p>The Committee resolved: to instruct that a progress report be submitted to this Committee <b>every second cycle</b>.</p>	A report was considered by the Committee on 4 October 2012.	Head of Customer Service and Performance	21/02/13	
8.	Finance and Resources 01/02/11 article 39  Finance and Resources 29/09/11 article 8  Finance and Resources 21/06/12 article 3	<p><u>Joint Customer Contact Centre</u></p> <p>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.</p> <p>The Committee resolved: to instruct officers to report back to this Committee when the outcomes of the Ofcom review and ADM project are known to enable a decision to be made on whether or not to continue the use of <b>0845 numbers</b> for the related services included in this report.</p> <p>The Committee resolved: in relation to item 11 (Joint Customer Contact Centre), to request in any report back that the costs involved in implementing 0845 numbers be made explicit.</p>	<p>A report was included in the information bulletin at the meeting of 16/06/11.</p> <p><u>Joint Customer Contact Centre</u></p> <p>Grampian Police have advised that they have prepared an internal report to be considered in October 2012 recommending that the project be closed given the decision to form a single Scottish police force. If this is approved no further updates / reports will be provided.</p> <p><b>The Grampian Joint Police Board on 2 November 2012 closed this project. The main reason for this discussion was Police Reform.</b></p> <p><b>Recommended for removal.</b></p> <p><u>0845 Numbers</u></p> <p>Having consulted the Ofcom website the following should be noted: “<u>Subject to the results of the consultation, Ofcom intends to make a final decision on the new rules by early 2013.</u>” Following analysis of Ofcom’s decision in 2013 a further</p>	Head of Customer Service and Performance	<b>16/06/11</b>	

<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>
			update will be provided to committee. In the interim both 0845's and 01224's will continue to be advertised, as previously agreed, for services offered by Customer Service and Performance to enable customers to choose how they wish to access services.			
9.	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 appropriate meetings of this Committee.		Head of Asset Management and Operations	As and when required	
10.	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.	This whole case is being further researched and considered by Asset Management with the assistance of colleagues from Finance.	Head of Asset Management and Operations	19/06/12	21/2/13
11.	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.	Internal Transfer taking place in Service. A report will be provided to a future meeting of the Committee once the transfer has been completed. <b>A report is on the agenda.</b>	Head of Customer Service and Performance	19/06/12	06/12/12

<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>
12	Housing and Environment 24/01/12 article 13	<p><b><u>Affordable Housing Delivery</u></b></p> <p>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.</p>	<p>A report will be issued on the outcome of consultation with Scottish Government.</p> <p><b>It is believed that the discount is being reduced from next year onwards; this will be confirmed for the final agenda.</b></p>	Head of Finance/ Revenues and Benefits Manager	06/12/12	06/12/12
13	Council 04/04/12 article 24	<p><b><u>Alternative Delivery Model</u></b></p> <p>Council resolved: to instruct the Director of Corporate Governance to consult with the relevant Trades Unions and the wider workforce seeking their views on the future direction of the service, and report back to the Finance and Resources Committee with options for how future years' savings can be achieved in the absence of the ADM project.</p>	<p>At its meeting on 4 October 2012, the Committee considered the Corporate Governance Improvement Discussion Paper which presented options for the future direction of the service.</p> <p><b>Recommended for removal.</b></p>	Director of Corporate Governance		
14	Finance and Resources 15/03/12 article 19	<p><b><u>Youth Activities Small Grants Fund</u></b></p> <p>The Committee resolved: to instruct that a further report be submitted in order that members can consider whether the power to award this funding should transfer exclusively to the Youth Council.</p>	<p><b>Update:</b></p> <p>The Youth Council has not yet met to consider this issue. A report will be prepared to the next suitable committee after the Youth Council has had the opportunity to fully consider the implications of this proposal.</p> <p>A report will be submitted next cycle.</p>	Head of Communities, Culture and Sport	<b>04/10/12</b>	021/02/13

<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>
15	<p>Finance and Resources 15/03/12 article 30</p> <p>Finance and Resources 21/06/12 article 14</p>	<p><b><u>Grampian Japan Trust Loan Request</u></b></p> <p>The Committee resolved:</p> <p>(i) to instruct officers to seek further clarification on the Grampian Japan Trust as per paragraph 5.4 of the report;</p> <p>(ii) subject to the above, to approve a secured loan for a period of 12 months of up to £15,000 to Grampian Japan Trust subject to (1) the Head of Legal and Democratic Services being satisfied that the Council has adequate security over the property known as Thomas Glover House; and (2) the Head of Finance being satisfied that there is no financial risk to the Council, and evidence of proper financial stewardship of the Trust; and</p> <p>(iii) <b>to instruct the Director of Education, Culture and Sport to report back to this Committee providing details of the final outcome of the above.</b></p> <p>The Committee resolved: to instruct that a report be presented to the next meeting of this Committee of 4 October, 2012, which should either confirm that the further information sought has been provided and the loan made, or that the loan offer has been withdrawn.</p>	<p>Discussions are ongoing and a report will be submitted in early 2013.</p>	<p>Head of Communities, Culture and Sport</p>	<p>04/10/12</p>	<p>21/02/13</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>
16.	Finance and Resources 15/03/12 article 36	<p><b><u>Review of Commercial Properties</u></b></p> <p>The Committee resolved:</p> <p>(ii) to instruct the Head of Asset Management and Operations to undertake an appraisal on 11/13 and 15/17 Belmont Street, reporting back to this Committee in due course; and</p> <p>(iii) to instruct the Head of Asset Management and Operations to review and report on possible options for the future of 1 Queens Gardens, prior to the current lease expiring in April, 2014.</p>	<p>In relation to item (ii) a report will be reported within two cycles; and item (iii) will be reported during the course of 2013.</p> <p>A report on (ii) hasn't been completed for inclusion on the agenda, due to competing priorities. This item will be reported in the Spring of 2013.</p>	Head of Asset Management and Operations	06/12/12	21/2/13
17.	Finance and Resources 15/03/12 article 38	<p><b><u>Jessiefield Farm</u></b></p> <p>The Committee resolved:</p> <p>(i) to instruct the Head of Asset Management and Operations to enter into provisional negotiations with the tenant for the partial renunciation by agreement of the area of land required, and ensure that any compensation payable, in terms of the Agricultural Acts, is paid to the tenant, by Equiworld Club Limited;</p> <p>(ii) to instruct the Head of Asset Management and Operations to enter into provisional negotiations with Equiworld Club Limited in relation to the granting of a new limited duration tenancy</p>	<p><b>A report is on the agenda.</b></p>	Head of Asset Management and Operations	04/10/12	06/12/12



<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>
		<p>lease for an initial period of fifty years of the area of land, in order to facilitate the building of an equestrian centre; and</p> <p>(iii) <b>to instruct the Head of Asset Management and Operations to report back to an appropriate future meeting of this Committee on the provisionally agreed Heads of Terms for (i), and (ii) above.</b></p>				
18.	Finance and Resources 15/03/12 article 42	<p><b><u>Queen's Links Leisure Park</u></b></p> <p>The Committee resolved: to instruct the Head of Asset Management and Operations to provisionally negotiate an appropriate grassum payment to be paid by the tenant/ developer, in return for the Council's consent to amend the terms of the ground lease in this way, and to report to a future meeting of this Committee for potential approval of those provisional negotiations.</p>	Provisional negotiations have still not been concluded.	Head of Asset Management and Operations	<b>04/10/12</b>	21/2/13
19.	Finance and Resources 15/03/12 article 43	<p><b><u>Ferryhill Engine Shed</u></b></p> <p>The Committee resolved: to instruct officers to report back on progress in 6 months.</p>	At its meeting on 4 October 2012, the Committee resolved to instruct officers to report to the appropriate Committees at the earliest opportunity on progress on all the identified issues.	Head of Asset Management and Operations	21/2/13	
20.	Council 09/02/12 article 5	<p><b><u>Non Housing Capital Programme 2012/13 - 2014/15 Budgets</u></b></p> <p>The Council instructed officers to bring a report to a suitable meeting of Council on</p>	<b>A report is on the agenda.</b>	Head of Finance	<b>04/10/12</b>	06/12/12

<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>
		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.				
21.	Finance and Resources 21/04/11 article 25  Corporate Policy and Performance Committee 14/06/12 article 4	<p><b><u>External Support to Deliver the Business Plan</u></b></p> <p>The Committee resolved: to instruct that a report be brought back to the Corporate Policy and Performance Committee (or the Urgent Business Committee if during recess) to deal with any securing of external support that may be required to assist with the delivery of service options relating to external delivery. Updates to be provided by the Director as and when required.</p> <p>At its meeting of 14 June, the Corporate Policy and Performance Committee recommended that this item be transferred to the Finance and Resources Committee.</p>		Directors as appropriate	As and when required	
22.	Council 22/08/12	<p><b><u>Loirston Development Sites</u></b></p> <p>Council resolved amongst other things, to instruct officers to undertake a strategic review of the Council's landholdings at Bobby Calder Park, giving consideration to:-</p> <ul style="list-style-type: none"> <li>• the 'Leisure Asset and Pitch Strategy Audit'</li> <li>• the masterplanning of adjoining</li> </ul>		Head of Asset Management and Operations	21/2/13	

<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>
		<ul style="list-style-type: none"> <li>the outcome of further discussions with CRFCL (see (h))</li> <li>other development opportunities in the area including the possibility to establish regional sports facilities with a report being brought back to the meeting of the Finance and Resources Committee in February 2013.</li> </ul>				
23	Finance and Resources 04/10/12 article 29	<p><b><u>Satrosphere</u></b></p> <p>At its meeting on 4 October 2012 the Committee agreed amongst other things, to instruct officers to provisionally negotiate terms and conditions of lease, or an extension to an existing lease, or other potential property transaction, in the event that consideration leads Satrosphere to the conclusion that either relocation to another venue held on the Council's Property Account or redevelopment of their existing facility at 179 Constitution Street was the preferred option, on the basis that any provisional agreement between the parties be reported to a future meeting of this Committee, in order that members might consider formal approval.</p>	As at the end of October, Officers were awaiting additional response from Satrosphere Limited in respect of further consideration by its Board of feasibility planning around potential redevelopment and/or relocation.	Head of Educational Development, Policy and Performance	25/04/13	
24	Finance and Resources 04/10/12 article 30	<p><b><u>Appeal Of Decision Not To Sell Ground Adjacent To 132 Johnston Gardens North</u></b></p> <p>The Committee resolved to defer the report to the next meeting of the Committee on 6 December at which</p>	A report is on the agenda.	Head of Asset Management and Operations	06/12/12	06/12/12

<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>
		<p>time officers were requested to ensure that the report contained a more detailed map of the location and photographs and that representatives from the Housing and Environment Service be present.</p>				
25.	Finance and Resources 04/10/12 article 34	<p><b><u>Newhills Expansion – Initial Consultants Appointment</u></b></p> <p>The Committee resolved, amongst other things, to note that this commission would be the 1<sup>st</sup> phase of the programme of work for the implementation of a Development Framework for the site, and that a further report would be submitted to this Committee.</p>		Head of Asset Management and Operations	21/2/13	

**FINANCE AND RESOURCES COMMITTEE**

**MOTIONS LIST**

**6 DECEMBER 2012**

**Please note that this statement tracks all Notices of Motion submitted by members, until the point of disposal. The motion will remain on the statement until the Committee has agreed to remove it.**

<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.	“That this Council produces a report with recommendations for identifying any possible financial sources and fundraising opportunities in order to create a permanent commemoration in the city of the Diamond Jubilee and of the Queen’s reign”.	13 June, 2012	The Finance and Resources Committee of 21/06/12 resolved: to instruct that officers consult with all elected members to ask for suggestions as to how to commemorate the Diamond Jubilee and the Queen’s reign, and to report back, in terms of the motion at the next meeting of this Committee of 4 October, 2012.	At its meeting on 4 October 2012, the Committee agreed to establish a working group of seven members from the Council (comprising 2 Labour representatives, 2 SNP, 1 Liberal Democrat, 1 Conservative and 1 Independent Alliance), to be chaired by the Depute Provost, to consider the proposals contained in the report and any other members might make, and that officers report back on a preferred option for approval.  The inaugural meeting of the Working Group is to be held on 29 November 2012.	Head of Office of Chief Executive	21.02.13	No

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2012/13 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/12/119

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) Inform the Committee of the 2012/13 revenue budget's financial performance for the period to 30 September 2012, including the forecast outturn for the year to 31 March 2013 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 of accrued actual expenditure to period 6, September 2012. The forecast is based on information and feedback from budget holders captured in September 2012.

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

- 5.2 The Service report is attached at Appendix A which shows projected net outturn savings £1M (3.7%), across the current net budget of £28.5M. There are not any significant risks at this time, and while the following items are of note they have been incorporated into the forecast net outturn:-

- Net savings of £1,030K have been identified from careful workforce management, including retention of some vacancies.
- Recharge Income for Corporate Governance is expected to be £360K below budget. A number of specific areas can no longer be recovered due to revised accounting practice and identification of significant cost savings which have reduced the level of recoverable expenditure.
- Savings on the corporate provision of courses to a value of £130k, is forecast based on careful management of this budget.
- Savings relating to financial guarantees of £85K resulting from reduced debt exposure have been identified and this together with other savings within Administration, Supplies & Services account for the remainder of the movement.

## 6. RISK ASSESSMENT

Heads of Service in conjunction with the line managers continue to monitor budgets and manage services to achieve savings, whilst maintaining and developing service delivery.

## 7. IMPACT

- 7.1 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.

## 8. BACKGROUND PAPERS

Financial ledger data extracted for the period 6 (not attached).



9. REPORT AUTHOR DETAILS

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Appendix A

As at end of September 2012		Year to Date			Forecast to Year End		
Accounting Period 6	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	6,934	4,565	4,652	87	7,001	67	0.97%
HEAD OF LEGAL AND DEMOCRATIC SERVICES	1,722	863	698	(165)	1,692	(30)	(1.8%)
HEAD OF HUMAN RESOURCES AND ORG DEV	4,548	2,315	2,163	(152)	4,010	(538)	(11.8%)
HEAD OF PROCUREMENT	445	222	176	(46)	397	(48)	(10.8%)
HEAD OF CUSTOMER SERVICE AND PERFORMANCE	14,870	7,088	6,638	(450)	14,371	(499)	(3.4%)
<b>TOTAL BUDGET</b>	<b>28,520</b>	<b>15,053</b>	<b>14,327</b>	<b>(726)</b>	<b>27,471</b>	<b>(1,049)</b>	<b>(3.7%)</b>

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Finance and Resources
<b>DATE:</b>	6 December 2012
<b>DIRECTOR:</b>	Stewart Carruth
<b>TITLE OF REPORT:</b>	Revenue Budget 2012/13 Monitoring
<b>REPORT NUMBER:</b>	CG/12/129

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### 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to inform Members on the current financial position for the Council and the initial forecast outturn for financial year 2012/13 and to highlight areas of risk and management action that have been identified by directors.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

1. note the content of the report;
2. agree to allocate the current forecast surplus to an earmarked financial reserve, in line with the financial reserves strategy, approved at the last meeting of the Committee; and
3. instruct Directors to maintain the tight cost control arrangements, that are presently in place, to ensure the budget forecast is delivered.

### 3. FINANCIAL IMPLICATIONS

- 3.1 The indications are that with expenditure and income for the period to end of September being controlled and the delivery of savings options progressing positively the Council will achieve a balanced budget for the year and produce a surplus of £5 million. In line with the financial reserves strategy setting this sum aside for financial risks will protect the Council from future uncertainties.
- 3.2 Risks do exist, from the potential of non-delivery of savings options in a few areas of the budget to winter / road maintenance costs substantially exceeding budget because of harsh winter weather. Contingency funds remain uncommitted to the value of £2 million in the General Fund budget and this provides assurance that the forecast outturn can be achieved should a financial consequence arise.

- 3.3 Where expenditure can be maintained within budget during the remainder of the year and contingencies are not needed then the opportunity exists for the Council to deliver an increased contribution to the General Fund and this continues to be monitored on a monthly basis by the Corporate Management Team.
- 3.4 If the current forecast was achieved in the year then the Uncommitted General Fund balances at year end would be maintained at £11.3 million. This is in line with the minimum value that is recommended and previously set, which is defined as 2.5% of the net revenue budget. This is based on an evaluation of current economic climate and general financial environment in which the Council operates.

#### **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 and scrutiny 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.

#### **5. REPORT**

- 5.1 This report builds on the last report to the Committee and enables Members to consider and scrutinise the Council's overall financial position, with specific reference to the General Fund, for this financial year (2012/13). During the year the Corporate Management Team has received reports on the financial performance and is aware of the current forecast and the risks that exist.
- 5.2 This report considers the forecast outturn for the Council as a whole and this builds upon information and analysis provided to the individual Service Committees that have been considered during the current cycle of meetings.
- 5.3 Information within this report provides a high level expenditure forecast for the consideration of Members and presents actual financial figures to the end of September 2012 and the forecasts based thereon.
- 5.4 Appendix A includes a summary of the overall Council projected position.

##### **Financial Position**

- 5.5 In overall terms the statement at Appendix A shows the Council is managing expenditure within the overall budget and the forecast shows that by the year end initial indications are that a surplus will be achieved, with this being used to benefit the Council in future years – through the creation of a financial risks reserves as part of the earmarked General

Fund. The value attached to this is £5 million. The under spending represents approximately 1.1% of budget.

- 5.6 The most significant risks and matters arising from the figures that are presented include the following:
- 5.7 Enterprise, Planning and Infrastructure (EP&I) present a favourable variance forecast arising from strong income generation from shared buildings and also improved building warrant application fees, offset by lower than budgeted income in relation to advertising income. Staff costs provide further savings through vacancy management arrangements, while operating costs for vehicle leases and energy budgets are adding to the positive performance. A saving of £1.1 million is forecast as possible.
- 5.8 The key risk for EP&I is in relation to winter maintenance, which is currently forecast to be overspent based on the cost of a mild winter, such as that experienced in 2011/12. Beyond this the service would require a contribution from the Council contingency.
- 5.9 Education, Culture and Sport (EC&S) is forecast to keep expenditure within its budget and is based on a range of small savings across the service portfolio, overall approximately £1 million. Specific savings such as probationer teachers savings and a saving due to the timing of the re-opening of the Tullos Swimming Pool offset costs associated with additional pupil support assistants and out of authority placements, the numbers of which remain volatile. Out of authority placements remain one of the key in-year risks for the EC&S service.
- 5.10 Corporate Governance (CG) also shows a forecast underspend of £1 million, this being generated in the main from workforce management, including close consideration of vacancy management, while additional savings are forecast based on supplies and services, property and courses expenditure that has been experienced to date. Income is forecast to be below budget, this arising from recharges for support and shared services.
- 5.11 Social Care & Wellbeing (SC&W) reports that a balanced budget position is achievable, although this is based on cost pressures in the staffing and commissioning of services. Income forecasts are strong particularly through grants and contributions that are now expected and telecare costs are lower than budget providing a positive impact on the overall forecast.
- 5.12 The key risks for SC&W are in relation to the purchasing of care, both the volatility of out of authority placements for children and the need for care of older people, whether delivered by internal or external services.

- 5.13 Housing and Environment (H&E) forecast that an underspend against budget of £2.6 million is achievable. While substantial savings are anticipated on waste disposal, due to the level of tonnages and costs being better than had been budgeted, this is offset by a shortfall in income in relation to the construction consultancy services, based on activity levels in the first third of the year. Other savings arise in the area of homelessness resulting from a range of cost reductions including lower use of bed and breakfast accommodation, improved rent collection for temporary homelessness flats and staff costs. Risks for the future include the cost of waste disposal and further consideration of this area of service delivery is being undertaken by the CMT.
- 5.14 The Corporate budgets which are made up of funding to Joint Boards, Council Expenses and funding set aside for contingencies show an overspending position of £0.8 million. This arises from savings associated with the corporate management and accounting of capital financing costs (£2 million), offset by a shortfall in the trading operations surpluses, primarily due to a prudent approach to the surpluses forecast in Building Services and Car Parking. Early calculations of potential changes to the bad debt and equal pay provisions have also been taken into account when forecasting these budget outturns.
- 5.15 Overall funding to the council is forecast to be in line with budgeted levels and while it should be noted that the Scottish Government introduced the Business Rates Incentivisation Scheme (BRIS) – which offers the opportunity to retain increased proportions of Non-Domestic Rates (NDR) – no additional sum has been included in the overall forecast. Clarification is being sought from the Scottish Government on some of the detailed aspects of the scheme and once received it is expected further consideration can be given to this. (The current forecast for NDR income is based on the Scottish Government guaranteed minimum amount)
- 5.16 The revenue budget contingencies are in addition to the sums that are earmarked against the General Fund balance and provide a degree of protection against unexpected or unplanned expenditure being incurred.
- 5.17 The figures outlined reflect progress on achieving approved budget savings options of approx. £18.5 million which were incorporated into the budget and also assumes that a proportion of the contingencies will require to be used during the year.

### **Management Actions**

- 5.18 As the financial year progresses it is imperative that Services continue to deliver the Priority Based Budgeting saving options that are included within Service budgets. Indications are that while there are a number of areas of risk Services are working towards full delivery of the options. This positive momentum also needs to be delivered within the context of the Council's 5 year business plan.
- 5.19 Services should be looking ahead with planning and implementation activity being in place to continue to provide robust financial forecasts and to mitigate risks as far as possible.
- 5.20 The Council is to clarify the detail of the BRIS and to further determine the impact, if any, this will have on the Council's financial position.
- 5.21 Further progress reports will be provided to the Committee throughout the year on both the financial position, the risks that exist for the council and the action being taken by management.

### **6. SERVICE & COMMUNITY IMPACT**

- 6.1. As a recognised top priority the Council must balance its budget. Therefore, Services are expected to work within a financial constraint as defined by their annual budgets.

### **7. REPORT AUTHOR DETAILS**

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### **8. BACKGROUND PAPERS**

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

## APPENDIX A

### ABERDEEN CITY COUNCIL 2012/13

### FINANCIAL MONITORING

As at end of September 2012				Year to Date			Forecast to Year End	
Accounting Period 6	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent %	
<b>Services</b>								
Office of Chief Executive	1,167	637	726	89	1,154	(13)	(1.11%)	
Corporate Governance	28,520	15,053	14,327	(726)	27,471	(1,049)	(3.68%)	
Enterprise Planning and Infrastructure	51,935	20,917	19,636	(1,281)	50,784	(1,151)	(2.22%)	
Housing and Environment	36,854	16,731	15,837	(894)	34,260	(2,594)	(7.04%)	
Education Culture and Sport	173,380	83,106	76,508	(6,598)	172,353	(1,027)	(0.59%)	
Social Care and Wellbeing	121,786	60,363	59,671	(692)	121,713	(73)	(0.06%)	
<b>Total Service Budgets</b>	<b>413,642</b>	<b>196,807</b>	<b>186,705</b>	<b>(10,102)</b>	<b>407,735</b>	<b>(5,907)</b>	<b>(1.43%)</b>	
<b>Total Corporate Budgets</b>	<b>38,033</b>	<b>16,514</b>	<b>15,453</b>	<b>(1,061)</b>	<b>38,804</b>	<b>771</b>	<b>2.03%</b>	
<b>Total Net Expenditure</b>	<b>451,675</b>	<b>213,321</b>	<b>202,158</b>	<b>(11,163)</b>	<b>446,539</b>	<b>(5,136)</b>	<b>(1.14%)</b>	
<b>Funding:</b>								
<u>Government Support-</u>								
General Revenue Grant & Non-Domestic Rates	(343,964)	(171,982)	(171,575)	407	(343,891)	73	0.02%	
<u>Local Taxation-</u>								
Council Tax & Community Charge Arrears	(107,711)	(53,856)	(58,218)	(4,362)	(107,723)	(12)	(0.01%)	
<b>Total Funding</b>	<b>(451,675)</b>	<b>(225,838)</b>	<b>(229,793)</b>	<b>(3,955)</b>	<b>(451,614)</b>	<b>61</b>	<b>0.01%</b>	
<b>Net Impact on General Fund (Surplus)/Deficit</b>	<b>0</b>	<b>(12,517)</b>	<b>(27,635)</b>	<b>(15,118)</b>	<b>(5,075)</b>	<b>(5,075)</b>		
Transfer to / (from) Earmarked GF Reserve	0	0	0	0	5,000	5,000		
Transfer to / (from) Uncommitted GF Reserve	0	0	0	0	0	0		
<b>Net Impact on Budget (Surplus)/Deficit</b>	<b>0</b>	<b>(12,517)</b>	<b>(27,635)</b>	<b>(15,118)</b>	<b>(75)</b>	<b>(75)</b>		

OK

	Balance at 1/4/12	%age of Net Budget	Projected Movement in Year	Projected Balance at 31/3/13	%age of Net Budget
Earmarked General Fund Reserve	(20,083)		(5,000)	(25,083)	
Uncommitted General Fund Reserve	(11,290)	2.50%	0	(11,290)	2.50%
Budget (Surplus)/Deficit Unallocated	0		(75)	(75)	
<b>Total General Fund</b>	<b>(31,373)</b>		<b>(5,075)</b>	<b>(36,448)</b>	



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 <sup>th</sup> December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2012/13 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/12/127

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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 30 September 2012 including the forecast outturn for the year to 31 March 2013.
- b) Provide a forecast position of the cash balances as at 31 March 2013.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the income and expenditure position as at 30 September 2012 and the forecast outturn for the year; and
- b) Notes the forecast cash balances as at 31 March 2013 of £6.8M 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 – Forecast Outturn

- 5.3 The outturn for the year to 31 March 2013 shows a forecast surplus position of £33K which is a favourable movement of £382K when compared to the budget. A table summarising income and expenditure is given in Appendix A to this report.
- 5.4 The changes in forecast outturn compared to budget result from the following:-

	£'000s
Rental income – this is due to agreed back dated rent reviews.	(252)
Steading – the steading at Kepplestone and Kirkhills farm will not be rebuilt this year so results in a saving. The budget will require to be carried forward to 2013-14.	(126)
Sale of Land – one off income enabling additional non-recurring expenditure to be approved.	(90)
Xmas Illuminations – a new contract has resulted in savings.	(77)
Central Support – Bringing the outturn closer into line with previous years has resulted in a saving.	(31)
Receptions – Closer monitoring of costs and attendance numbers has led to a saving in this budget	(25)
Various other small budgets	(1)
Hogmanay Fireworks – additional expenditure agreed at Finance and Resources Committee in October, funded by sale of land and in year savings.	50
Newhills Expansion – additional expenditure agreed at Finance and Resources Committee in October, funded by sale of land and in year savings.	50
Property Costs – this includes fees for property revaluation costs of £24K and repairs to Common Good Properties of £96K.	120
	<u>(382)</u>

## Cash Balances

- 5.5 The forecast cash balances as at 31 March 2013 is £6.8M.
- 5.6 The Council has agreed the budget setting meeting on 9<sup>th</sup> February 2012 that the cash balance should be equal to the equivalent of two years' worth of expenditure. This equates to £5.4M.
- 5.7 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.

## 8. REPORT AUTHOR DETAILS

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## COMMON GOOD FUND

Figures in Brackets represent income or a favourable variance

As At 30 September 2012		Year to Date			Forecast to Year End		
ACCOUNTING PERIOD 6	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn Note 1 £'000	Variance Amount £'000	Variance Percent %
Recurring Expenditure	2,697	600	601	1	2,689	(8)	(0.3%)
Recurring income	(2,675)	(1,266)	(1,266)	0	(2,937)	(262)	9.79%
<b>Budget after Recurring Items</b>	<b>22</b>	<b>(666)</b>	<b>(665)</b>	<b>1</b>	<b>(248)</b>	<b>(270)</b>	<b>(1,227.3%)</b>
Non Recurring Expenditure	327	0	0	0	305	(22)	(6.7%)
Non Recurring Income					(90)	(90)	
<b>TOTAL BUDGET</b>	<b>349</b>	<b>(666)</b>	<b>(665)</b>	<b>1</b>	<b>(33)</b>	<b>(382)</b>	<b>(109.5%)</b>

Cash Balances as at 1 April 2012 (6,763) (6,763)

Estimated Cash Balances as at 31 March 2013 (6,414) (6,796)

Minimum cash balance requirement per budget report (Council 9th February 2012) (5,400) (5,400)

## Note 1

The forecast outturn figure takes into account £1.35M 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.

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	6 December 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 12/13
REPORT NUMBER:	EPI/12/213

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### 1. PURPOSE OF REPORT

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

### 2. RECOMMENDATION

The Committee note the current position.

### 3. FINANCIAL IMPLICATIONS

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme. There are no issues at present that would result in such implications.

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

As part of the Council's three year Business Plan, Capital expenditure is now monitored within a three year timescale where appropriate. This has given budget holders the ability to profile within a three year period.

Some projects are now profiled for little or indeed no expenditure in the current financial year. In these instances, budget holders have profiled the intended expenditure in the appropriate financial year. Budget holders who are profiling slippage on a legally committed project into the next financial year(s) are also profiling this into the appropriate year. Additionally, the rolling programmes included in the Capital programme (Police - Capital Grant, Corp Property Condition & Suitability Programme and Planned Renewal & Replacement of Road

Infrastructure) are now profiled and monitored on a three year basis. Any overspend this financial year will be deducted from the following year's budget. Equally, underspend can be picked up in the following year.

#### 4. BACKGROUND / MAIN ISSUES

As reported at the Finance & Resources Committee in 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 Representative and the Capital Accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are always up to date and accurate.

The Capital Programme has a total of 29 projects, totalling £38.482 million allocated to it from the Non-Housing Capital Programme in 2012/13.

The projects and total budget committed to each project included in the programme are:-

- 1) Data Centre Move  
£175,000
- 2) Police - Capital Grant  
£1.705 million
- 3) Information Communication Technology Connectivity  
£34,000
- 4) Replacement Education Management Information System  
£167,000
- 5) School Estate Strategy - Bucksburn / Newhills  
£522,000
- 6) School Estate Strategy - Riverbank  
£172,000
- 7) Provision for Children with Complex Needs  
£771,000
- 8) Tullos Pool Refurbishment  
£871,000
- 9) Corp Property Condition & Suitability Programme  
£7.710 million

- 10) Cycling Walking Safer Streets Grant  
£252,000
- 11) Access From the North  
£430,000
- 12) Western Peripheral Route  
£4.1 million
- 13) Corporate Office Accommodation  
£1 million
- 14) NESTRANS - Capital Grant  
£960,000
- 15) 3R's Furniture, Fittings & Equipment and Other Works  
£50,000
- 16) Planned Renewal & Replacement of Road Infrastructure  
£3.748 million
- 17) Land Acquisition - Contingency  
£650,000
- 18) Frederick Street Relocations - Crombie Road  
£43,000
- 19) Frederick Street Multi Storey Car Park  
£2.345 million
- 20) Hydrogen Buses  
£400,000
- 21) City Broadband  
£1 million
- 22) Duthie Park & Winter Gardens - Cost Net of HLF  
£2.815 million
- 23) Ness Landfill Restoration  
£4 million
- 24) Hill of Tramaud Landfill - Change of Law Costs  
£449,000
- 25) Private Sector Housing Grant  
£921,000
- 26) Duthie Park & Winter Gardens Replacement Greenhouses  
£4,000

27)Victoria House  
£1.271 million

28)Integrated Drugs Service  
£650,000

29)Marchburn House  
£912,000

Spend for all projects to the end of October is £11.062 million. Variances in monthly spend compared to predicted spend have been identified in some cases, which has resulted in spend profiles being amended.

Appendix A provides a breakdown of this spend to date and relevant supporting information as necessary.

An update on the capital position will be reported to this Committee on 21 February 2013.

#### 5. IMPACT

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

Public - This report will be of interest to the public as it outlines the Council's capital spending to date on Education, Culture & Sport projects.

#### 6. BACKGROUND PAPERS

Non-Housing Capital Programme 2012/13 – Capital Monitoring Report approved at Finance & Resources Committee on 19 June 2012

#### 7. REPORT AUTHOR DETAILS

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## Capital Monitoring – Non Housing Capital Programme 12/13

### *Expenditure to end of October 2012 – all services*

Total Funding £'000	Year Projection £'000	Total Spend £'000
38,482	33,414	11,062

### *Expenditure to end of October 2012 – by service*

	Total Budget £'000	Total Spend £'000	Year Projection £'000
Enterprise, Planning & Infrastructure	22,688	6,314	20,547
Housing & Environment	9,815	4,606	8,256
Education, Culture & Sport	2,537	68	1,432
Corporate Governance	1,880	15	1,548
Social Care & Wellbeing	1,562	59	1,631
<b>Totals</b>	<b>38,482</b>	<b>11,062</b>	<b>33,414</b>

Capital projects which are currently profiled to underspend this financial year will be carried forward to the 2013 /14 budget (and beyond where applicable), as part of the three year Capital plan.

### **Capital Funding**

	£'000
Capital Grant	16,085
Capital Fund (use of receipts)	7,000
Other Funding	15,397
<b>Total</b>	<b>38,482</b>

## **Enterprise, Planning & Infrastructure: All Projects spend to end October**

Project Description	Budget Holder	Total Budget 12/13	Budget 13/14	Budget 14/15	Spend to end October
		£'000	£'000	£'000	£'000
Corp Property Condition & Suitability Programme	Neil Esslemont	7,710	7,400	7,400	2,328
Cycling Walking Safer Streets Grant	Doug Ritchie	252	232	341	47
Access From the North	Tom Rogers	430	7,010	6,400	100
Western Peripheral Route	John Wilson	4,100	1,000	600	0
Corporate Office Accommodation	Hugh Murdoch	1,000	0	0	53
NESTRANS - Capital Grant	Joanna Murray	960	882	1,295	480
3R's Furniture, Fittings & Equipment and Other Works	Graeme Craig	50	0	0	15
Planned Renewal & Replacement of Road Infrastructure	Mike Cheyne	3,748	3,768	3,659	1,750
Land Acquisition - Contingency	Stephen Booth	650	0	0	1
Frederick Street Relocations - Crombie Road	Jim Forbes	43	0	0	254
Frederick Street Multi Storey Car Park	Ian Taylor	2,345	0	0	1,261
Hydrogen Buses	Jan Falconer	400	400	400	0
City Broadband	Jan Falconer	1,000	1,000	0	25
<b>Totals</b>		<b>22,688</b>	<b>21,692</b>	<b>20,095</b>	<b>6,314</b>

## **Enterprise, Planning & Infrastructure: By Project**

### **Item 294: Corp Property Condition & Suitability Programme**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
7,710	7,710	2,328	30

- 17 projects have been practically completed from this year's Condition & Suitability programme to end of October.
- Over £3.675 million has been committed to this budget.
- Any underspend from this year's rolling programme will be carried forward to the 2013/14 budget.

**Item 551: Cycling Walking Safer Streets Grant**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
252	252	47	18

- Following the trend in 2011/12, the majority of this budget is profiled for expenditure in the last three months of the financial year when invoices will be settled.

**Item 587: Access From the North**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
430	430	51	12

- There is still uncertainty over whether or not the 3rd Don Crossing will be included as part of the Western Peripheral Route package of works.
- Officers continue to develop remodelling of proposals for presentation to elected members.
- Asset Management have requested scenario budgeting from the budget holder of this project. This will enable more robust future years profiling. The outcome of these profiles will be reported to this committee.

**Item 627: Western Peripheral Route**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
4,100	4,100	0	0

- Following the successful UK Supreme Court decision to proceed with this project, no revised spend profile has been produced as yet. This will be made available as soon as possible.

**Item 663: Corporate Office Accommodation**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
1,000	53	53	5

- Due to the complexity and nature of the projects defined, the majority of this budget will slip to 2013/14.
- Each individual element of this budget will be profiled once costs have been provided.

**Item 765: NESTRANS - Capital Grant**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
960	960	480	50

- The NESTRANS Grant is paid in two equal instalments, the first of which was paid in October. The second is profiled for payment in February.

**Item 778: 3R's Furniture, Fittings & Equipment and Other Works**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
50	50	15	30

- The 3R's budget is a carry forward from 2011/12 which has been used to fund snagging items and equipment from the now completed 3R's school project. The budget is being spent on a "reactive" basis and has been drawn down as and when necessary.

**Item 789: Planned Renewal & Replacement of Road Infrastructure**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
3,748	3,750	1,750	47

- The majority of resurfacing works have been carried out and invoiced. Further payments will increase the expenditure on this budget significantly.

**Item 791: Land Acquisition – Contingency**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
650	650	1	1

- The land acquisition budget is in place to fund acquisitions which the Authority are legally obliged to conclude.
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

**Item 793A: Frederick Street Relocations - Crombie Road**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
43	254	254	591

(The budget spent figure currently shown does not include additional funding from several other sources).

- The Frederick Street Relocations – Crombie Road project involved the relocation of the Education, Culture & Sport Reserve Collection to vacant Council owned industrial units at Crombie Road.
- The final out-turn cost of this project has yet to be established. There are ongoing discussions to clarify whether specific elements that have been incorporated into the building are to be funded from Revenue budgets. The outcome of these discussions will be reported to the next meeting of this Committee.

**Item 793C: Frederick Street Multi Storey Car Park**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
2,345	2,345	1,261	54

- The car park is fully funded from the capital receipt obtained in 2011/12 from the sale of the Frederick Street development site. Works are being undertaken by Hub North Scotland. The completion date has slipped by two weeks to the beginning of December.

**Item 794: Hydrogen Buses**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
400	0	0	0

- Budget holder has reprofiled the expenditure on this project.
- There will be no expenditure in this financial year, however, December 2013 is profiled for £800,000 spend for the purchase of 4 buses. April 2014 is profiled for £1.2 million for the remaining buses.

**Item 795: City Broadband**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
1,000	42	25	3

- Project is profiled for the only spend this financial year to purchase expert advice in order to undertake an accelerated procurement process with the remaining £1.958 million profiled for expenditure in 2013/14.

## **Housing & Environment: All Projects spend to end October**

Project Description	Budget Holder	Total Budget 12/13	Budget 13/14	Budget 14/15	Spend to end October
		£'000	£'000	£'000	£'000
Duthie Park & Winter Gardens - Cost Net of HLF	Steven Shaw	3,170	0	0	1,596
Ness Landfill Restoration	Peter Lawrence	4,000	0	0	2,536
Hill of Tramaud Landfill - Change of Law Costs	Peter Lawrence	449	0	0	22
Private Sector Housing Grant	Andy Pitblado	921	1,032	1,512	449
Duthie Park & Winter Gardens Replacement Greenhouses	Steven Shaw	4	0	0	3
Victoria House	Kenny Paterson	1,271	1,272	0	0
<b>Totals</b>		<b>9,815</b>	<b>2,304</b>	<b>1,512</b>	<b>4,606</b>

### **Housing & Environment: By Project**

#### **Item 244: Duthie Park & Winter Gardens - Cost Net of HLF**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
3,170	2,815	922	29

- Spend on the Duthie Park & Winter Gardens project has now risen to fully utilise the carry forward from 2011 / 12. Further expenditure is to be funded by Heritage Lottery Fund and Common Good in 2012 / 13.
- Works are progressing to the project plan and continue to be profiled to conclude on time.

#### **Item 497: Ness Landfill Restoration**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
4,000	4,000	2,536	63

- Works on the Ness Landfill are progressing to the project plan and continues to be profiled to conclude on time.

**Item 766: Hill of Tramaud Landfill - Change of Law Costs**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
449	449	22	5

- The landfill budget at Hill of Tramaud is a carry forward from 2011/12.
- Profiles show expenditure increasing significantly at the beginning of next calendar year.

**Item 779: Private Sector Housing Grant**

Budget 12/13 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
921	729	449	49

- Budget holder has resolved all issues regarding previous year's accruals and reprofiled accordingly.
- All expenditure from this financial year's budget is to be spent on disabled adaptations.
- Current profile shows underspend this financial year of £192,000. If this matches the final out – turn, the additional funds will be carried forward to 2012/13.

**Item 792: Duthie Park & Winter Gardens Replacement Greenhouses**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
4	4	3	76

- This project was completed last year, and the final £1,000 of expenditure is required solely to settle the final account from these works.



**Item 797: Victoria House**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
1,271	129	0	0

- Instructions have now been issued to the appointed demolition contractor, giving possession of the site at the beginning of January. Works on site for the demolition are scheduled to take 12 weeks.
- Further profiles will be provided from the budget holder when a project plan is available and works have been profiled.
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

## **Education, Culture & Sport: All Projects spend to end October**

Project Description	Budget Holder	Total Budget 12/13	Budget 13/14	Budget 14/15	Spend to end October
		£'000	£'000	£'000	£'000
Information Communication Technology Connectivity	Rosaleen Rentoul	34	0	0	34
Replacement Education Management Information System	David Wright	167	0	0	31
School Estate Strategy - Bucksburn / Newhills	Sharon McNut	522	1,215	7,638	0
School Estate Strategy - Riverbank	Sharon McNut	172	1,490	88	3
Provision for Children with Complex Needs	Sharon McNut	771	5,722	6,393	0
Tullos Pool Refurbishment	David Wright	871	100	0	0
<b>Totals</b>		<b>2,537</b>	<b>8,527</b>	<b>14,119</b>	<b>68</b>

### **Education, Culture & Sport: By Project**

#### **Item 750: Information Communication Technology Connectivity**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
34	34	34	100

- This project was a residual amount carried over from last year and has now been completed on budget.

#### **Item 751: Replacement of Education Management Information System**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
167	167	31	19

- Budget holder is currently piloting hardware. Current profile cannot confirm if the remainder of this budget will be spent this financial year.

**Item 759A: School Estate Strategy - Bucksburn / Newhills**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
522	522	0	0

- A design team has now been appointed and two technical meetings have taken place.
- A full spend profile is currently being developed for the next technical meeting.
- The first payment is payable to the design team in December. Payments to contractors are likely to commence early in next financial year.

**Item 759B: School Estate Strategy – Riverbank**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
172	172	3	2

- A Contractor has been commissioned for Riverbank School Estate Strategy and detailed design work is progressing. A detailed programme is currently being produced and will be finalised as soon as possible. The anticipated start date on site is programmed for early 2013.

**Item 776: Provision for Children with Complex Needs**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
771	75	0	0

- Provision for Children With Complex Needs has approximately £30,000 committed to ground investigations, via Hub North Scotland. These will contribute towards the site selection process, due to be complete in October 2012.
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

**Item 796: Tullos Pool Refurbishment**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
871	460	0	0

- Building warrant has been submitted and a contractor is to be appointed in December 2012 with construction due to run from Mid January to mid July 2013.
- Design fees are profiled to be charged in December 2012
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

**Corporate Governance: All Projects spend to end October**

Project Description	Budget Holder	Total Budget 12/13	Budget 13/14	Budget 14/15	Spend to end October
		£'000	£'000	£'000	£'000
Data Centre Move	Paul Fleming	175	0	0	6
Police - Capital Grant	Sandra Buthlay	1,705	651	954	0
<b>Totals</b>		<b>1,880</b>	<b>651</b>	<b>954</b>	<b>6</b>

**Corporate Governance: By Project**

**Item 630: Data Centre Move**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
175	157	15	9

- Expenditure for the Data Centre Move is now focused on the rolling out of the Council's Virtual Desktop Environment.
- Budget holder has identified milestone payments and the project is profiled to be concluded in December, £18,000 under budget.

**Item 769: Police - Capital Grant**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
1,705	1,391	0	0

- Monitoring information received from the police continues to predict that £1.391 million will be required this financial year.
- Budget holder is still awaiting further information on what will happen with future years given the move to a single force from 1st April 2013.

## **Social Care & Wellbeing: All Projects spend to end October**

Project Description	Budget Holder	Total Budget 12/13	Budget 13/14	Budget 14/15	Spend to end October
		£'000	£'000	£'000	£'000
Integrated Drugs Service	Tom Cowan	650	0	0	0
Marchburn House	Shona Manson	912	0	0	8
<b>Totals</b>		<b>1,562</b>	<b>0</b>	<b>0</b>	<b>8</b>

### **Social Care & Wellbeing: By Project**

#### **Item 691: Integrated Drugs Service**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
650	650	0	0

- Officers from Aberdeen City Council continue to pursue NHS Grampian's legal team for clarification and completion of the legal agreement for the Integrated Drugs Centre.
- The Corporate Asset Group and Social Care & Wellbeing committee have been advised of the situation and are attempting to resolve this issue as soon as possible.

#### **Item 777: Marchburn House**

Budget 11/12 £'000	Year Projection £'000	Spend to October £'000	Budget Spent %
912	981	59	6

- Project is currently forecast to be overspent by 5%. Approval for this has been granted by the Head of Asset Management & Operations under delegated powers for managing the Non-Housing Capital Plan.

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6th December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Aberdeen City Council Charitable Trusts – Annual Report 2011/12
REPORT NUMBER:	CG/12/126

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### 1. PURPOSE OF REPORT

In order to comply with the requirements of the Office of Scottish Charities Register (OSCR), it is necessary to present financial information and a Trustees' Annual Report relating to the charitable trusts administered by the Council to Committee for approval.

### 2. RECOMMENDATION(S)

It is recommended that the Committee

(a) approves the following information outlined for submission to OSCR:-

(i) Trustees' Report and basic Receipt and Payments Accounts in respect of those trusts with income under £100,000 per annum as detailed in Appendix A.

(ii) Trustees' Report and Fully Accrued Accounts in respect of the Lands of Torry as detailed in Appendix B.

### 3. FINANCIAL IMPLICATIONS

All financial implications are dealt with in section five of the report.

### 4. OTHER IMPLICATIONS

Failure to comply with the requirements of OSCR could result in action being taken against the Council.

## 5. BACKGROUND/MAIN ISSUES

### **Background - Aberdeen City Council Charitable Trusts**

- 5.1 The principal aims of the Office of Scottish Charities Register (OSCR) are to enhance public confidence in charities and increase transparency and public accountability. To achieve this, significant independently reviewed financial information is required to be provided by charities on an annual basis. In addition, strict rules apply regarding eligibility and the disposal of assets.
- 5.2 It should be noted that more detailed information and a separate Trustees Annual Report is required to be submitted in relation to the Lands of Torry as its gross annual income exceeds £100,000.

### **Proposals and Actions**

- 5.3 It is proposed that the Committee approve the following information for submission to OSCR by Council officers. It should be noted that the financial information presented forms part of the Council's Statutory Accounts and as such was included in their audit:-
- (a) The Trustees' Report and basic Receipt and Payments Accounts in respect of those trusts with income under £100,000 per annum as detailed in Appendix A.
  - (b) The Trustees' Report and Fully Accrued Accounts in respect of the Lands of Torry in Appendix B.

## 6. IMPACT

It is essential that the Trusts are managed in such a way that they continue to support the aims within the community for which they were established.

## 7. BACKGROUND PAPERS

None.

## 8. REPORT AUTHOR DETAILS

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## **Appendix A**

### **Trustees Annual Report 2011/12– Aberdeen City Council Charitable Trusts**

This report relates to the charitable trusts administered by Aberdeen City Council.

#### **Reference and administration details**

The charity names, charity numbers, purposes of the charities, and where available details of governing document for the charities covered by this report are given in Appendix 1 of this document.

The principal address for all these charities is Aberdeen City Council, Town House, Broad Street, Aberdeen. AB10 1AH

The Secretary of these Trusts is Jane MacEachran, Head of Legal & Democratic Services, Aberdeen City Council and the Treasurer is Barry Jenkins, Head of Finance, Aberdeen City Council.

The Trustees are the Councillors of Aberdeen City Council, and are as follows:-

Lord Provost George Adam (Chairperson)	Councillor James Kiddie
Councillor Yvonne Allan	Councillor Jenny Laing
Councillor Kirsty Blackman	Councillor Graeme Lawrence (appointed 3 May 2012)
Councillor Marie Boulton	Councillor Neil MacGregor (appointed 3 May 2012)
Councillor David Cameron (appointed 3 May 2012)	Councillor M. Tauqeer Malik (appointed 3 May 2012)
Councillor Scott Carle (appointed 3 May 2012)	Councillor Aileen Malone
Councillor Neil Cooney	Councillor Andrew May
Councillor John Corall	Councillor Callum McCaig
Councillor Bill Cormie	Councillor Ramsay Milne (appointed 3 May 2012)
Councillor Barney Crockett	Councillor Jean Morrison MBE (appointed 3 May 2012)
Councillor Steve Delaney (appointed 3 May 2012)	Councillor Nathan Morrison (appointed 3 May 2012)
Councillor Graham Dickson (appointed 3 May 2012)	Councillor Jim Noble
Councillor Alan Donnelly	Councillor John Reynolds
Councillor Jackie Dunbar	Councillor Gill Samarai (appointed 3 May 2012)
Councillor Lesley Dunbar (appointed 3 May 2012)	Councillor Jennifer Stewart
Councillor Andrew Finlayson (appointed 3 May 2012)	Councillor Sandy Stuart (appointed 3 May 2012)
Councillor Fraser Forsyth (appointed 3 May 2012)	Councillor Angela Taylor (appointed 3 May 2012)
Councillor Gordon Graham	

Councillor Ross Grant (appointed 3 May 2012)  
Councillor Martin Greig  
Councillor Len Ironside CBE  
Councillor Muriel Jaffrey

Councillor Ross Thomson (appointed 3 May 2012)  
Councillor Gordon Townson (appointed 3 May 2012)  
Councillor Willie Young  
Councillor Ian Yuill

All Trustees have served for the whole of the financial year to 31 March 2012 except where indicated.

The following Trustees were in post until the local Elections at 3<sup>rd</sup> May 2012 at which point they resigned

Councillor Norman Collie  
Councillor Irene Cormack  
Councillor Katherine Dean  
Councillor Jim Farquharson  
Councillor Neil Fletcher  
Councillor James Kiddie  
Councillor James Hunter  
Councillor Gordon Leslie  
Councillor Mark McDonald

Councillor Alan Milne  
Councillor George Penny  
Councillor Richard Robertson  
Councillor Peter Stephen  
Councillor John Stewart  
Councillor Kevin Stewart  
Councillor Wendy Stuart  
Councillor John West  
Councillor Jillian Wisely

### **Structure, governance and management**

The type of governing document has been shown in Appendix 1 where available but the venerable nature of some of the trusts has made this difficult to provide in all cases.

The Trustees are elected in the course of the Local Authority elections, and new members are supplied with training as part of their induction process.

The positions of Secretary and Treasurer are filled by professionally qualified officers of Aberdeen City Council.

## **Objectives and activities**

In the information given in Appendix 1, the charitable purposes of each Trust have been provided.

In general the charities activities are limited to the accrual of income from investments, which are remitted to appropriate organisations for further disbursement or use as appropriate given the purposes of the charity.

## **Financial Review**

The attached accounts show the income and expenditure for the individual charities along with the surplus or deficit for the year. None of the individual charities are carrying forward a deficit on their reserves.

Where Governance Costs are allocated to charities these are in proportion to the value of the sums invested with the Council and are based on time spent by officers of Aberdeen City Council providing financial and other support to the organisations.

The investment policy of the Trust is to invest any surplus monies in Aberdeen City Council loans fund.

## **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice for Charity Accounts 2005 and the provisions of the Trust Deed. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities

The Trustees declare that they have approved the trustees' report above.  
Signed on behalf of the charity's trustees

..... Trustee

**Appendix 1**

CHARITY NAME	CHARITY NUMBER	PURPOSE	GOVERNING DOCUMENT
Guildry Funds	SC011857	Support the Historic Guildry Activities	
Jean Guild	SC018557	Widows of Burgesses and Aged Virgins 24 December 1634	
Catherine Rolland	SC018544	Widows of Decayed Burgesses 9 December 1659	
Booth Coal Fund	SC018531	Provision of Coal to the Poor in the Parish of Newhills	Trust Deed 17 April 1929
Miss Jane Smith Trust	SC018534	For Deserving Poor in the Parish of Peterculter	
Aberdeen Shipwrecked Seamens' Fund	SC018540	Charitable Purposes	General Meeting 8 July 1815
Mary Duthie Williams	SC018542	Provision of Blankets for Deserving Poor 19 March 1906	Trust 16 March 1906
W D Watson's Trust	SC018543	Poor Deserving Female Factory Workers. A preference being given to Former Employees of Patrick Watson & Sons	Will 1 December 1909
Catherine Rolland	SC018544	Poor of Aberdeen and Kirk Session of King Edward 9 December 1659	
Mollison Fund	SC018546	Upholding Tomb and Poor Widows connected with St Clements Parish Church 4 December 1911	
Lady Durris	SC018559	Charitable Purposes 15 March 1754	
Lady Durris	SC018559	Kirk Session of Durris and Strachan and Poor Families 15 March 1754	
Janet Fordyce	SC018560	Poor of Aberdeen 30 March 1815	
Families of Fishermen and Seamen Lost at Sea	SC018562	Charitable Purposes 18 October 1965	Public Subscription
Old Aberdeen Soup Kitchen and Dalgarno Coal Fund	SC018563	Poor of Aberdeen	Will 2 October 1958
George Davidson	SC018564	Poor of Footdee 30 November 1663	
James Reid	SC018565	Charitable Purposes 15 November 1792	Mortification 15 November 1792
City of Aberdeen Relay Scheme Charitable Trust	SC021305	Charitable Purposes 4 July 1966	Trust Deed 18 October 1965
John Mather	SC018537	Infirmary - 18 February 1807	

CHARITY NAME	CHARITY NUMBER	PURPOSE	GOVERNING DOCUMENT
Bedlam Fund	SC018538	Persons Deprived of the Use of Reason	Amalgamation of funds 1718
Dr Robert Beveridge	SC018539	Promotion of the Study of Pathology at the Infirmary 18 March 1882 & 19 July 1886	
George Ogilvie	SC018545	Founding Hospital, now payable to the Infirmary 1 February 1772	
Mrs Henrietta Wood	SC018541	For use of the Boys' Hoster (Westfield) 19 August 1958	
Alexander Forbes of Morkeu	SC018552	To provide a Summer Treat to Inmates of Woodend Home (Glenburn Wing) 16 October 1893	Trust 16 October 1893
Miss Eliza Moir	SC018553	For use of the Boys' Hostel (Westfield) 19 August 1958	Will 12 May 1954
CML Werdmuller	SC018558	For South African Students at Aberdeen University	Notice of Motion 30 November ?
Mrs Gibson's Bequest	SC018561	Sermons Against Cruelty to Animals 14 February 1829	Bequest
John Burnett	SC018567	Chaplain of Prison 2 July 1824	Mortification 2 July 1824
Former Health Dept Prize Fund	SC018577	For Bi-Annual Prize to Member of Staff for Best Contribution to Welfare of Handicapped Persons 6 June 1960	
Education Endowment Investment Fund	SC025063	Advancement of Education and the Improvement of General Social Wellbeing	Statute
Leutenant Colonel Charles M. MacQuibban Memorial Fund	SC018547	Comforts for Non-Commissioned Officers and Men of the 1st Battalion, Gordon Highlanders	Trust Deed 11 September 1974
John Black's Trust	SC018536	Aberdeen Art Gallery & Industrial Museum	Trust Deed 22 August 1980
Mrs Harvey Loutit	SC018548	For Display Cases in Regional Museum 14 September 1969	
Captain Harvey Loutit	SC018549	Building Fund of Regional Museum of Aberdeen City	
Bridge of Don Fund	SC018551	Upkeep of Bridge	
Sir Thomas Jaffrey's Gift	SC018554	Purchase of Works of Art for Aberdeen Art Gallery 30 September 1925	Gift Deed 22 April 1929
Miss Margaret Cumming Innes	SC018555	Purchase of Etchings for Aberdeen Art Gallery 17 June 1929	
Miss Margaret C Hamilton	SC018556	Purchase of Exhibits for Regional Museum 11 September 1942	

CHARITY NAME	CHARITY NUMBER	PURPOSE	GOVERNING DOCUMENT
Sir John Anderson	SC018566	Public Library	Decree 12 July 1929
Alexander MacDonald's Bequest	SC018568	Purchase of Works of Art for Aberdeen Art Gallery 11 December 1882	Trust Deed 11 December 1882
Sir Alex Lyon Trust	SC018569	Purchase of Works of Art for Aberdeen Art Gallery 6 June 1927	Will 23 February 1927
John Clark	SC018570	Upholding the Bridge of Goval 20 September 1682	
Alexander Webster's Bequest	SC018571	Purchase of Pictures for Aberdeen Art Gallery 15 January 1912	
Sir James Murray's Gift	SC018573	Purchase of Works of Art for Aberdeen Art Gallery 18 April 1927	Gift 10 April 1927
Cowdray Hall & Art Museum Trust	SC018574	For the construction and management of the Cowdray Hall	
Aberdeen Art Gallery Trusts	SC018575	For the purposes of the Art Gallery	
Robert Anderson Bequest	SC018576	Public Library	
Bridge of Dee Fund	SC021297	Upkeep of Bridge	
Lands of Skene	SC018533	Various	

Title of Charity	Guildry	Guildry	Booth Coal Fund	Booth Coal Fund	Lands of Skene	Lands of Skene	Miss Jane Smith Trust	Miss Jane Smith Trust	John Black's Trust	John Black's Trust	John Mather	John Mather
Cost Centre	Q79021/022/023	Q79021/022/023	Q79253	Q79253	Q79610	Q79610	Q79254	Q79254	Q79123	Q79123	Q79403	Q79403
Charity No	SC011857	SC011857	SC018531	SC018531	SC018533	SC018533	SC018534	SC018534	SC018536	SC018536	SC018537	SC018537
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation	520	802										
Investment Income Received	12,129	15,671	9	10	9,253	10,809	4	5	159	181	2	2
Rents from Land & Buildings					23,940	44,957						
Share of Land Free Revenue	-112	17,790										
Proceeds from Sale of Fixed Assets												
<b>Total Receipts</b>	<b>12,537</b>	<b>34,263</b>	<b>9</b>	<b>10</b>	<b>33,193</b>	<b>55,766</b>	<b>4</b>	<b>5</b>	<b>159</b>	<b>181</b>	<b>2</b>	<b>2</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs					19,969	2,216						
Investment Management												
Payments relating directly to charitable activities	4,616	7,074							354	4,587		
Grants & Donations	800		3	4	-282	44,477	4	5			2	2
Governance Costs	11,904	11,318	6	6	13,506	9,073			115	112		
<b>Total Payments</b>	<b>17,320</b>	<b>18,392</b>	<b>9</b>	<b>10</b>	<b>33,193</b>	<b>55,766</b>	<b>4</b>	<b>5</b>	<b>469</b>	<b>4,699</b>	<b>2</b>	<b>2</b>
Surplus/(deficit) for Year	-4,783	15,871	0	0	0	0	0	0	-310	-4,518	0	0
<b>SECTION B - STATEMENT OF BALANCES</b>												
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	922,197	917,414	640	640	667,260	667,260	305	305	2,944	2,634	112	112
- Restricted Funds									8,528	8,528		
Surplus/(Deficit) shown on Receipts & Payments Account	-4,783	15,871	0	0	0	0	0	0	-310	-4,518	0	0
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	917,414	933,285	640	640	667,260	667,260	305	305	2,634	-1,884	112	112
- Restricted Funds									8,528	8,528		
<b>Total Investments as at 31 March</b>	<b>917,414</b>	<b>933,285</b>	<b>640</b>	<b>640</b>	<b>667,260</b>	<b>667,260</b>	<b>305</b>	<b>305</b>	<b>11,162</b>	<b>6,644</b>	<b>112</b>	<b>112</b>
Land as at 1 April	628,184	1,148,424			903,200	2,203,800						
Revaluation	520,240	35,220			1,300,600	88,050						
<b>Land as at 31 March</b>	<b>1,148,424</b>	<b>1,183,644</b>	<b>0</b>	<b>0</b>	<b>2,203,800</b>	<b>2,291,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April	300	300										
Revaluation												
<b>Other Assets as at 31 March</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	1,550,681	2,066,138	640	640	1,570,460	2,871,060	305	305	11,472	11,162	112	112
<b>Total Assets as at 31 March</b>	<b>2,066,138</b>	<b>2,117,229</b>	<b>640</b>	<b>640</b>	<b>2,871,060</b>	<b>2,959,110</b>	<b>305</b>	<b>305</b>	<b>11,162</b>	<b>6,644</b>	<b>112</b>	<b>112</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	1,550,681	2,066,138	640	640	1,570,460	2,871,060	305	305	11,472	11,162	112	112
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>2,066,138</b>	<b>2,117,229</b>	<b>640</b>	<b>640</b>	<b>2,871,060</b>	<b>2,959,110</b>	<b>305</b>	<b>305</b>	<b>11,162</b>	<b>6,644</b>	<b>112</b>	<b>112</b>



Title of Charity	Jean Guild	Jean Guild	C M L Werdmuller	C M L Werdmuller	Lady Durris	Lady Durris	Janet Fordyce	Janet Fordyce	Mrs Gibson	Mrs Gibson	Families of Fishermen & Seamen Lost at Sea	Families of Fishermen & Seamen Lost at Sea
Cost Centre Charity No	Q79202 SC018557 2010/11 £s	Q79202 SC0018557 2011/12 £s	Q79130 SC018558 2010/11 £s	Q79130 SC018558 2011/12 £s	Q79219/220 SC018559 2010/11 £s	Q79219/220 SC018559 2011/12 £s	Q79229 SC018560 2010/11 £s	Q79229 SC018560 2011/12 £s	Q79302 SC018561 2010/11 £s	Q79302 SC018561 2011/12 £s	Q79248 SC018562 2010/11 £s	Q79248 SC018562 2011/12 £s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation									5	5		
Investment Income Received	10	12	218	255	52	61	1	1	3	3	132	155
Rents from Land & Buildings												
Share of Land Free Revenue												
Proceeds from Sale of Fixed Assets												
<b>Total Receipts</b>	<b>10</b>	<b>12</b>	<b>218</b>	<b>255</b>	<b>52</b>	<b>61</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>132</b>	<b>155</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs												
Investment Management												
Payments relating directly to charitable activities												
Grants & Donations			61	98	10	11	1	1				
Governance Costs	7	7	157	157	34	35					95	96
Sales	7	7	218	255	44	46	1	1	0	0	95	96
Surplus/(deficit) for Year	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>37</b>	<b>59</b>
<b>SECTION B - STATEMENT OF BALANCES</b>												
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	732	735	15,742	15,742	3,768	3,776	60	60	283	291	9,539	9,576
- Restricted Funds												
Surplus/(Deficit) shown on Receipts & Payments Account	3	5	0	0	8	15	0	0	8	8	37	59
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	735	740	15,742	15,742	3,776	3,791	60	60	291	299	9,576	9,635
- Restricted Funds												
<b>Total Investments as at 31 March</b>	<b>735</b>	<b>740</b>	<b>15,742</b>	<b>15,742</b>	<b>3,776</b>	<b>3,791</b>	<b>60</b>	<b>60</b>	<b>291</b>	<b>299</b>	<b>9,576</b>	<b>9,635</b>
Land as at 1 April												
Revaluation												
<b>Land as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April												
Revaluation												
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	732	735	15,742	15,742	3,768	3,776	60	60	283	291	9,539	9,576
<b>Total Assets as at 31 March</b>	<b>735</b>	<b>740</b>	<b>15,742</b>	<b>15,742</b>	<b>3,776</b>	<b>3,791</b>	<b>60</b>	<b>60</b>	<b>291</b>	<b>299</b>	<b>9,576</b>	<b>9,635</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	732	735	15,742	15,742	3,768	3,776	60	60	283	291	9,539	9,576
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>735</b>	<b>740</b>	<b>15,742</b>	<b>15,742</b>	<b>3,776</b>	<b>3,791</b>	<b>60</b>	<b>60</b>	<b>291</b>	<b>299</b>	<b>9,576</b>	<b>9,635</b>

Title of Charity	Alexander MacDonald's Bequest	Alexander MacDonald's Bequest	Sir Alex Lyon Trust	Sir Alex Lyon Trust	John Clark	John Clark	Alexander Webster's Bequest	Alexander Webster's Bequest	Sir James Murray's Gift	Sir James Murray's Gift	Robert Anderson Bequest	Robert Anderson Bequest
Cost Centre	Q79117	Q79117	Q79122	Q79122	Q79502	Q79502	Q79118	Q79118	Q79119	Q79119	Q79124	Q79124
Charity No	SC018568	SC018568	SC018569	SC018569	SC018570	SC018570	SC018571	SC018571	SC018573	SC018573	SC018576	SC018576
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation												
Investment Income Received	451	527	48	56	58	68	248	291	107	125	1	1
Rents from Land & Buildings												
Share of Land Free Revenue												
Proceeds from Sale of Fixed Assets												
<b>Total Receipts</b>	<b>451</b>	<b>527</b>	<b>48</b>	<b>56</b>	<b>58</b>	<b>68</b>	<b>248</b>	<b>291</b>	<b>107</b>	<b>125</b>	<b>1</b>	<b>1</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs												
Investment Management												
Payments relating directly to charitable activities	126	202										
Grants & Donations												
Governance Costs	325	325	34	34	42	42	179	180	77	77		
Sales	451	527	34	34	42	42	179	180	77	77	0	0
<b>Surplus/(deficit) for Year</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>22</b>	<b>16</b>	<b>26</b>	<b>69</b>	<b>111</b>	<b>30</b>	<b>48</b>	<b>1</b>	<b>1</b>
<b>SECTION B - STATEMENT OF BALANCES</b>												
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	7,505	7,505	797	811	4,206	4,222	4,742	4,811	2,698	2,728	70	71
- Restricted Funds	25,040	25,040	2,632	2,632			13,143	13,143	5,000	5,000		
<b>Surplus/(Deficit) shown on Receipts &amp; Payments Account</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>22</b>	<b>16</b>	<b>26</b>	<b>69</b>	<b>111</b>	<b>30</b>	<b>48</b>	<b>1</b>	<b>1</b>
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	7,505	7,505	811	833	4,222	4,248	4,811	4,922	2,728	2,776	71	72
- Restricted Funds	25,040	25,040	2,632	2,632			13,143	13,143	5,000	5,000		
<b>Total Investments as at 31 March</b>	<b>32,545</b>	<b>32,545</b>	<b>3,443</b>	<b>3,465</b>	<b>4,222</b>	<b>4,248</b>	<b>17,954</b>	<b>18,065</b>	<b>7,728</b>	<b>7,776</b>	<b>71 0</b>	<b>72</b>
Land as at 1 April												
Revaluation												
<b>Land as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0</b>	<b>0</b>
Other Assets as at 1 April												
Revaluation												
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0</b>	<b>0</b>
<b>Total Assets as at 1 April</b>	<b>32,545</b>	<b>32,545</b>	<b>3,429</b>	<b>3,443</b>	<b>4,206</b>	<b>4,222</b>	<b>17,885</b>	<b>17,954</b>	<b>7,698</b>	<b>7,728</b>	<b>70</b>	<b>71</b>
<b>Total Assets as at 31 March</b>	<b>32,545</b>	<b>32,545</b>	<b>3,443</b>	<b>3,465</b>	<b>4,222</b>	<b>4,248</b>	<b>17,954</b>	<b>18,065</b>	<b>7,728</b>	<b>7,776</b>	<b>71 0</b>	<b>72</b>
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>32,545</b>	<b>32,545</b>	<b>3,429</b>	<b>3,443</b>	<b>4,206</b>	<b>4,222</b>	<b>17,885</b>	<b>17,954</b>	<b>7,698</b>	<b>7,728</b>	<b>70</b>	<b>71</b>
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>32,545</b>	<b>32,545</b>	<b>3,443</b>	<b>3,465</b>	<b>4,222</b>	<b>4,248</b>	<b>17,954</b>	<b>18,065</b>	<b>7,728</b>	<b>7,776</b>	<b>71 0</b>	<b>72</b>

Title of Charity	Bedlam Fund	Bedlam Fund	Dr Robert Beveridge	Dr Robert Beveridge	Aberdeen Shipwrecked Seamen's Fund	Aberdeen Shipwrecked Seamen's Fund	Mrs Henrietta Wood	Mrs Henrietta Wood	Mary Duthie Williams	Mary Duthie Williams	W D Watson's Trust	W D Watson's Trust
Cost Centre	Q79236	Q79236	Q79409	Q79409	Q79247	Q79247	Q79509	Q79509	Q79240	Q79240	Q79249	Q79249
Charity No	SCO18538	SCO18538	SCO18539	SCO18539	SCO18540	SCO18540	SCO18541	SCO18541	SCO18542	SCO18542	SCO18543	SCO18543
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation	3	4										
Investment Income Received	67	79	6	7	1,075	1,261	72	84	55	65	71	84
Rents from Land & Buildings												
Share of Land Free Revenue												
Proceed frm Sale of Fixed Assets												
<b>Total Receipts</b>	<b>70</b>	<b>83</b>	<b>6</b>	<b>7</b>	<b>1,075</b>	<b>1,261</b>	<b>72</b>	<b>84</b>	<b>55</b>	<b>65</b>	<b>71</b>	<b>84</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs												
Investment Management	20	20										
Payments relating directly to charitable activities	1	14										
Grants & Donations	49	49	6	7					15	25	19	32
Governance Costs					775	778	52	52	40	40	52	52
<b>Total Payments</b>	<b>70</b>	<b>83</b>	<b>6</b>	<b>7</b>	<b>775</b>	<b>778</b>	<b>52</b>	<b>52</b>	<b>55</b>	<b>65</b>	<b>71</b>	<b>84</b>
Surplus/(deficit) for Year	0	0	0	0	300	483	20	32	0	0	0	0
<b>SECTION B - STATEMENT OF BALANCES</b>												
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	5,418	5,418	430	430	77,540	77,840	5,165	5,185	3,988	3,988	5,156	5,156
- Restricted Funds												
Surplus/(Deficit) shown on Receipts & Payments Account	0	0	0	0	300	483	20	32	0	0	0	0
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	5,418	5,418	430	430	77,840	78,323	5,185	5,217	3,988	3,988	5,156	5,156
- Restricted Funds												
<b>Total Investments as at 31 March</b>	<b>5,418</b>	<b>5,418</b>	<b>430</b>	<b>430</b>	<b>77,840</b>	<b>78,323</b>	<b>5,185</b>	<b>5,217</b>	<b>3,988</b>	<b>3,988</b>	<b>5,156</b>	<b>5,156</b>
Land as at 1 April												
Revaluation												
<b>Land as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April												
Revaluation												
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	5,418	5,418	430	430	77,540	77,840	5,165	5,185	3,988	3,988	5,156	5,156
<b>Total Assets as at 31 March</b>	<b>5,418</b>	<b>5,418</b>	<b>430</b>	<b>430</b>	<b>77,840</b>	<b>78,323</b>	<b>5,185</b>	<b>5,217</b>	<b>3,988</b>	<b>3,988</b>	<b>5,156</b>	<b>5,156</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	5,418	5,418	430	430	77,540	77,840	5,165	5,185	3,988	3,988	5,156	5,156
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>5,418</b>	<b>5,418</b>	<b>430</b>	<b>430</b>	<b>77,840</b>	<b>78,323</b>	<b>5,185</b>	<b>5,217</b>	<b>3,988</b>	<b>3,988</b>	<b>5,156</b>	<b>5,156</b>

Title of Charity	Bridge of Don	Bridge of Don	Alexander	Alexander	Miss Eliza S	Miss Eliza S	Sir Thomas	Sir Thomas	Miss	Miss	Miss	Miss
	Fund	Fund	Forbes of	Forbes of	Moir Bequest	Moir Bequest	Jaffrey's Gift	Jaffrey's Gift	Margaret	Margaret	Margaret C	Margaret C
Cost Centre	Q79011	Q79011	Q79243	Q79243	Q79508	Q79508	Q79120	Q79120	Q79121	Q79121	Q79126	Q79126
Charity No	SC018551	SC018551	SC018552	SC018552	SC018553	SC018553	SC018554	SC018554	SC018555	SC018555	SC018556	SC018556
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation												
Investment Income Received	1,882	2,206	26	30	79	93	89	105	49	58	13	15
Rents from Land & Buildings												
Share of Land Free Revenue	-85	13,344										
Proceed from Sale of Fixed Assets												
<b>Total Receipts</b>	<b>1,797</b>	<b>15,550</b>	<b>26</b>	<b>30</b>	<b>79</b>	<b>93</b>	<b>89</b>	<b>105</b>	<b>49</b>	<b>58</b>	<b>13</b>	<b>15</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs												
Investment Management												
Payments relating directly to charitable activities												
Grants & Donations												
Governance Costs	1,357	1,362	19	19	57	57	65	65	35	36	9	9
<b>Total Payments</b>	<b>1,357</b>	<b>1,362</b>	<b>19</b>	<b>19</b>	<b>57</b>	<b>57</b>	<b>65</b>	<b>65</b>	<b>35</b>	<b>36</b>	<b>9</b>	<b>9</b>
Surplus/(deficit) for Year	<b>440</b>	<b>14,188</b>	<b>7</b>	<b>11</b>	<b>22</b>	<b>36</b>	<b>24</b>	<b>40</b>	<b>14</b>	<b>22</b>	<b>4</b>	<b>6</b>
<b>SECTION B - STATEMENT OF BALANCES</b>												
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	135,748	136,188	1,858	1,865	5,703	5,725	1,451	1,475	2,543	2,557	419	423
- Restricted Funds							5,000	5,000	1,000	1,000	500	500
Surplus/(Deficit) shown on Receipts & Payments Account	440	14,188	7	11	22	36	24	40	14	22	4	6
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	136,188	150,376	1,865	1,876	5,725	5,761	1,475	1,515	2,557	2,579	423	429
- Restricted Funds							5,000	5,000	1,000	1,000	500	500
<b>Total Investments as at 31 March</b>	<b>136,188</b>	<b>150,376</b>	<b>1,865</b>	<b>1,876</b>	<b>5,725</b>	<b>5,761</b>	<b>6,475</b>	<b>6,515</b>	<b>3,557</b>	<b>3,579</b>	<b>923</b>	<b>929</b>
Land as at 1 April	471,538	861,718										
Revaluation	390,180	26,415										
<b>Land as at 31 March</b>	<b>861,718</b>	<b>888,133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April												
Revaluation												
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	607,286	997,906	1,858	1,865	5,703	5,725	6,451	6,475	3,543	3,557	919	923
<b>Total Assets as at 31 March</b>	<b>997,906</b>	<b>1,038,509</b>	<b>1,865</b>	<b>1,876</b>	<b>5,725</b>	<b>5,761</b>	<b>6,475</b>	<b>6,515</b>	<b>3,557</b>	<b>3,579</b>	<b>923</b>	<b>929</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	607,286	997,906	1,858	1,865	5,703	5,725	6,451	6,475	3,543	3,557	919	923
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>997,906</b>	<b>1,038,509</b>	<b>1,865</b>	<b>1,876</b>	<b>5,725</b>	<b>5,761</b>	<b>6,475</b>	<b>6,515</b>	<b>3,557</b>	<b>3,579</b>	<b>923</b>	<b>929</b>

Title of Charity	Old Abdn Soup Kitchen & Dalgarno Coal Fund	Old Abdn Soup Kitchen & Dalgarno Coal Fund	George Davidson	George Davidson	James Reid	James Reid	Education Endowment Investment Fund	Education Endowment Investment Fund	Sir John Anderson	Sir John Anderson	John Burnett	John Burnett
	Q79238 SC018563 2010/11 £s	Q79238 SC018563 2011/12 £s	Q79205 SC018564 2010/11 £s	Q79205 SC018564 2011/12 £s	Q79227 SC018565 2010/11 £s	Q79227 SC018565 2011/12 £s	Q54006 SC025063 2010/11 £s	Q54006 SC025063 2011/12 £s	Q79125 SC018566 2010/11 £s	Q79125 SC018566 2011/12 £s	Q79301 SC018567 2010/11 £s	Q79301 SC018567 2011/12 £s
<b>SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS</b>												
<b>Receipts</b>												
Donation												
Investment Income Received	5	6			1	1	15,391	21,069	22	25	5	6
Rents from Land & Buildings												
Share of Land Free Revenue												
Proceed from Sale of Fixed Assets												
<b>Total Receipts</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>15390.64</b>	<b>21,069</b>	<b>22</b>	<b>25</b>	<b>5</b>	<b>6</b>
<b>Sales</b>												
<b>Payments</b>												
Property Repairs												
Investment Management												
Payments relating directly to charitable activities							984	1,333				
Grants & Donations	5	6			1	1			6	9	5	6
Governance Costs									16	16		
<b>Total Payments</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>984</b>	<b>1,333</b>	<b>22</b>	<b>25</b>	<b>5</b>	<b>6</b>
Surplus/(deficit) for Year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,407</b>	<b>19,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SECTION B - STATEMENT OF BALANCES</b>												
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April												
- Unrestricted Funds	345	345	6	6	43	43	125,582	139,988	1,562	1,562	393	393
- Restricted Funds												
Surplus/(Deficit) shown on Receipts & Payments Account	0	0	0	0	0	0	14,407	19,736	0	0	0	0
Aberdeen City Loans Fund as at 31 March												
- Unrestricted Funds	345	345	6	6	43	43	139,988	159,724	1,562	1,562	393	393
- Restricted Funds												
<b>Total Investments as at 31 March</b>	<b>345</b>	<b>345</b>	<b>6</b>	<b>6</b>	<b>43</b>	<b>43</b>	<b>139,988</b>	<b>159,724</b>	<b>1,562</b>	<b>1,562</b>	<b>393</b>	<b>393</b>
Land as at 1 April												
Revaluation												
<b>Land as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April							740,844	788,962				
Revaluation							48,118	11,779				
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>788,962</b>	<b>800,741</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	345	345	6	6	43	43	866,426	928,950	1,562	1,562	393	393
<b>Total Assets as at 31 March</b>	<b>345</b>	<b>345</b>	<b>6</b>	<b>6</b>	<b>43</b>	<b>43</b>	<b>928,950</b>	<b>960,465</b>	<b>1,562</b>	<b>1,562</b>	<b>393</b>	<b>393</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	345	345	6	6	43	43	866,426	928,950	1,562	1,562	393	393
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>345</b>	<b>345</b>	<b>6</b>	<b>6</b>	<b>43</b>	<b>43</b>	<b>928,950</b>	<b>960,465</b>	<b>1,562</b>	<b>1,562</b>	<b>393</b>	<b>393</b>

Title of Charity	Former Health Dept Prize Fund	Former Health Dept Prize Fund	Bridge of Dee Fund	Bridge of Dee Fund	City of Abdn Relay Scheme Charitable Trust	City of Abdn Relay Scheme Charitable Trust	Cowdray Hall & Art Museum Trust	Cowdray Hall & Art Museum Trust	Aberdeen Art Gallery Trusts	Aberdeen Art Gallery Trusts
Cost Centre Charity No	Q79510 SC018577	Q79510 SC018577	Q79012 SC021297	Q79012 SC021297	Q79250 SC021305	Q79250 SC021305	SC018574 2010/11	SC018574 2011/12	SC018575 2010/11	SC018575 2011/12
SECTION A - STATEMENT OF RECEIPTS AND PAYMENTS	2010/11 £s	2011/12 £s	2010/11 £s	2011/12 £s	2010/11 £s	2011/12 £s	2010/11 £s	2011/12 £s	2010/11 £s	2011/12 £s
<b>Receipts</b>										
Donation							0	0	0	0
Investment Income Received	43	50	479	562	10	12	0	0	0	0
Rents from Land & Buildings							0	0	0	0
Share of Land Free Revenue							0	0	0	0
Proceed from Sale of Fixed Assets							0	0	0	0
<b>Total Receipts</b>	<b>43</b>	<b>50</b>	<b>479</b>	<b>562</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sales</b>										
<b>Payments</b>										
Property Repairs							0	0	0	0
Investment Management							0	0	0	0
Payments relating directly to charitable activities							0	0	0	0
Grants & Donations					3	5	0	0	0	0
Governance Costs	31	31	345	347	7	7	0	0	0	0
<b>Total Payments</b>	<b>31</b>	<b>31</b>	<b>345</b>	<b>347</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Surplus/(deficit) for Year	<b>12</b>	<b>19</b>	<b>134</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SECTION B - STATEMENT OF BALANCES</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>
Aberdeen City Loans Fund as at 1 April										
- Unrestricted Funds	3,079	3,091	34,530	34,664	710	710	0	0	0	0
- Restricted Funds							0	0	0	0
Surplus/(Deficit) shown on Receipts & Payments Account	12	19	134	215	0	0	0	0	0	0
Aberdeen City Loans Fund as at 31 March										
- Unrestricted Funds	3,091	3,110	34,664	34,879	710	710	0	0	0	0
- Restricted Funds							0	0	0	0
<b>Total Investments as at 31 March</b>	<b>3,091</b>	<b>3,110</b>	<b>34,664</b>	<b>34,879</b>	<b>710</b>	<b>710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Land as at 1 April							0	0	0	0
Revaluation							0	0	0	0
<b>Land as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Assets as at 1 April							0	0	0	0
Revaluation							0	0	0	0
<b>Other Assets as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Assets as at 1 April	3,079	3,091	34,530	34,664	710	710	0	0	0	0
<b>Total Assets as at 31 March</b>	<b>3,091</b>	<b>3,110</b>	<b>34,664</b>	<b>34,879</b>	<b>710</b>	<b>710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Liabilities - Amount at Credit of Fund as at 31 March	3,079	3,091	34,530	34,664	710	710	0	0	0	0
<b>Total Liabilities - Amount at Credit of Fund as at 31 March</b>	<b>3,091</b>	<b>3,110</b>	<b>34,664</b>	<b>34,879</b>	<b>710</b>	<b>710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Trustees Annual Report 2011/12–Lands of Torry  
Registered Charitable Number SC021299**

This report relates to the Lands of Torry, a trust administered by Aberdeen City Council. It is a charitable trust with the registration number SC021299.

**Reference and administration details**

The principal address for all this trust is Aberdeen City Council, Town House, Broad Street, Aberdeen AB10 1AH.

The Secretary of this Trust is Jane MacEachran, Head of Legal & Democratic Services, Aberdeen City Council and the Treasurer is Barry Jenkins, Head of Finance, Aberdeen City Council.

The Trustees are the Councillors of Aberdeen City Council, and are as follows:-

Lord Provost George Adam (Chairperson)	Councillor Muriel Jaffrey
Councillor Yvonne Allan	Councillor James Kiddie
Councillor Kirsty Blackman	Councillor Jenny Laing
Councillor Marie Boulton	Councillor Graeme Lawrence (appointed 3 May 2012)
Councillor David Cameron (appointed 3 May 2012)	Councillor Neil MacGregor (appointed 3 May 2012)
Councillor Scott Carle (appointed 3 May 2012)	Councillor M. Tauqeer Malik (appointed 3 May 2012)
Councillor Neil Cooney	Councillor Aileen Malone
Councillor John Corall	Councillor Andrew May
Councillor Bill Cormie	Councillor Callum McCaig
Councillor Barney Crockett	Councillor Ramsay Milne (appointed 3 May 2012)
Councillor Steve Delaney (appointed 3 May 2012)	Councillor Jean Morrison MBE (appointed 3 May 2012)
Councillor Graham Dickson (appointed 3 May 2012)	Councillor Nathan Morrison (appointed 3 May 2012)
Councillor Alan Donnelly	Councillor Jim Noble
Councillor Jackie Dunbar	Councillor John Reynolds
Councillor Lesley Dunbar (appointed 3 May 2012)	Councillor Gill Samarai (appointed 3 May 2012)
Councillor Andrew Finlayson (appointed 3 May 2012)	Councillor Jennifer Stewart
Councillor Fraser Forsyth (appointed 3 May 2012)	Councillor Sandy Stuart (appointed 3 May 2012)
Councillor Gordon Graham	Councillor Angela Taylor (appointed 3 May 2012)
Councillor Ross Grant (appointed 3 May 2012)	Councillor Ross Thomson (appointed 3 May 2012)
Councillor Martin Greig	Councillor Gordon Townson (appointed 3 May 2012)
Councillor Len Ironside CBE	Councillor Willie Young
	Councillor Ian Yuill

All Trustees have served for the whole of the financial year to 31 March 2012 except where indicated.

The following Trustees were in post until the local Elections at 3<sup>rd</sup> May 2012 at which point they resigned

Councillor Norman Collie  
Councillor Irene Cormack  
Councillor Katherine Dean  
Councillor Jim Farquharson  
Councillor Neil Fletcher  
Councillor James Kiddie  
Councillor James Hunter  
Councillor Gordon Leslie  
Councillor Mark McDonald

Councillor Alan Milne  
Councillor George Penny  
Councillor Richard Robertson  
Councillor Peter Stephen  
Councillor John Stewart  
Councillor Kevin Stewart  
Councillor Wendy Stuart  
Councillor John West  
Councillor Jillian Wisely

### **Structure, governance and management**

The governing document is unavailable due to the venerable nature of the trust.

The trustees are elected in the course of the Local Authority elections and new members are supplied with training as part of their induction process.

The positions of Secretary and Treasurer are filled by professionally qualified officers of Aberdeen City Council.



## **Objectives and Activities**

The Lands of Torry goes back to at least 1704 when one half of the Lands of Torry were purchased on behalf of certain Mortifications Accounts.

The free revenue from the Lands of Torry is split between the following:

Duncan Liddel's Motification – Professor of Mathematics

Duncan Liddel's Motification – Library of College

James Cargill's Mortification – Bursary Fund

Patrick Coplands Mortification – Professor of Divinity

Common Good Fund

In general the charity's activities are limited to the accrual of income from investments, which are remitted to appropriate organisations for further disbursement or use as appropriate.

The Governance Costs are allocated in proportion to the value of the sums invested with the Council and are based on time spent by officers of Aberdeen City Council providing financial and other support to this and similar organisations.

## **Financial Review**

The accounts for the year show gross expenditure of £136,736 (2011 - £121,333) and income of £145,736 (2011 - £141,733). The surplus for the year amounted to £9,000 which is due to the revaluation of registerable leases, compared to a surplus of £20,400 in the previous year.

As at 31 March 2012 the Trust's financial position shows an excess of Current Assets over Current Liabilities amounting to £1,927,081 (2011 - £1,918,081).

## **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of Trust's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice for Charity Accounts 2005 and the provisions of the Trust Deed. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities

The Trustees declare that they have approved the trustees' report above.  
Signed on behalf of the charity's trustees

..... Trustee

**Lands of Torry**  
**Statement of Financial Activities**  
**(including Income and Expenditure Account)**  
**For the year to 31 March 2012**

	Unrestricted Funds 2012 Total £	Restricted Funds 2012 Total £	Total 2012 Total £	Total 2011 Total £
Note				
<b>Incoming resources</b>	<b>1</b>			
<b>Income from generated funds</b>				
<b>Activities for generating funds</b>				
Interest Received	406	-	406	348
Rent from land and Buildings	136,330		136,330	120,985
Revaluation of Reg Leases	9,000		9,000	5,000
Revaluation of Land and Houses at Torry			-	15,400
<b>Total incoming resources</b>	<b>145,736</b>	<b>-</b>	<b>145,736</b>	<b>141,733</b>
<b>Resources expended</b>	<b>2</b>			
<b>Cost of generating funds</b>				
Governance Costs	251	-	251	251
Grants	133,985	-	133,985	121,082
Property Repairs	2,500	-	2,500	
<b>Total resources expended</b>	<b>136,736</b>	<b>-</b>	<b>136,736</b>	<b>121,333</b>
<b>Net (outgoing)/incoming resources for the year</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>	<b>20,400</b>
<b>Reconciliation of Funds</b>				
Total funds brought forward	1,918,081		1,918,081	1,897,681
<b>Total funds carried forward</b>	<b>1,927,081</b>	<b>-</b>	<b>1,927,081</b>	<b>1,918,081</b>

**Lands of Torry  
Balance Sheet  
As at 31 March 2012**

	<b>2012</b> £	<b>2011</b> £
<b>Fixed Assets</b>		
Land and Houses at Torry	25,000	25,000
Registable Leases	<u>1,877,000</u>	<u>1,868,000</u>
	1,902,000	1,893,000
 <b>Current Assets</b>		
Investment - City of Aberdeen Loans Fund	25,081	25,081
	<u>25,081</u>	<u>25,081</u>
 <b>Total Net Assets</b>	 <u><u>1,927,081</u></u>	 <u><u>1,918,081</u></u>
 <b>Represented by:</b>		
General Fund - Unrestricted	1,927,081	1,918,081
 <b>Total Funds</b>	 <u><u>1,927,081</u></u>	 <u><u>1,918,081</u></u>

**Lands of Torry**  
**Notes to the Financial Statements**  
**For the year to 31 March 2012**

**1. Incoming Resources**

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £
Investment Interest	406	-	406
Rent from land and Buildings	136,330		136,330
	<u>136,736</u>	<u>-</u>	<u>136,736</u>

**2. Resources Expended**

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total 2012 £	Total 2011 £
<b>Total Resources Expended</b>				
<b>Cost of Generating Funds</b>				
Governance Costs	251	-	251	251
Grants	133,985	-	133,985	121,082
Property Repairs	2,500			
	<u>136,736</u>	<u>-</u>	<u>134,236</u>	<u>121,333</u>

The trust did not employ any staff during the year to 31 March 2011

**3. Grants**

In accordance with the Charities SORP, Grants over £1,000 should be disclosed. The following Grants fall into this category.

	2012 £	2011 £
Dr Duncan Liddel's Mortification - Professor of Mathematics	33,754	30,503
Dr Duncan Liddel's Mortification - Library of College	1,688	1,526
Bursary Fund (James Cargill Mortification)	13,752	12,428
Patrick Copland's to Professor of Divinity	16,502	14,912
Common Good (Guild Wine)	68,289	61,713
	<u>133,985</u>	<u>121,082</u>

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth (Director of Corporate Governance)
TITLE OF REPORT	General Fund Revenue and Capital Budget 2013/14 and Indicative 5 Year Budgets
REPORT NUMBER:	CG/12/1021

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Committee with details of the 2013/14 General Fund Revenue budget along with indicative 5 Year budgets for both the General Fund and an indicative investment level of £200 million for the Non Housing Capital Programme during the same time frame.
- 1.2 These budgets are based on the current settlement information from the Scottish Government and will therefore be subject to change once an updated settlement position is announced.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
  - a) Notes the attached 2013/14 draft budget proposal which will be presented to the 7 February 2013 Budget Setting Council meeting;
  - b) Note the draft 5 Year Business Plan position in relation to the Council's budget subject to the final grant settlement award letter; and
  - d) The Committee notes that the proposed budget **DOES NOT** include any additional budget savings as the 5 Year business plan for 2013/14 demonstrates that none are required;
  - e) Notes the establishment of a Risk Fund to mitigate against any in year cost pressures subject to final Council approval in February 2013;
  - f) Notes that the Head of Finance continues to retain working balances, as a minimum, of 2.5%;
  - g) Notes that a capital investment programme of £200 million over the 5 year business plan life cycle will be reported to the Council Budget Setting meeting on 7 February 2013.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Council in anticipation of setting its budget for 2011/12 undertook an extensive Priority Based Budgeting (PBB) exercise that reviewed all costs currently being incurred across Council services over a 5 Year period.
- 3.2 This led to the Council producing a 5 Year Business Plan outlining the financial position over this period and this has been updated to reflect a more detailed understanding of the cost pressures, financial out-turn and Scottish Government settlement figures.
- 3.3 The process for determining the 2013/14 budget involved undertaking a risk based approach to further enhance and develop the PBB process through the establishment of a Risk Fund.
- 3.4 This involved identifying cost pressures for future years and understanding the risk associated with these, such that in being prudent the cost pressure could be set against the Risk Fund which Services will work on mitigating against in year.
- 3.5 The basis for this is predicated on the Council anticipating an underspend against budget for 2012/13 of approximately £5 million. Given this will be the second year this level of underspend is likely to occur future year cost pressures could be met from this underspend. However, a Risk Fund has been created to ensure if this is not the case then funding is in place to meet these pressures.
- 3.6 In setting the budget for 2013/14 the Council needs to recognise that sufficient working balances are set aside to meet any future unforeseen expenses over the life of the 5 Year Business Plan. This is of high importance given:
  - The continued economic outlook for the United Kingdom and further afield;
  - The continued austerity measures being implemented by the UK government;
  - Welfare reform and the potential impact this will have on the Council's customers;
  - The level of inflation that continues to be inherent within the current economic climate;
  - Potential wage pressures following a 2 year wage freeze within the Public Sector;
  - Other cost pressures arising directly from rising prices or additional legislative burdens placed on the Council; and
  - The Council waits to see its next 3 year settlement figures from the Scottish Government covering the period 2015/16 to 2017/18.



- 3.7 As reported and agreed at Committee on 4 October 2012 the Council has continued to set aside 2.5% of net revenue budget expenditure as uncommitted reserves on the General Fund, with the express intention of ensuring that it can deal with unexpected and unplanned expenditure should the need arise.
- 3.8 In line with this approved strategy officers continue to monitor and examine the opportunities for increasing the level of working balances. With current forecasts showing that the level of underspend is likely to be in the order of £5-£6 million as part of the budget strategy a Risk Fund will be created to meet any potential cost pressures in year that cannot be met from existing budgets.
- 3.9 As part of the Council's year end process the most optimum position will be identified and referred to Committee for approval in due course, along with continued updates during the remainder of this financial year on the potential to further increase the level of working balances.

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

- 4.1 The Council is required to set its Council Tax levels before the 11 March in the financial year preceding that for which it is set as governed by the Local Government Finance Act 1992.
- 4.2 A continued major impact on the Council's position for 2013/14 and future year budgets is the current prolonged economic down turn of the United Kingdom economy and the subsequent impact this has had on the level of funding available to the public sector.
- 4.3 The Scottish Government has issued the Finance Circular for 2013/14 and is in line with previous Government announcements. The major change to the funding is the removal of funding of Police and Fire and this also is in line with the Council's current forecasts.
- 4.4 One of the major impacts on the level of funding the Council will receive is the establishment of the single Police and Fire Boards in Scotland. As such, the Council will receive approximately £34 million less funding. However, the converse position of this is that the Council will no longer be responsible for funding these organisations and as such the reduction is expected to be cost neutral.
- 4.5 In setting the General Fund budget it is assumed that a funding envelope of approximately £200 million will be provided for capital investment over the life of the 5 Year Business Plan. The Council has a process for identifying and ranking projects, or bids, and this is currently being worked on by officers and will be reported to Committee in February 2013.

## 5. REPORT

5.1 The budget proposals being recommended by officers is summarised in the table below and broken down further in Appendix 1 of this report:

<u>Note</u>	<u>Funding</u>	<u>£</u> <u>million</u>
1	General Revenue Grant	132.879
1	Non Domestic Rates	177.084
	Teacher Induction Grant	0.991
2	Council Tax (including Arrears)	<u>110.388</u>
		421.342
	Add:	
	Trading Services/Other Grants	<u>11.487</u>
	<b>Total Funding</b>	<b>432.829</b>
	<b><u>Projected Expenditure</u></b>	
	Current Estimated Spend	438.370
	Deduct: Introduction of Risk Fund	
3	Approach	<u>(5.541)</u>
	<b>Total Projected Expenditure</b>	<b>432.829</b>
	Net Spend	<b>0</b>

**Note 1** – This is the total funding notified to the Council per the current Finance Circulars available based on Non Domestic Rates and General Revenue Grant (amended to reflect the deduction in Police and Fire Grant).

**Note 2** – A review of Council Tax has been undertaken and it is estimated that a small increase in the Band D equivalent properties for 2013/14 can be anticipated.

**Note 3**– This is the introduction of a Risk Fund based approach to dealing with in-year cost pressures that, given the inherent under spend being reported, will be absorbed from within existing budgets during the year if they should materialise.

### Financial Settlement Position

5.2 It is worthwhile noting that as part of the overall settlement agreement provided by the Scottish Government the Council is expecting that it has to ensure that it has adequate budgetary provision to:

- Maintain a council tax freeze for the financial year 2013/14; and
- Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.

5.3 The Council has received the Finance Circular for 2013/14 (Local Government Finance Circular no. 5/2012) and this is in line with previously reported expectations. The figures within this report reflect the funding position per the issued circular.

## **Council Tax Assumptions**

- 5.4 The current level of Council Tax Band D equivalent is £1,230.39 per annum. This is based on 91,524 Band D equivalent properties. It should also be noted that this assumes:
- Council tax non-collection rates are maintained at 2012/13 level for the 5 Year Business Plan (which will be monitored closely given the impact of Welfare Reform);
  - It is assumed that an additional 400 Band D properties will be added to the charge annually;
  - Council tax levels are frozen at 2012/13 prices until 2015/16 when it is assumed that it will increase by 2% per annum;
  - Welfare Reform impact is provided for centrally and will be reviewed as more detail becomes available;
  - The level of Band D properties has been increasing in recent years and the budget report in February 2013 will reflect the December property data.

## **Business Rates Incentivisation Scheme**

- 5.5 For the financial year 2012/13 the Scottish Government has introduced the Business Rates Incentivisation Scheme. The aim of the scheme is two fold; to incentivise councils to maximize their existing business rate income; and to grow their tax base, allowing them to retain a proportion of business rates income over and above the target level of what they would otherwise be expected to raise.
- 5.6 Each local authority that exceeds its individual non domestic rate income target will retain a half share of the additional rates income generated. Any local authority that does not reach their target will continue to be compensated by the Scottish Government (as they are now) up to the level of their non domestic rates distributable amount through increased general revenue grant.
- 5.7 The Council's target for 2012/13 is £164.1 million. At present there is no indication what the target level is for 2013/14 as this detail will be provided within the awaited settlement letter.

- 5.8 The Scottish Government within the issued Finance circular has stated that:

“It should be noted that the 2012-13 BRIS targets are currently under review following receipt of the 2012-13 business rates mid-year returns. It is clear that there has been a delay in the settling of appeal cases caused by the need to await the outcome of the Mercat/Overgate Shopping Centre appeal cases. This appears to have had the effect of artificially increasing the income councils are collecting in 2012-13 (thereby creating an unjustified windfall this year). If this indeed turns out to be the case and there has been a large number of appeals that have been delayed and will now be pushed into 2013-14 and future years then this will have to be dealt with as a “significant event” and the BRIS targets reviewed. Once we have the full analysis and the likely impact on non domestic rate income we will discuss with COSLA and agree revised 2012-13 targets. Clearly this will also have an impact on the 2013-14 targets which will be issued in due course”

Further detail will be provided to Committee when it becomes available.

### 5 Year Business Plan Investment

- 5.9 As part of the overall direction of travel in delivering the 5 Year Business Plan the Council undertook wide reviews of its areas of spend and re-aligned this to its Corporate Priorities.
- 5.10 As part of the 5 year plan the following net investment has been made within the 2013/14 budget within each of the Service Directorates and more detail is provided within Appendix 2 of this report.

Net Movement by Service:

	2012/13 to	2013/14 to	2014/15 to	2015/16 to	2016/17 to
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
<b><u>Current Movement</u></b>					
Corporate Governance	(526)	(225)	(212)	(185)	226
Social Care and Wellbeing	4,850	2,611	1,716	3,881	3,881
Education, Culture and Sport	2,677	2,257	2,214	4,524	1,422
Housing and Environment	1,789	(961)	(2,502)	3,137	342
Enterprise, Planning and Infrastructure	(1,872)	610	928	1,917	15
	<b>6,918</b>	<b>4,292</b>	<b>2,144</b>	<b>13,274</b>	<b>5,886</b>

- 5.11 What the above table demonstrates is that significant investment is being made within Services. For the Corporate Governance service the net reduction in service is primarily the delivery of previously approved Service efficiency savings and is on track to be delivered.
- 5.12 For Enterprise, Planning and Infrastructure the reduction in the annual movement is again primarily due to the year 3 Priority Based Budget Service Options being delivered which involves the more efficient use of fleet vehicles and entering into partnering relationships to reduce the overall cost base for the Service and this is on track to be delivered.
- 5.13 If the overall gross investment is broken down by Service (that is previous Council PBB decisions are excluded the real investment in Services can be seen in the table below:

Annual Gross Investment (excluding increments and pay awards):

	<b>2012/13</b>
	to
	<b>2013/14</b>
	<b>£'000</b>
<b><u>Current Movement</u></b>	
Corporate Governance	644
Social Care and Wellbeing	4,769
Education, Culture and Sport	3,379
Housing and Environment	3,253
Enterprise, Planning and Infrastructure	1,968
	<b><u>14,013</u></b>

- 5.14 The table above, which Appendix 2 to this report provides further detail, demonstrates the Council's commitment to delivering front line services in line with the vision set out in Aberdeen – The Smarter City.
- 5.15 It further demonstrates the Council to be in a strong financial position to deliver this level of investment despite the current austerity measures that are in place by various governments within Europe.
- 5.16 Also contained within the overall 2013/14 budget are allowances for the following assumptions:
- A 1% annual pay award for all categories of staff (teaching and non-teaching staff, Chief Officials and elected members);
  - An increase in the level of utility bills for 2013/14 to reflect increasing prices;
  - An allowance for the minimum wage to be moved to £7.45 per hour during the course of the year;
  - A capital investment programme of £210 million over the next 5 years, the detail of which will be reported back to Committee in February;
  - An assumption that approximately a third of all staff who are not in the pension scheme will join as part of the requirement to auto-enrol all staff into a pension scheme;

- An allowance for Welfare Reform – primarily targeted at Council tax and the continued uncertainty surrounding the introduction during 2013/14;
- Increased investment to reflect the increasing demographic factors impacting on the delivery of Social Care and Wellbeing Services;
- Increased investment in pupil numbers to reflect the growing level of school children;
- An additional £1 million for devolved school budgets to target the improvement of school attainment;
- Increased investment in waste to ensure the delivery of the Council's waste strategy; and
- An uplift of 7.7% for Non Domestic rates (for which we await final notification from the Scottish Government on).

### **Capital Programme**

5.17 The capital programme is currently being developed pending the final settlement letter for 2013/14. This also provides officers the opportunity to complete a number of work streams which include:

- Completion of the scoring mechanism to allow projects to be ranked against one another; and
- A proposed capital programme to be fully developed that covers the 5 year business plan.

5.18 It is the intention of officers to maintain the current financial strategy which will see the total level of borrowing reduce over the 5 year period covered by the business plan.

5.19 Given this strategy an assessment has been made on the likely level of capital receipts that may materialise over the 5 year period, along with the level of capital grant and other grants, such as lottery funding.

5.20 What this demonstrates is that over the 5 year period a programme of over £200 million can be delivered and still have the total debt of the Council reduce over the period.

5.21 Officers will bring a 5 year Non Housing Capital Programme to the February Committee for approval. In approving the General Fund budget, approval is given in principle for a £200 million programme as the capital financing charges, charged to the revenue account, are allowed for in the 5 Year Business Plan.

## **6. SERVICE AND COMMUNITY IMPACT**

6.1 As a recognized 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.

- 6.2 As part of the overall budget process for 2013/14 the Education, Culture and Sport Service has identified the opportunity to vire a number of budgets to align spend with budgets. The details of this are contained within Appendix 3.

**7. BACKGROUND PAPERS**

Scottish Government Finance Circulars  
Priority Based Budget Report  
2012/13 Monitoring Reports  
5 Year Business Plan

**8. REPORT AUTHOR DETAILS**

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**APPENDIX 1**

**General Fund Revenue Budget - 5 Year Position**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Service</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Governance	27,989	27,764	27,552	27,367	27,593
Social Care and Wellbeing	126,636	129,247	130,963	134,844	138,725
Education, Culture and Sport	176,064	178,321	180,535	185,059	186,481
Housing and Environment	38,789	37,828	35,326	38,463	38,805
Enterprise, Planning and Infrastructure	50,196	50,806	51,734	53,651	53,666
Office of Chief Executive	844	887	916	944	1,248
Council Expenses	2,150	2,166	2,187	2,209	2,209
Miscellaneous Services	18,652	22,733	25,081	26,195	29,610
Joint Boards	1,512	1,527	1,542	1,558	1,558
<b>Net Cost of Service</b>	<b>442,832</b>	<b>451,279</b>	<b>455,836</b>	<b>470,290</b>	<b>479,895</b>

**Funding**

General Revenue Grant	(165,100)	(150,711)	(150,711)	(150,711)	(150,711)
Non Domestic Rates	(177,084)	(193,738)	(193,738)	(193,738)	(193,738)
New 85% Floor	(1,854)	(2,054)	(2,054)	(2,054)	(2,054)
Police and Fire Grant Reduction	34,075	34,075	34,075	34,075	34,075
Assumed Settlement Position	0	0	(3,500)	(7,000)	(9,000)
Teachers Induction Scheme Grant	(991)	(1,069)	(1,070)	(1,070)	(1,070)
Council Tax	(110,388)	(110,868)	(115,848)	(118,470)	(121,146)
Trading Services Surplus	(11,487)	(11,358)	(11,788)	(11,768)	(11,748)
<b>Funding</b>	<b>(432,829)</b>	<b>(435,723)</b>	<b>(444,634)</b>	<b>(450,736)</b>	<b>(455,392)</b>

**Budget (Surplus)/Deficit**

	<b>10,003</b>	<b>15,556</b>	<b>11,203</b>	<b>19,553</b>	<b>24,503</b>
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**Corporate Risk Register - In Base**

Corporate Governance	0	0	0	0	0
Social Care and Wellbeing	(2,941)	(954)	0	0	0
Education, Culture and Sport	0	0	0	0	0
Housing and Environment	0	0	0	0	0
Enterprise, Planning and Infrastructure	0	0	0	0	0
Office of Chief Executive	0	0	0	0	0
Miscellaneous Services	(2,600)	(2,100)	0	0	0
	<b>(5,541)</b>	<b>(3,054)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Virement - In Base**

Corporate Governance	(296)	(296)	(296)	(296)	(296)
Social Care and Wellbeing	0	0	0	0	0
Education, Culture and Sport	(2,000)	0	0	0	0
Housing and Environment	0	0	0	0	0
Enterprise, Planning and Infrastructure	0	0	0	0	0
Office of Chief Executive	0	0	0	0	0
Contingency/Capital Financing Review	(2,166)	(3,750)	(4,000)	(4,000)	(4,000)
	<b>(4,462)</b>	<b>(4,046)</b>	<b>(4,296)</b>	<b>(4,296)</b>	<b>(4,296)</b>

**Revised Position**

	<b>0</b>	<b>8,456</b>	<b>6,907</b>	<b>15,257</b>	<b>20,207</b>
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## APPENDIX 2

### Corporate Governance Budget Reconciliation

2012/13	2013/14	2014/15	2015/16	2016/17
to	to	to	to	to
2013/14	2014/15	2015/16	2016/17	2017/18
£'000	£'000	£'000	£'000	£'000

#### Represented By:

PBB Savings	(1,398)	(450)	(438)	(410)	0
Staff Increments	228	225	226	226	225
Staff Restructuring	(107)	0	0	0	0
Vacancy Factor Adjustment	17	0	0	0	0
Income growth	434	0	0	0	0
Inter ledger adjustments - licensing (14) security guard 18	4	0	0	0	0
ICT Rolling Programme & Contractual uplifts	296	0	0	0	0
	(526)	(225)	(212)	(184)	225

#### Virement

ICT Rolling Programme & Contractual uplifts	(296)	(296)	(296)	(296)	(296)
	(296)	(296)	(296)	(296)	(296)

**APPENDIX 2**

<b><u>Social Care &amp; Wellbeing</u></b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b><u>Budget Reconciliation</u></b>	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i><u>Represented By:</u></i>					
Increments	1,047	900	900	900	900
PBB Savings	(966)	(2,204)	(2,165)	0	0
Vacancy Factor	78	0	0	0	0
1% Commissioning Year on Year	748	748	748	748	748
Demand Pressures:Elderly(elderly demographic changes)	0	632	644	644	644
Demand Pressures:Learning Disability(inc complex cases)	205	206	210	210	210
Demand Pressures:Children's Services(alternative family services)	166	170	174	174	174
Early Years Change Fund	514	569	0	0	0
Older People's Change Fund	25	385	0	0	0
Free Personal Care	205	205	205	205	205
Care Home Rates	1,000	1,000	1,000	1,000	1,000
Change Control SCW13 jointly commission services with other organisations	500	0	0	0	0
Change Control SCW18 move to personalised budgets for people in receipt of homecare	545	0	0	0	0
Relief Budget	155	0	0	0	0
Additional 0.5% Increase - commissioned services	374	0	0	0	0
Newton Dee	375	0	0	0	0
Carefirst Licences	36	0	0	0	0
Increase in homecare rate	417	0	0	0	0
Adjustments to Income	(216)	0	0	0	0
Adoption & Fostering rent removed	(21)	0	0	0	0
Kirkgate House passed to EP&I	(337)	0	0	0	0
	<b>4,850</b>	<b>2,611</b>	<b>1,716</b>	<b>3,881</b>	<b>3,881</b>
<i><u>Corporate Risk Register - In Base</u></i>					
Early Years Change Fund	(514)	(569)	0	0	0
Older People's Change Fund	(25)	(385)	0	0	0
Change Control SCW13 jointly commission services with other organisations	(500)	0	0	0	0
Change Control SCW18 move to personalised budgets for people in receipt of homecare	(545)	0	0	0	0
Relief Budget	(155)	0	0	0	0
0.5% Increase on commissioned services	(374)	0	0	0	0
Newton Dee	(375)	0	0	0	0
Carefirst Licences	(36)	0	0	0	0
Increase in homecare rate	(417)	0	0	0	0
	<b>(2,941)</b>	<b>(954)</b>	<b>0</b>	<b>0</b>	<b>0</b>

APPENDIX 2

**Education, Culture & Sport**  
**Budget Reconciliation**

	2012/13	2013/14	2014/15	2015/16	2016/17
	to	to	to	to	to
	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
<i><u>Represented By:</u></i>					
Increments	1,008	932	932	932	932
PBB Savings	(1,710)	(2,994)	(808)	3,102	0
Vacancy Factor Increase	(23)	0	0	0	0
Unitary Charge	250	250	250	250	250
Legislative Pressures	100	0	0	0	0
Amendments to Nursery Hours	200	1,200	700	0	0
ASN Demand	200	200	200	0	0
Pupil Numbers/Additional Teachers	750	0	600	0	0
DEM	1,000	400	0	0	0
Tullos Pool	110	0	0	0	0
Change Control City Campus	595	2,299	0	0	0
Change Control Cultural Trust	144	0	0	0	0
Art Gallery redevelopment	(560)	0	240	240	240
Raeden	(120)	0	100	0	0
Out of Authority Placements	300	0	0	0	0
Licences/Assessments	70	(30)	0	0	0
City of Culture	243	0	0	0	0
Net Income Adjustments	(120)	0	0	0	0
50m Pool	250	0	0	0	0
Child Protection Post	30	0	0	0	0
Pay protection	(80)	0	0	0	0
	<u>2,637</u>	<u>2,257</u>	<u>2,214</u>	<u>4,524</u>	<u>1,422</u>
<i><u>Virement</u></i>					
Various	(2,000)				
	<u>(2,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**APPENDIX 2**

<b><u>Housing &amp; Environment</u></b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b><u>Budget Reconciliation</u></b>	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i><u>Represented By:</u></i>					
Increments	154	108	40	0	0
PBB Savings	(1,618)	(3,362)	(3,069)	0	0
Change Control : LLP	0	0	0	2,791	0
Waste - landfill Tax Increases	660	660	0	0	0
Waste - LATS / ZWF	975	0	0	0	0
Waste - Contract Growth	78	820	317	329	342
Waste - Food Waste Collections	0	583	210	17	0
Housing Architects Fees	430	0	0	0	0
Hostels Deficit Funding	0	230	0	0	0
Transfers to / from Trading	1,105	0	0	0	0
Adjustments to Income (net)	0	0	0	0	0
Minor inter-service adjustments	5	0	0	0	0
	<b>1,789</b>	<b>(961)</b>	<b>(2,502)</b>	<b>3,137</b>	<b>342</b>

APPENDIX 2

<u>Enterprise, Planning &amp; Infrastructure</u>	2012/13	2013/14	2014/15	2015/16	2016/17
<u>Budget Reconciliation</u>	to	to	to	to	to
	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
<i>Represented By:</i>					
Increments	244	115	74	0	0
PBB Savings	(4,084)	(788)	(739)	16	(24)
Cost pressures:					
- Roads : Street Lighting Column Replacements	140	254	317	378	0
- Roads : Gully & Manhole Maintenance	204	272	340	408	0
- Roads : Surface Dressing programme	120	160	200	240	0
- Roads : Carriageway / Pothole Patching	100	133	167	200	0
- Roads : Roads Re-lining programme	80	107	133	160	0
- Roads : Cost of Salt for Winter	0	39	39	39	39
Building Maintenance	238	318	397	476	0
Winter Maintenance	478	0	0	0	0
Transfers to / from Trading	238	0	0	0	0
Adjustments to Income (net)	0	0	0	0	0
Adoption & Fostering rent passed from SC&W	21	0	0	0	0
Kirkgate House budgets passed from SC&W	337	0	0	0	0
Surplus & Vacant Properties	3	0	0	0	0
Minor inter-service adjustments	9	0	0	0	0
	(1,872)	610	928	1,917	15

## APPENDIX 2

**Office of the Chief Executive**  
**Budget Reconciliation**

	2012/13 to 2013/14 £'000	2013/14 to 2014/15 £'000	2014/15 to 2015/16 £'000	2015/16 to 2016/17 £'000	2016/17 to 2017/18 £'000
<i>Represented By:</i>					
Removal of growth for Local Government	(323)	0	0	0	0
Growth for in year election	0	43	29	28	304
	(323)	43	29	28	304

### Appendix 3

<u>Education, Culture and Sport Virement</u>	Value
<u>Culture, Communities &amp; Sport</u>	£
Staff	(102,000)
Premises	(82,000)
Admin	(24,000)
Transport	(12,000)
Supplies & Services	(23,000)
Transfer Payments	(126,000)
	<u>(369,000)</u>

<u>Educational Development, Policy and Performance</u>	
Staff	(88,000)
Premises	(4,000)
Admin	(3,000)
Transport	7,000
Supplies & Services	(98,000)
	<u>(186,000)</u>

<u>Schools</u>	
Staff	(980,000)
Premises	(150,600)
Admin	(14,400)
Transport	(14,000)
Supplies & Services	(263,000)
Commissioning	(8,300)
Transfer Payments	(14,700)
	<u>(1,445,000)</u>
Total Virements	<u>(2,000,000)</u>



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources Committee
DATE	6 December 2012
DIRECTOR	Stewart Carruth (Director of Corporate Governance); Pete Leonard (Director of Housing & Environment)
TITLE OF REPORT	Draft Housing Revenue Account (HRA) Budget and Housing Capital Budget 2013/14 to 2015/16
REPORT NUMBER:	CG/12/1023

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### 1. PURPOSE OF REPORT

- 1.1.1 To provide elected members with information to allow the setting of the rent level for the financial year 2013/14 as well as provisional rent levels for the financial years 2014/15 and 2015/16. In turn, this will allow a capital programme for 2013/14 as well as a provisional programme for 2014/15 and 2015/16.
- 1.1.2 Elected members will be aware that the previous method of charging rent was based on a complicated and historical method. The Council has agreed to replace this methodology with a much simpler method. **As such it is vital that the rent level for 2013/14 is set by Council at its meeting in December to allow officers the time to update computer systems to allow suitable notification of rent levels for 2013/14 to tenants.**

### 2. RECOMMENDATION(S)

It is recommended that Committee consider the draft Housing Revenue Account Budget and refer it to Council on 19 December 2012 to:

- a. Approve the budget as attached in Appendix 1 of this report;
- b. Approve the weekly unrebated rents for municipal houses, as detailed in Appendix 1 of this report, to take effect from Monday 1 April 2013;
- c. Approve the level of revenue contribution to the Housing Capital budget for 2013/14 as well as a provisional contribution for the subsequent two financial years as detailed in Appendix 1 of this report;
- d. To agree the recommendation by the Head of Finance to increase working balances from 5% to 10% over a 3 year period to meet future contingencies;
- e. To agree the continuation of the practice that all capital receipts, from the disposal of Council houses, continue to be used to repay debt for 2013/14 and future years;

- f. Approve the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 of this report;
- g. Agree to other adjustments Council may wish to make to the draft HRA for the financial years 2013/14 to 2015/16; and
- h. Set a capital programme for the financial year 2013/14 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2014/15 and 2015/16.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 Given this report is to set the HRA budget for 2013/14 the financial implications are contained within the report.

### **4. OTHER IMPLICATIONS**

- 4.1 Without adequate investment there is the possibility that the housing stock could fail to meet health and safety regulations as well as the Scottish Housing Quality Standard.

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

- 5.1 The Council is required to give its tenants 28 days notice of any change in the level of rent. Further, the Housing (Scotland) Act 2001 requires the Council to consult with tenants on any proposed rent increase. This consultation was in the form of a tenant questionnaire on the possible rent increase.
- 5.2 The tenants were asked if the rent policy of inflation plus 1% should continue in order to maintain investment in the housing stock and improve services.
- 5.3 The results are shown on page 23 of Appendix 1. The number of tenants who responded and agreed with this rent policy was 75%, 23% did not agree and 2% did not know.
- 5.4 Schedule 15 of the Housing (Scotland) Act 1987 requires expenditure in the under noted main areas to be charged to the HRA:
  - Capital Financing Costs in respect of monies borrowed for the purpose of providing and improving the Council's housing stock;
  - Management, administration and maintenance of the Council's housing stock;
  - Other expenditure such as loss of rents for vacant periods, insurance, communal lighting and heating, cleaning and security.
- 5.5 Items of income that must be credited to the HRA are:

- Council house rents;
  - Other income attributable to the HRA. For example, income recovered from tenants for heating, interest on revenue balances and, when available, transfers from working balances generated by the HRA in previous years.
- 5.6 In the absence of any central or local authority financial support for the HRA, the HRA is regarded as “ring-fenced”. In addition, consideration of the level of capital to be financed from current revenue (CFCR) within the HRA budget will have an impact on the Housing Capital Budget. This report therefore, whilst indicating a possible HRA Budget, also comments on the Capital Budget.
- 5.7 Consideration of the out-turn on the HRA for 2012/13 and the 2013/14 budget is dealt with in detail in Appendix 1. **Based on the annual rent consultation and Council policy the budgeted figures have assumed a Council house rent increase of 4.1%** (RPIX at October 2012 of 3.1% plus 1%).
- 5.8 While this is in line with Council policy it is worth noting that, at this time, the economic climate within the United Kingdom is such that the UK economy continues to struggle to grow, with low confidence, relatively high inflation and high unemployment.
- 5.9 As the UK’s largest export partner, there is significant worry that the ongoing Euro zone uncertainty may have a further negative impact on the UK economy.
- 5.10 Given the continued Government’s austerity programme spending reductions remain on target although there remains some considerable distance still to travel before they are fully delivered. The cumulative nature of the challenge means that, inevitably, the hardest part of the challenge lies ahead.<sup>1</sup>
- 5.11 Given the UK Government’s attempts to resolve the economic position it is worth looking at the future projections for inflation in setting the rent increase for 2013/14:

FORECAST						
End period %	Oct 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
RPI inflation	3.2	1.2	1.8	1.2	1.3	1.1
RPIX inflation	3.1	1.2	1.9	1.3	1.3	1.1
CPI inflation	2.7	1.6	2.4	1.7	1.7	1.5

Source – Sector Treasury Services – Forecasts (Oct 2012)

<sup>1</sup> CIPFA: The long downturn: implications for public service organisations

5.12 The above table indicates that while we are currently experiencing a relatively high level of inflation it can be seen that this is projected to fall over the next financial year.

5.13 What the table demonstrates is that RPIX is currently at 3.1%. This is expected to fall by the end of the first quarter of 2013 to 1.2% and after an increase in the next quarter remain pretty stable thereafter.

5.14 **Welfare Reform and Working Balances**

The impact of Welfare Reform is at this time unquantifiable but we do need to ensure that adequate working balances are maintained to de-risk the HRA position for future years. There are currently 46% of HRA tenants on full or partial housing benefit. **It is therefore important that the Council begins preparing for the full impact of Welfare Reform.**

The Head of Finance must be confident that the level of working balances is adequate to meet any unforeseen contingencies during the financial year particularly with regard to the introduction of Welfare Reform.

Based on projected income and expenditure that is likely to be generated for 2012/13, this opening figure for 2013/14 should be approximately £3.935 million as detailed below:

<b>MOVEMENT IN WORKING BALANCES</b>	<b>£000</b>
Working Balances as at 1 April 2012	6,682
Less: Ear marked sums	
Housing repairs	(2,172)
Scottish Secure Tenancy	( 250)
Finance Lease Liability	( 323)
	(2,746)
Projected Working Balances as at 31 March 2013	3,935

**Given the inherent uncertainty it is proposed that working balances are increased from 5% to 10% over the 3 year period.** This will also allow a buffer against current economic conditions. As such a potential profile of this may look like:

BALANCE AS AT:	CURRENT	REVISED
----------------	---------	---------

	£M	£M
31-03-2012	4.000	4.000
31-03-2013	4.000	4.200
31-03-2014	4.008	5.200
31-03-2015	4.157	6.200
31-03-2016	4.310	7.200
31-03-2017	4.310	8.200

This would be achieved through managing the level of capital investment through additional borrowing. The cost of this would be met through lower investment levels in future years (by virtue of SHQS having been delivered) and future efficiency savings in line with the 30 year business plan.

#### 5.15 **Capital Expenditure**

The draft budget for 2013/14 (and the subsequent two financial years) is attached as Appendix 1 of this report. This shows gross expenditure of £47 million financed through £17.9 million of borrowing, £1.5 million of SEE grant funding and £22.1 million by way of a revenue contribution to fund the net programme of £41.5 million.

5.16 This capital budget reflects and includes a proposed rent increase of 4.1%. The details of the potential projects to be included in this programme are contained in Appendix 1 – pages 30 to 33.

#### 5.17 **Miscellaneous Rents**

The budget attached in Appendix 1 also requires the miscellaneous rents and service charges to be set. As way of indication on possible increases, pages 19 to 22 gives indicative increases and decreases that the Council may wish to consider. **The Council will have to decide on any possible increment to these charges in line with their rent setting strategy.**

#### 5.18 **Prudential Code**

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

5.19 In setting a capital programme, members will be aware that under the Prudential Code, the level of capital investment is determined at a local authority level. The base programme for consideration, subject to final rent levels is £46.930 million. This is attached in Appendix 1 at pages 30 to 33.

5.20 As part of the rent setting process of determining the average rent payable for a Council house, the Council must ensure that this is affordable and sustainable over the long term.

- 5.21 The fundamental objective, in the consideration of the affordability of the Council's capital programme, is to ensure that the total capital investment of the authority remains within sustainable limits and in particular to consider the impact on the "bottom line". That is, affordability is determined by a judgement about acceptable levels of rent.
- 5.22 **2014/15 to 2015/16 Budget**  
Included within Appendix 1 is an indicative budget for 2014/15 and 2015/16 with an assumed rent increase of 3.5% for both years. There is also an analysis of the management and administration, the repairs and maintenance and capital budgets.
- 5.23 In setting a 3 year rent strategy, Council must pay cognisance to the level of capital investment required to maintain and improve the overall housing conditions available to the citizens of Aberdeen. The Council is required to meet the Scottish Housing Quality Standard by 2015.
- 5.24 Summary**  
The Council is required to determine the average weekly unrebated rents (and other miscellaneous rents and service charges) for municipal houses to take effect from Monday 1 April 2013 which in turn will allow decisions to be taken on the level of capital investment.

## **6. IMPACT**

The City Council will operate within overall financial constraints taking into account recommended accounting practice and policies. Rent increase will be notified to tenants providing them with 28 days notice.

## **7. BACKGROUND PAPERS**

HRA 30 Year Business Plan  
CIPFA: The long downturn: implications for public service organisations

## **8. REPORT AUTHOR DETAILS**

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Aberdeen City Council  
Draft Housing Revenue Account  
2013/14 – 2015/16 Budget

Our vision is  
for Aberdeen  
to be an ambitious,  
achieving, smart city.



Barry Jenkins  
Head of Finance

Pete Leonard  
Director of Housing and Environment

## DRAFT HOUSING REVENUE ACCOUNT

### Index

Page 2	.	.	.	.	.	Index
Page 3	.	.	.	.	.	Revenue Assumptions
Page 5	.	.	.	.	.	Housing Capital Expend Prog

### Section 1 – HRA Budget 2013/14

Page 7	.	.	.	.	.	HRA Draft 2013/14 Budget
Page 9	.	.	.	.	.	HRA Variance Notes
Page 14	.	.	.	.	.	Housing Repairs Draft Budget
Page 15	.	.	.	.	.	R&M Notes
Page 16	.	.	.	.	.	Management & Admin
Page 18	.	.	.	.	.	Management & Admin Notes
Page 19	.	.	.	.	.	Miscellaneous Rents
Page 23	.	.	.	.	.	Tenants Consultation

### Section 2 – HRA Budget 2014/15 – 2015/16

Page 24	.	.	.	.	.	3 Year HRA Budget
Page 26	.	.	.	.	.	3 Year HRA Assumptions
Page 27	.	.	.	.	.	3 Year Repairs Budget
Page 28	.	.	.	.	.	3 Year Management Budget
Page 30	.	.	.	.	.	3 Year Capital Budget



## **Revenue Assumptions**

In preparing the information for the draft Housing Revenue Account budget for the financial year 2013/14, a number of assumptions have been made and these are given below.

Should you require an electronic version of the budget contained within this documentation, please contact Gill Mutch, Finance Manager (Projects) on (52)2556 or e-mail gmutch@aberdeencity.gov.uk. The budget information is available as a set of Excel spreadsheets.

### **Inflation**

In preparing the budget no general inflationary uplift has been added which is in line with the base assumptions used in preparing the General Fund Budget for 2013/14, (there are some exceptions to this rule such as utility costs and contractual uplifts etc. and these are stated in the variance notes). Inflation is currently running at approximately 3.1% (RPIX at October 2012). (Source: Office of National Statistics)

### **Housing Stock**

The number of Council houses owned by the Council, as at 31 August 2012, is 22,735. It has been assumed that there will be a further 61 sales during the financial year 2012/13, bringing total sales for the year to 100. The average selling price for the period 1 April 2012 to 31 August 2012 is approximately £50,000.

### **Set Aside Rules**

For the financial year 2012/13 the Council budgeted for 100% of all Council house sales to be utilised to repay debt. The Council is free to decide on how the proceeds from the disposal of Council houses are used. **The Head of Finance recommends that all capital receipts continue to be used to repay debt for the financial year 2013/14 and future years.**

### **Council House Sales**

It has been assumed that the level of house sales will be 50 in 2013/14. The average selling price for 2012/13 is currently estimated at £50,000. The average number of houses for the financial year 2013/14 is therefore estimated to be 22,649 properties.

### **Rental Income**

The income available in 2013/14 to fund the proposed budgeted level of expenditure has been calculated by taking the projected income under the revised rent structure plus 4.1% (RPIX at October 2012 + 1% which is the Council's current rent strategy/policy).

### **Heat with Rent**

A detailed analysis has been carried out on the utility bills for Heat with Rent to ensure that the charging policy introduced in the 2006/07 budget setting process can be continued into 2013/14. No increase of income has been built into the proposed budget.

## Welfare Reform and Working Balances

The impact of Welfare Reform is, at this time, unquantifiable but with 46% of current HRA tenants on full or partial housing benefit its effect on arrears, under occupancy etc could be substantial:

- Current Tenant Arrears at the end of March 12 were £2.6M (prior to the introduction of Welfare reform).
- There are 2,199 tenancies (approx 10% of all tenancies) which are effected by the under occupancy policy, these are tenants of working age and currently in receipt of Housing Benefit. This is actively being managed by Housing but there are a limited number of suitable properties for people to move to.

In developing a rent setting strategy it is important to ensure that there are adequate working balances. The Head of Finance must be confident that the level of working balances is adequate to meet any unforeseen contingencies particularly as regards the uncertainty surrounding welfare reform and the impact this could have on viability of the business plan of the Housing Revenue Account. Given this inherent uncertainty it is **proposed that the working balances are increased from 5% to 10% over a 3 year period.**

## Rent Setting Strategy

On 28<sup>th</sup> August 2012 the Housing & Environment Committee approved a proposed new rent structure. The new rent model will be phased in over a 5 year period from April 2013 to April 2017. The increases and decreases are capped at a maximum of £3 per week during this period. Any rents that have not achieved the model rent by April 2018 will do so on that date. It was also agreed that any annual rent increases would be applied to the revised rent.

The new rent structure is consistent, fair, efficient and transparent and is detailed below:

<b>BASE RENT</b>	<b>£42.00</b>
------------------	---------------

<b>CRITERIA 1 - BEDROOM</b>	<b>ADDITIONAL RENT</b>
Number of Bedrooms	<b>£</b>
0	0.00
1	10.00
2	15.00
3	20.00
4	25.00
5	30.00
6	35.00
7	40.00

<b>CRITERIA 2 – DWELLING TYPE</b>	<b>ADDITIONAL RENT</b>
	<b>£</b>
Multi/Flat/Maisonette	10.00
Four in a Block	15.00
Cottage/House	20.00

CRITERIA 3 - GARAGES	ADDITIONAL RENT
	£
Garage	10.00
No Garage	0.00

**Rent is equal to Base Rent + Criteria 1 + Criteria 2 + Criteria 3**

So, for example, rent for 2 bedroom house with a garage:  
 $£42.00 + £15.00 + £20.00 + £10.00 = £87.00$

**The budget has been calculated using the above rent structure plus an increase of 4.1%.**

### **Business Plan**

During 2012 the 30 year business plan model, which sets out the current and future financial position of the Council's HRA, its ability to meet and maintain the Scottish Housing Quality Standard (SHQS) and manage, repair and invest in tenant's homes has been updated with the financial information from the financial year 2011/12 which continues to show a business plan which is sustainable in the long term. However if there were to be increases in, for example, interest rates this would impact on the long term viability of the plan. No account has been taken of any potential impact of welfare changes as, at this stage, these are unknown but could dramatically change the cash flow of the plan.

A sustainable rent policy must be adhered to in order to secure the long term financial position of this 30 year business plan. The Council policy for maintaining sustainable rents is for a rental increase of RPIX plus 1%.

## **Housing Capital Expenditure Programme**

### **Housing Investment Programme**

2013/14 will see continued major investment in tenants' homes to make sure that they meet their needs and expectations as well as the requirements of the Scottish Housing Quality Standard (SHQS). Aberdeen City continues to make steady progress towards SHQS compliance with 81% of our stock now meeting the standard (as at June 2012) rising to an anticipated 90.8% by March 2014.

**Whilst it is unclear as to any future obligations beyond the SHQS completion date of 2015 it is likely that this will dramatically reduce the current level of capital investment as this is not sustainable in the longer term.**

The Council will continue to provide funding for the provision of combined heat and power in our multi storey stock. These actions will improve the energy performance of the council housing stock and prevent potentially hundreds of tenants from falling into or remaining in fuel poverty.

The Council has started work on a major over-cladding scheme for High Rise buildings and it is anticipated that those in Seaton will be completed by 2013/14 with work commencing on the blocks at Balnagask in November 2012.

To ensure that the Council can meet its priorities in terms of its housing stock the capital programme for the next three years (inclusive of slippage) is proposed as follows:

2013/14 - £46.930 Million

2014/15 - £39.330 Million

2015/16 -£37.949 Million (this is indicative at this stage but is likely to be considerably less)

The capital investment programme will begin to diminish in 2014/15 as a result of the reduced work required on the SHQS and this will have significant savings in the revenue account as the borrowing levels will begin to reduce.

### **Tenants Charter**

The Tenants Charter<sup>1</sup> was published by the Scottish Government in March 2012. The purpose of the Charter is to improve the quality and value of the services that social landlords provide, and supports the Scottish Government's long term aim of creating a safer and stronger Scotland.

The Charter has seven sections covering:

- equalities;
- the customer/landlord relationship;
- housing quality and maintenance;
- neighbourhood and community;
- access to housing and support;
- getting good value from rents and service charges;
- other customers.

The objective of the section on rents and service charges is that Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them
- Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. It is important that discussions do take place and the decisions made reflect the views of tenants and other customers.

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<sup>1</sup> A copy of the Charter can be found at [www.housingcharter.scotland.gov.uk](http://www.housingcharter.scotland.gov.uk)

Housing Revenue Account Draft 2013/14 Budget		Budget	Out-turn	Budget	Notes
		2012/13	2012/13	2013/14	
		£000	£000	£000	
<b>Premises Costs</b>					
1	Rates	3	3	3	
2	Rent – Other	135	115	138	1
3	Repairs and Maintenance	23,264	23,092	22,042	2
4	Maintenance of Grounds	2,560	2,866	3,045	3
5	Gas	714	714	674	4
6	Electricity	2,361	2,361	2,420	5
7	Cleaning Service	476	476	542	6
8	Security Service	444	372	372	7
9	Window Cleaning	19	19	19	
10	Refuse Collection	240	320	325	8
11	Cleaning – Sheltered Housing	475	449	453	9
12	Premises Insurance	56	56	57	10
13	Other Property Costs - Council Tax	115	122	122	11
		<b>30,862</b>	<b>30,965</b>	<b>30,212</b>	
<b>Administration Costs</b>					
14	Downsizing Grants/Direct Debit Incentives	52	15	52	12
15	Legal Expenses	222	201	201	
16	Office Tel / Rent	88	88	88	
17	Former Tenants Arrears	1,379	1,379	1,379	13
18	Charges - Services Admin & Management.	8,556	7,968	8,582	14
19	General Consultancy	55	55	55	15
20	Training for Front Line Staff	100	100	100	15
21	Benefits Staff	94	94	95	15
22	Charges - Tenants Participation	238	238	206	16
23	Charges for Environmental Health	213	227	227	
		<b>10,997</b>	<b>10,365</b>	<b>10,985</b>	
<b>Supplies &amp; Services</b>					
24	Provision of Meals	177	166	168	17
25	Equipment Purchase	55	55	55	
26	Television Licence	5	5	5	
27	Integrated Housing System	338	338	314	18
		<b>575</b>	<b>564</b>	<b>542</b>	
<b>Agencies</b>					
28	Mediation Service	98	98	98	19
29	Energy Advice	81	81	81	20
30	Citizens Advice Bureau	14	14	14	15
31	Disabled Persons Housing Service	38	38	38	15
		<b>231</b>	<b>231</b>	<b>231</b>	

	<b>Housing Revenue Account</b>	<b>Budget</b>	<b>Out-turn</b>	<b>Budget</b>	
	<b>Draft 2013/14 Budget</b>	<b>2012/13</b>	<b>2012/13</b>	<b>2013/14</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	
	<b>Transfer Payments</b>				
32	Aberdeen Families Project	400	400	414	21
33	Loss of Rent - Council Houses	722	754	722	22
34	Loss of Rent - Garages, Parking etc	153	211	211	
35	Loss of Rent - Modernisation Works	86	50	50	
36	Supporting People Contribution	406	406	406	23
37	CFCR	17,675	21,484	22,116	
		<b>19,442</b>	<b>23,305</b>	<b>23,919</b>	
	<b>Capital Financing Costs</b>				
38	Loans Fund Instalment	4,260	3,168	3,903	
39	Loans Fund Interest	10,819	8,889	9,559	
40	Heating Leasing Payment	131	131	131	
		<b>15,210</b>	<b>12,188</b>	<b>13,593</b>	24
	<b>Expense Total</b>	<b>77,317</b>	<b>77,618</b>	<b>79,482</b>	
	<b>Income</b>				
41	Government Grant - General	(420)	(234)	(234)	25
42	Ground Rentals	(25)	(25)	(27)	
43	Dwelling Houses Rent Income	(73,144)	(73,748)	(76,589)	26
44	Housing - Heat with Rent Income	(1,534)	(1,459)	(1,459)	27
45	Housing - Garages Rent Income	(1,096)	(1,087)	(1,087)	28
46	Housing - Parking Spaces Rent	(167)	(187)	(187)	28
47	Housing - Insurance Income	(8)	(8)	(2)	
48	Housing - Other Service Charge	(479)	(489)	(489)	28
49	Legal Expenses	(323)	(260)	(260)	
50	Revenue Balance Interest	(121)	(121)	(148)	29
	<b>Income Total</b>	<b>(77,317)</b>	<b>(77,618)</b>	<b>(80,482)</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	
	<b>Projected Working Balance at 1 April 2013</b>			<b>4,200</b>	

## HOUSING REVENUE ACCOUNT 2013/14 BUDGET

### Variance Notes Comparing Draft Budget 2013/14 to Estimated Out-turn 2012/13

#### Expenditure Movements

##### **1. Rent**

This budget is for the rent of police houses, accommodation for community groups and housing offices.

##### **2. Repairs and Maintenance**

An analysis of the proposed budget is included within this booklet (pages 14 to 15). The budget has reduced from 2012/13 as there have been year on year reductions in repairs and maintenance costs.

##### **3. Maintenance of Grounds**

Maintenance of Grounds budget has two elements: ground maintenance and cleansing/weed control. Both budgets for 2013/14 have been calculated by uplifting the anticipated outturns for 2012/13 by 1% (the budgeted salary uplift) and also includes an additional £150K for ad hoc grass cutting requests from Housing Managers.

##### **4. Gas**

The Council moved on to the Scottish Government National Procurement for Gas Supply on 1 April 2010 with the contract price reviewed on an annual basis. The budget has been calculated using the actual consumption from 2011/12 and an anticipated rates increase in the contract price as advised by the Council's energy unit.

##### **5. Electricity**

This is the third year of a four year electricity contract. The budget has been calculated by using information provided for the 2012/13 budget process as the updated figures are not yet available.

##### **6. Cleaning Service**

This budget is for communal cleaning. The cleaning contract commenced on 5 July 2010 and runs for three years. To date the contract has not been agreed for July 2013 onwards therefore the budget has been based on actual expenditure for 2011/12 plus 2.6% (RPIX for September 2012). The Contracts Managers costs are also contained within this budget.

##### **7. Security Service**

This budget is for the security service which started in 2012/13 and runs for three years. The cost of the security included in the budget for 2013/14 is £372,000, and includes the control room team.

## **8. Refuse Collection**

This budget has been based on the actual expenditure for 2011/12 plus 1% potential wage increase.

## **9. Cleaning – Sheltered Housing**

This is the budget for the cleaning of sheltered housing and has been calculated by using the actual expenditure for 2011/12 plus 1%.

## **10. Premises Insurance**

The budget for 2013/14 has been maintained at the 2012/13 level.

## **11. Other Property Costs – Council Tax on void properties**

This budget is for the cost of Council Tax due on void properties. The actual expenditure for 2011/12 has been used and is based on the assumption that there will be no increase in Council Tax for 2013/14 based on the terms and conditions of the award of the General Revenue Grant.

## **12. Downsizing Grants/Direct Debit Incentives**

There are currently two schemes within this budget line which are Downsizing grants (£50,000) and Direct Debit Incentives (£2,000). Budgets have been maintained at the 2012/13 level.

The Downsizing Scheme provides assistance and a financial incentive to Council tenants occupying 3+ bedroom family properties in high demand areas to move to smaller more suitable housing in order to increase the supply of large family housing. This budget is being maintained at the current level as there could be a potential rise in demand when the welfare reforms are introduced and tenants are penalised for under occupation.

The Direct Debit Incentive scheme was introduced on 5 April 2010. Each month there is a draw for all new and existing direct debit payers for a chance to win a week free rent period, to encourage more people to switch to paying by direct debit.

## **13. Former Tenants Arrears**

The budget has been maintained at the current budgeted level to allow for potential costs of the welfare reforms being introduced by the Government. Aberdeen City Council had 29.6% tenancies in arrears at 31 March 2012 compared to the Scottish Average of 26%.

## **14. Management & Administration**

The staffing budget is based on the current structure of the Housing Revenue Account. A pay award of 1% has been allowed for which is in line with the assumptions contained within the Council's General Fund.

## **15. General Consultancy, Training for Front Line Staff, Benefits staff, Citizens Advice Bureau, Disabled persons Housing Service**

All of the above budgets have assumed no uplifts.



General consultancy allows the Housing Revenue Account to fund one off projects. An example of this type of expenditure would include work on the Housing Business Plan.

Training for front line staff allows, for example, housing assistants to participate in professional staff development programmes with the opportunity of gaining membership of the Chartered Institute of Housing.

The costs of the benefits staff are recharged from the benefits team for the time spent with council house tenants on maximising income and tackling financial exclusion.

The contribution to the Citizens Advice Bureau (CAB) provides funding to the service at ARI/Woodend hospitals.

Disabled Persons Housing Service (Aberdeen) (DPHS) is a charitable organisation that provides specialist information, advice and advocacy on housing matters to disabled people, their families and carers and professionals working in housing, social work, health and the voluntary sector.

Grant funding has previously been provided to DPHS and it was agreed in 2010/11 that funding would run for a three year period and would cover core funding for the development officer's post, plus an allowance for running costs. This will enable the DPHS to continue to develop and expand the range of services that it offers to people of Aberdeen in line with the objectives set out within the Disability Action Group (DAG), DAG Homes Sub-Group Action Plan, the Local Housing Strategy and the Community Care Housing Strategy.

#### **16. Tenants Participation**

This is the budget allocated for the provision of tenants participation and includes the employment costs of two tenant participation officers, Newsbite and training for tenant representatives.

#### **17. Provision of Meals**

The actual expenditure for 2011/12 plus 1% is the basis for the 2013/14 budget. This budget is for the provision of meals at Denmore and Kingswood extra care housing. The income for this service is contained in line 48 of the budget statement above which is shown as "Housing Other Service Charge". No increase to this charge is being recommended (this is contained in miscellaneous rents page 19) as there is currently a review ongoing on Housing for Varying Needs which will consider these charges for the future. Currently there is a shortfall of £34,000 between income and expenditure for meals.

#### **18. Integrated Housing System**

This budget is based on the IT requirements for 2013/14 which includes all the support and maintenance costs.

#### **19. Mediation Service**

For 2013/14 budget has been maintained at 2012/13 levels.

## **20. Energy Advice**

The energy advice budget is currently a payment to SCARF (Save Cash and Reduce Fuel). SCARF encourage the sustainable use of energy, achieving affordable warmth, eradicating fuel poverty and extending the life of natural energy resources across the North East of Scotland.

## **21. Aberdeen Families Project**

This budget is used to fund the Aberdeen Families Project. The Families Project is based in the Torry area and provides intensive support and supervision to families (mainly council tenants) who are involved in serious antisocial behaviour which could result in their eviction and subsequent homelessness. The service aims to reintegrate tenants or former tenants who are homeless and have a history of not sustaining a satisfactory tenancy, back into a tenancy without requiring intensive housing management. The budget is based on the 2011/12 actual expenditure.

## **22. Loss of Rent Council Houses**

No uplift has been assumed therefore setting a target for savings in 2013/14. The void trend in 2012/13 is still showing a small increase.

## **23. Supporting People Contribution**

This budget is a contribution to cover the costs of providing the former wardens salaries for people who were not in receipt of housing benefit as at 31 March 2003. The contribution in 2013/14 is based on the actual expenditure for 2011/12.

This does not reflect the costs associated with the former warden's salaries as this forms part of the General Fund.

The contribution is being considered as part of the review for Housing for Varying Needs and therefore will be subject to change.

## **24. Capital Financing Costs**

The budget for capital financing costs is based on the likely level of capital spend in 2012/13 as at the end of August 2012 and a possible future programme for 2013/14 of £41.533 million, as well as the level of historic debt that has to be financed. It also assumes that the consolidated loans pool rate (the rate used to calculate debt charges) is 4.5%.

## **Income**

### **25. Government Grant – General**

This budget is grant income from the Scottish Government for the Hostel. The grant previously funded any deficit generated from the running of this service but since 2012/13 is a fixed amount. There is a provision held in the balance sheet to cover the shortfall for the next 2 years.

### **26. Dwelling Houses Rent Income**

The budgeted income from Dwelling House Rent has been calculated using the anticipated income from the new rent structure and increased by the potential

rent increase of 4.1% (RPIX at October 2012 +1%) which is in line with current Council policy on rent setting.

## **27. Housing – Heat with Rent Income**

A review was undertaken of the income and expenditure of Heat with Rent.

- **Gas**  
The projected energy consumption and contract rates were provided by the Council's Energy Management Unit for each sheltered complex. As from 1 April 2011 the gas supply is through Scottish Government National Procurement and is reviewed on an annual basis. The energy used in the common rooms and guest rooms has been removed from the calculation as these costs are funded by rent pooling. The revised consumption has been multiplied by the agreed rate to be paid on the gas contract.
- **Electricity**  
The projected energy consumption and rates were provided by the Council's Energy Management Unit for each sheltered complex. The four year electricity contract started on 1 April 2011, reductions in the consumption were made for the common rooms and guest rooms as these costs are funded by rent pooling. The consumption has been multiplied by the agreed rate on the electricity contract.
- **Combined Heat & Power (CHP)**  
Aberdeen Heat and Power are to advise the Council of the rate increase in November, indications are that the maximum increase will be 5%.

Page 21 of this document shows the recovery of these costs

## **28. Housing – Garages Rent Income, Housing Parking Spaces Rent, Housing – Other Service Charges**

This line will move depending on the level that miscellaneous rents are set at, as covered on page 19. The current budget therefore assumes that there will be no increase at present.

## **29. Interest on Revenue Balances**

This is akin to bank interest received on the HRA's cash flow during the year. Budget is based on the income received in 2011/12 and current economic conditions.

HOUSING REPAIRS DRAFT BUDGET		Approved Budget 2012/13 £000	Projected Spend 2012/13 £000	Base Budget 2013/14 £000
<b>PLANNED AND CYCLICAL MAINTENANCE</b>				
1	External Joiner work Repairs including external painter work etc.	1,500	1,613	1,500
2	Boiler Maintenance – Sheltered Housing	175	350	300
3	Controlled Entry Systems – Maintenance	450	367	370
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	340	218	220
5	Flat Roofs/Dormers – Renewal & Insulation	50	14	50
6	Common Rooms – Replacement of Furniture	70	28	40
7	Gas Servicing, Maintenance and Repair	2,825	2,882	2,885
8	Laundry Equipment Replacement & Maintenance	85	48	60
9	Legionella Testing incl. Repair/Renewal of Tanks	100	43	60
10	Lift Maintenance	315	339	350
11	Mutual Repairs outwith Housing Action Areas	25	25	25
12	Pumps & Fans - Maintenance & Renewal	90	131	120
13	Sheltered Housing - Replacement of Carpets, furnishings etc	70	22	40
14	Standby Generators – Maintenance	90	122	120
15	Warden call systems- maintenance and Repair	90	90	90
16	Provision of Community Alarm	125	230	230
17	Environmental Improvements (including internal communal areas)	1,500	1,059	1,200
18	Void Properties	4,500	3,616	3,550
19	Asbestos	200	238	200
<b>Planned/Cyclical Maintenance Sub Total</b>		<b>12,600</b>	<b>11,435</b>	<b>11,410</b>
<b>DAY TO DAY RESPONSE MAINTENANCE</b>				
20	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	280	147	160
21	Car Park Repairs	10	14	15
22	Chimney heads - Repointing and Rebuilding	5	0	5
23	Condensation - Treatment of Walls	160	37	100
24	Electrical Work - General Repairs	1,100	1,071	1,100
25	Emergency Work - Out of Hours Service	620	571	620
26	External/Internal Response Paintwork	350	222	250
27	Fire Damage Repairs	200	267	300
28	Garage Repairs	30	40	50
29	Glazier work	200	129	150
30	Joiner work - General Repairs	2,000	2,370	2,400
31	Mason work and Water Penetration Repairs	620	324	350
32	Minor Environmental Services	520	547	560
33	Plasterwork – General	320	256	270
34	Plumber work – General	1,100	1,126	1,150
35	Slater work	800	720	800
36	Snow Clearance	52	52	52
37	TV Aerial	220	110	150
38	Rubbish Removal	200	126	140
39	Vandalism	200	88	100
40	Water Services Charges	10	10	10
<b>Day to Day Response Maintenance Total</b>		<b>8,997</b>	<b>8,227</b>	<b>8,732</b>
<b>41</b>	<b>Chargeable Repairs</b>	<b>0</b>	<b>1,550</b>	<b>0</b>
<b>42</b>	<b>Fees</b>	<b>1,667</b>	<b>1,880</b>	<b>1,900</b>
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>23,264</b>	<b>23,092</b>	<b>22,042</b>

## **REPAIRS AND MAINTENANCE BUDGET 2013/14**

### **General**

The projected spend figures have been taken from invoicing up to the end of August 2012 and the committed cost for jobs yet to be invoiced as at the middle of September.

Projections are based on the average monthly spend, updates from surveyors and, in the case of the general trades, historical information has been taken from previous spend patterns.

Projected spend in 2012/13 is currently anticipated to be lower than budget however this can be subject to change as this budget is demand led.

### **Specific Items**

#### **Planned and Cyclical Maintenance**

##### **Item 2 Boiler Maintenance – Sheltered Housing**

Expenditure is above budget due to the increasing number of call-outs regarding faults involving radiators in flats, cottages and common areas. There has also been a significant increase in recent call-outs to replace calorifiers, boilers and water heaters.

##### **Item 17 Environmental Improvements**

This line includes crime prevention measures, bird proofing including the removal of nests, area fencing, security doors, sound insulation, security lighting and other estate management improvements identified by housing officers.

##### **Item 18 Void Properties (Relets)**

The projected decrease reflects actual expenditure to date.

#### **Day to Day Response Maintenance**

The items listed under day to day response are more susceptible to weather /climate/fluctuations in costs from year to year. The projected and budget costs are in part based on historical data taken from previous years.

#### **Chargeable Repairs**

Chargeable repairs are those repairs which are completed on blocks which contain owners, the spend cannot be split between tenants and owners, the projected spend figure has been reduced by 25% to take account of this.

#### **Fees**

The fees have increased as a result of the inclusion of the recharge for the call centre who receive the repairs calls. Also uplifted by 1% for wage inflation.

	Management & Admin		Proposed	
		Budget 2012/13	Budget 2013/14	Notes
		£000	£000	
	<b>Staff Costs</b>			1
1	Salaries	6,409	6,003	
2	Overtime	69	70	
3	Superannuation	1,118	1,063	
4	N.I	511	481	
5	Other Staff Costs	253	245	
		<b>8,360</b>	<b>7,862</b>	
	<b>Premises Costs</b>			2
6	Rates	107	104	
7	Rent	30	30	
8	Insurance	2	2	
9	Electricity/Gas	70	63	
10	Void Properties	10	10	
11	Rubbish Removal	21	21	
12	Cleaning	114	114	
13	Repairs and Maintenance	45	34	
14	Security	51	51	
		<b>450</b>	<b>429</b>	
	<b>Administration Costs</b>			2
15	Printing	82	89	
16	Photocopying	19	19	
17	Stationery	30	31	
18	Subscriptions	16	22	
19	Postages	87	101	
20	Telephones	35	50	
21	Bank Charges(inc Cash in transit	76	77	
22	Advertising	49	44	
23	Course Expenses	93	100	
24	Legal Expenses	18	1	
25	Former Tenants Arrears	3	1	
26	Tenants Participation Expenses	0	20	
		<b>508</b>	<b>555</b>	

				<b>Proposed</b>
		<b>Budget</b>		<b>Budget</b>
		<b>2012/13</b>		<b>2013/14</b>
		<b>£000</b>		<b>£000</b>
				<b>Notes</b>
	<b>Transport Costs</b>			2
27	Travel Costs	94		99
		<b>94</b>		<b>99</b>
	<b>Supplies &amp; Services</b>			2
28	Equipment Purchases	57		69
29	Computer Software Support	18		15
30	Sundry Outlays	110		153
		<b>185</b>		<b>237</b>
	<b>Corporate/Directorate Recharge</b>			
31	Corporate/Directorate Recharges	2,020		2,366
		<b>2,020</b>		<b>2,366</b>
	<b>Expense Total</b>	<b>11,617</b>		<b>11,548</b>
	<b>Income</b>			
	Recharges:-			
34	Management & Admin – HRA	(8,453)		(8,582)
35	Tenants Participation – HRA	(238)		(206)
36	Other Housing	(289)		(330)
37	Homeless Persons	(160)		(149)
38	Housing Capital	(1,232)		(1,044)
		<b>(10,372)</b>		<b>(10,311)</b>
39	Hostel - Rents	(1,245)		(1,237)
	<b>Income Total</b>	<b>(11,617)</b>		<b>(11,548)</b>
	<b>Net Expenditure</b>	<b>0</b>		<b>0</b>

## MANAGEMENT AND ADMINISTRATION BUDGET

### Variances and Notes

The 2013/14 budget for management and administration is based on the updated structure of Housing.

**1. Staff Costs**

Staff costs have been increased to reflect annual salary increments and increases in employers' superannuation and national insurance costs. The element for the Corporate Director and Heads of Service for Housing and Environment previously included within this budget has been moved to the Corporate/Directorate Charges. This has resulted in a reduction in the staff costs budget.

**2. Premises Costs, Fees & Charges, Administration Costs, Transport Costs, Supplies and Services**

All the above budgets have been reviewed with certain costs being adjusted based on current service provision.

**3. Corporate/Directorate Charges**

This budget is based on the current services being provided to Housing and may be subject to change. It covers services such as Legal, Finance, Office Accommodation, IT, Corporate Director and Heads of Service (as per note 1) etc.



## Miscellaneous Rents

<b>Heat with Rent – 48 week basis</b>		
	<b>Previous</b>	<b>Proposed</b>
<b>Gas Heated Properties</b>	<b>£</b>	<b>£</b>
Bedsits	8.25	9.05
1 bed roomed flats	8.95	9.85
2 bed roomed flats	9.25	10.25
3 bed roomed flats	10.35	11.45
<b>Electrically Heated Properties</b>		
Bedsits	9.25	10.05
1 bed roomed flats	9.95	10.85
2 bed roomed flats	10.65	11.65
3 bed roomed flats	11.35	12.45
<b>CHP Properties</b>		
All 1 Bed roomed Properties	8.90	9.80
All 2 Bed roomed Properties	9.40	10.40
All 3 Bed roomed Properties	10.10	11.20

ABERDEEN CITY COUNCIL HOUSING REVENUE ACCOUNT						
Proposed Increase to be included in the HRA budget – Miscellaneous Rents						
		2013/2014				
		Current	Proposed	Increase	Percentage	Additional
		Rental	Rental	Per Week	Increase	Income
Note	Miscellaneous Increases	£	£	£	%	£
1	Garages	9.10	10.00	0.90	9.89	89,078
	Denburn and West North Street Spaces	4.40	4.55	0.15	3.41	4,514
	Garages Sites	3.70	3.85	0.15	4.05	1,771
	Car Ports	4.10	4.25	0.15	3.66	1,037
2	Car Parking Spaces – Local Residents	3.40	3.40	0	0	0
2	Parking Spaces Non Local Residents	35.00	35.00	0	0	0
3	Window Cleaning	0.85	0.85	0	0	0
3	Meals at Denmore & Kingswood	35.00	35.00	0	0	0
	Mortgage Reference Fees	60.00	62.00	2.00	3.33	56
4	Guest Rooms	10.00 & 15.00	10.00 & 15.00	0	0	0
5	Owners Administration fees	16.13	38.59	22.46	139.24	11,544
						<b>108,001</b>
	<b>General Services</b>					
	<b>Housing – Homeless Account</b>					
	Clinterty Caravan Site	79.00	82.00	3.00	3.80	5,040
						5,040
	<b>Accommodation Units (Grant Funded)</b>					
	Adult (first2)	54.00	56.00	2.00	3.70	27,500
	Child	36.00	37.00	1.00	2.78	6,875
						<b>34,375</b>

The above proposed prices for 2013/14 have been increased broadly in line with the proposed rental increase subject to:

Note 1 This increase was agreed as part of the revised rent structure on 28<sup>th</sup> August 2012 but has yet to be implemented.

Note 2 These charges will be part of the overall review by EP&I on Parking.

Note 3 These charges are being considered as part of the overall review of Housing for Varying Needs. In 2011/12 there for a shortfall of £34K from the provision of meals

Note 4 These charges were agreed at H& E Committee on 28 August 2012 therefore do not require review.

Note 5 This is an annual charge per owner and the increase reflects the Property Factors Act which was introduced on 1<sup>st</sup> October 2012, revised fees have not been introduced to date.

### Heat with Rent calculations for 2013/14

It was agreed in the 2012/13 budget process to apply an **increase of 50p per week for bedsits, 60p per week for 1 bed roomed dwellings, 70p per week for 2 bed roomed dwelling and 80p per week for 3 bed roomed dwellings** across all the Council's Heat with Rent properties. Similar increases will be required for the next three years to cover the costs.

It was noted that a review of consumption and costs would be required each year especially as only the electric contract was fixed for four years. There would also be revised costs for CHP and gas each year. As a result the above increases would be subject to change for the next 3 years.

The Bank of England anticipates that gas prices may rise by 15% & electricity by 10% during this winter. Tenants with Heat with Rent have been protected from these market increases as the Council can buy these fuels at lower contract prices than would be available to individual domestic customers. These fuel price savings are then passed on to tenants who are on Heat with Rent.

In addition as the charge is the same every week, tenants on Heat with Rent are not faced with the problem of having to pay large gas or electric bills during the colder winter months which have been extreme in the last two years.

It is proposed to apply an **increase of 80p per week for bedsits, 90p per week for 1 bed roomed dwellings, £1.00 per week for 2 bed roomed dwelling and £1.10 per week for 3 bed roomed dwellings** across all the Council's Heat with Rent properties in 2013/14.

For 2013/14 revised rates will result in **increases of between 8.6% and 10.8%**.

This would generate sufficient income to ensure the Housing Revenue Account would break even between the costs to the Council of providing electricity and gas through Combined Heat with Power charges for the heating in these dwellings over a four year period.

	<b>Estimated 4 year cost to Council £000</b>	<b>Estimated 4 year income to cover costs £000</b>
<b>Total</b>	<b>6,200</b>	<b>6,200</b>

This would equate to the following weekly Heat with Rent charges for 2013/14:

**for electrically and oil heated properties:**

Bedsits	10.05	Increase of 8.6%
1 bed roomed dwellings	10.85	Increase of 9.04%
2 bed roomed dwellings	11.65	Increase of 9.38%
3 bed roomed dwellings	12.45	Increase of 9.6%

**for gas heated properties:**

Bedsits	9.05	Increase of 9.6%
1 bed roomed dwellings	9.85	Increase of 10.05%
2 bed roomed dwellings	10.25	Increase of 10.8%
3 bed roomed dwellings	11.45	Increase of 10.6%

**for CHP heated properties:**

1 bed roomed dwellings	9.80	Increase of 10.1%
2 bed roomed dwellings	10.40	Increase of 10.6%
3 bed roomed dwellings	11.20	Increase of 10.89%

**ABERDEEN CITY COUNCIL  
Tenants Consultation**

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. As part of the review on the future of the Council housing stock, a tenant referendum was held to determine what the views of tenants were.

The tenants voted overwhelmingly to retain the Council as their landlord in 2002, provided that continued improvements were made to the housing stock. In 2004, the Council adopted a Housing Business Plan approach. This has allowed us to plan for the future. This has meant that the rent increases over the last four years has allowed the Council to speed up the Capital Programme and build a foundation for future investment in Council homes.

Furthermore, a questionnaire was sent out to tenants in July 2012 to ascertain views on the possible rent increase of inflation plus 1%. The table below shows the results of the questionnaire.

**ANNUAL RENT CONSULTATION – Feedback**

Do you agree that the rent policy, inflation + 1%, should be continued to maintain investment in our housing stock and improve services?

	<b>Returns</b>	<b>Percent</b>
<b>Yes</b>	266	75
<b>No</b>	84	23
<b>Don't know</b>	6	2
<b>Total</b>	356	100

**Presentations and question and answer sessions were also held with tenants to discuss the budgets.**

Housing Revenue Account		Budget	Budget	Budget	Notes
		2013/14	2014/15	2015/16	
		£000	£000	£000	
<b>Premises Costs</b>					
1	Rates	3	3	3	
2	Rent	138	141	145	3
3	Repairs and Maintenance	22,042	22,564	23,100	1
4	Maintenance of Grounds	3,045	3,075	3,106	2
5	Gas	674	691	708	3
6	Electricity	2,420	2,481	2,543	3
7	Cleaning Service	542	542	542	3
8	Security Service	372	376	379	2
9	Window Cleaning	19	19	19	
10	Refuse Collection	325	328	332	2
11	Cleaning - Payments to Contractor	453	458	463	2
12	Premises Insurance	57	58	60	3
13	Other Property Costs - Council Tax	122	122	122	
		<b>30,212</b>	<b>30,858</b>	<b>31,522</b>	
<b>Administration Costs</b>					
14	Down sizing Grants/Direct Debit Incentives	52	52	52	
15	Legal Expenses	201	201	201	
16	Office Tel / Rent	88	90	92	3
17	Former Tenants Arrears	1,379	1,379	1,379	
18	Charges - Services Admin & Management	8,582	8,668	8,747	
19	General Consultancy	55	55	55	2
20	Training for Front Line Staff	100	100	100	
21	Benefits Staff	95	96	97	2
22	Charges - Tenants Participation	206	208	210	2
23	Charges for Environmental Health	227	229	232	2
		<b>10,985</b>	<b>11,078</b>	<b>11,165</b>	
<b>Supplies &amp; Services</b>					
24	Provision of Meals	168	169	171	
25	Equipment Purchase	55	55	55	
26	Television Licence	5	5	5	
27	Integrated Housing System	314	314	314	
		<b>542</b>	<b>543</b>	<b>545</b>	

	<b>Housing Revenue Account</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Notes</b>
	<b>Agencies</b>				
28	Mediation Service	98	99	99	2
29	Energy Advice	81	82	83	2
30	Citizens Advice Bureau	14	14	14	
31	Disabled Persons Housing Service	38	38	39	2
		<b>231</b>	<b>233</b>	<b>235</b>	
	<b>Transfer Payments</b>				
32	Aberdeen Families Project	414	418	422	2
33	Loss of Rent - Council Houses	722	747	773	4
34	Loss of Rent - Garages, Parking etc	211	218	226	4
35	Loss of Rent - Modernisation Works	50	53	54	4
36	Supporting People Contribution	406	406	406	
37	CFCR	22,116	22,783	23,570	
		<b>23,919</b>	<b>24,625</b>	<b>25,451</b>	
	<b>Capital Financing Costs</b>				
38	Loans Fund Instalment	3,903	4,794	5,715	
39	Loans Fund Interest	9,559	10,263	10,829	
40	Heating Leasing Payment	131	131	131	
		<b>13,593</b>	<b>15,188</b>	<b>16,675</b>	
	<b>Expense Total</b>	<b>79,482</b>	<b>82,525</b>	<b>85,593</b>	
	<b>Income</b>				
41	Government Grant – General	(234)	(234)	(234)	
42	Ground Rentals	(27)	(27)	(27)	
43	Dwelling Houses Rent Income	(76,589)	(79,632)	(82,700)	4
44	Housing - Heat with Rent Income	(1,459)	(1,459)	(1,459)	
45	Housing - Garages Rent Income	(1,087)	(1,087)	(1,087)	
46	Housing - Parking Spaces Rent	(187)	(187)	(187)	
47	Housing - Insurance Income	(2)	(2)	(2)	
48	Housing - Other Service Charge	(489)	(489)	(489)	
49	Legal Expenses	(260)	(260)	(260)	
50	Revenue Balance Interest	(148)	(148)	(148)	
	<b>Income Total</b>	<b>(80,482)</b>	<b>(83,525)</b>	<b>(86,593)</b>	
	<b>Net Expenditure</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	
	Current Minimum Working Balances	3,974	4,126	4,280	
	Actual Working Balance	5,200	6,200	7,200	

## **HOUSING REVENUE ACCOUNT THREE YEAR BUDGET ASSUMPTIONS**

### **1. Repairs and Maintenance**

The analysis of the three year budget is included within this booklet (page 27). The budget has been uplifted by 2.5% in 2014/15 and 2015/16. The fee element has been uplifted by 1% to reflect the salary uplift.

### **2. Maintenance of Grounds, Security Service, Refuse Collection, Cleaning – Payments to Contractors, General Consultancy, Benefits staff, Charges – Tenants Participation, Charges for Environmental Health, Mediation Service, Energy Advice, Disabled Persons Housing Service, Aberdeen Families Project**

As these budgets are principally for staffing within the Council an uplift of 1% has been applied to reflect the anticipated public sector pay awards.

### **3. Rent, Gas, Electricity, Cleaning Service, Premises Insurance, Office Telephone**

These budgets have been uplifted by the inflationary increase in the HRA Business Plan.

### **4. Dwelling Houses Rent Income and Transfer Payments**

The budgeted income from dwelling house rent is calculated by using the anticipated income from the new rent structure uplifted by the potential rent increase of 4.1% for 2013/14 and then uplifting each year by 3.5% (RPIX of 2.5% used in the business plan plus 1%) less a projected reduction in stock of 50 each year.



HOUSING REPAIRS DRAFT BUDGET		Base Budget 2013/14 £000	Base Budget 2014/15 £000	Base Budget 2015/16 £000
<b>PLANNED AND CYCLICAL MAINTENANCE</b>				
1	External Joiner work Repairs including external paintwork etc.	1,500	1,538	1,576
2	Boiler Maintenance - Extra Care Housing	300	308	315
3	Controlled Entry Systems – Maintenance	370	379	389
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	220	226	231
5	Flat Roofs/Dormers – Renewal & Insulation	50	51	53
6	Common Rooms - Replacement of Furniture	40	41	42
7	Gas Servicing, Maintenance and Repair	2,885	2,957	3,031
8	Laundry Equipment Replacement & Maintenance	60	62	63
9	Legionella Testing incl. Repair/Renewal of Tanks	60	62	63
10	Lift Maintenance	350	359	368
11	Mutual Repairs outwith Housing Action Areas	25	26	26
12	Pumps & Fans - Maintenance & Renewal	120	123	126
13	Extra Care Housing - Replacement of Carpets, furnishings etc	40	41	42
14	Standby Generators – Maintenance	120	123	126
15	Warden call systems- Maintenance and Repair	90	92	95
16	Provision of Community Alarm	230	236	242
17	Environmental Improvements	1,200	1,230	1,261
18	Relets	3,550	3,636	3,729
19	Asbestos	200	205	210
<b>Planned/Cyclical Maintenance Sub Total</b>		<b>11,410</b>	<b>11,695</b>	<b>11,988</b>
<b>DAY TO DAY RESPONSE MAINTENANCE</b>				
20	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	160	164	168
21	Car Park Repairs	15	15	16
22	Chimney heads - Repointing and Rebuilding	5	5	5
23	Condensation - Treatment of Walls	100	103	105
24	Electrical Work - General Repairs	1,100	1,128	1,156
25	Emergency Work - Out of Hours Service	620	636	651
26	External/Internal Response Paintwork	250	256	263
27	Fire Damage Repairs	300	308	315
28	Garage Repairs	50	51	53
29	Glazier work	150	154	158
30	Joiner work – General Repairs	2,400	2,457	2,519
31	Mason work and Water Penetration Repairs	350	359	368
32	Minor Environmental Services	560	574	588
33	Plasterwork – General	270	277	284
34	Plumber work – General	1,150	1,179	1,208
35	Slater work	800	820	841
36	Snow Clearance	52	53	55
37	TV Aerial	150	154	158
38	Rubbish Removal	140	144	147
39	Vandalism	100	103	105
40	Water Services Charges	10	10	11
<b>Day to Day Response Maintenance Total</b>		<b>8,732</b>	<b>8,950</b>	<b>9,174</b>
<b>Chargeable Repairs</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING REPAIRS TOTAL</b>		<b>20,142</b>	<b>20,645</b>	<b>21,162</b>
	Fees	1,900	1,919	1,938
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>22,042</b>	<b>22,564</b>	<b>23,100</b>

	<b>Management &amp; Admin</b>			
		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Staff Costs</b>			
1	Salaries	6,003	6,063	6,124
2	Overtime	70	71	71
3	Superannuation	1,063	1,074	1,084
4	N.I	481	486	491
5	Other Staff Costs	245	247	250
		<b>7,862</b>	<b>7,941</b>	<b>8,020</b>
	<b>Premises Costs</b>			
6	Rates	104	107	109
7	Rent	30	31	31
8	Insurance	2	2	2
9	Electricity/Gas	63	65	66
10	Void Properties	10	10	10
11	Rubbish Removal	21	22	22
12	Cleaning	114	116	119
13	Repairs and Maintenance	34	35	36
14	Security	51	52	53
		<b>429</b>	<b>440</b>	<b>448</b>
	<b>Administration Costs</b>			
15	Printing	89	91	93
16	Photocopying	19	19	20
17	Stationery	31	32	32
18	Subscriptions	22	23	23
19	Postages	101	103	106
20	Telephones	50	51	52
21	Bank Charges	77	79	81
22	Advertising	44	45	46
23	Course Expenses	100	103	105
24	Legal Expenses	1	1	1
25	Former Tenants Arrears	1	1	1
26	Tenants Participation Costs	20	21	21
		<b>555</b>	<b>569</b>	<b>581</b>

		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Transport Costs</b>			
27	Travel Costs	99	101	104
		<b>99</b>	<b>101</b>	<b>104</b>
	<b>Supplies &amp; Services</b>			
28	Equipment Purchases	69	71	72
29	Computer Software Support	15	15	15
30	Sundry Outlays	153	156	160
		<b>237</b>	<b>242</b>	<b>247</b>
	<b>Corporate/Directorate Recharge</b>			
33	Corporate/Directorate Recharge	2,366	2,390	2,414
		<b>2,366</b>	<b>2,390</b>	<b>2,414</b>
	<b>Expense Total</b>	<b>11,548</b>	<b>11,683</b>	<b>11,814</b>
	<b>Income</b>			
	Recharges:-			
34	Management & Admin – HRA	(8,582)	(8,669)	(8,751)
35	Tenants Participation – HRA	(206)	(208)	(210)
36	Recharges to Other Housing	(330)	(334)	(336)
37	Recharges to Homeless	(149)	(150)	(152)
38	Housing Capital	(1,044)	(1,054)	(1,065)
		<b>(10,311)</b>	<b>(10,415)</b>	<b>(10,514)</b>
39	Hostel – Rents	(1,237)	(1,268)	(1,300)
	<b>Income Total</b>	<b>(11,548)</b>	<b>(11,683)</b>	<b>(11,814)</b>
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

Draft Housing Capital Budget 2013/14 to 2015/16

Project	2013/14	2014/15	2015/16
	£000	£000	£000
<b>SCOTTISH HOUSING QUALITY STANDARDS</b>			
<b>1 Compliant with the tolerable standard</b>			
1.1 Major Repairs-	1,250	1,000	1,030
Roofs Renewal/Gutters/RWP/Roughcast			
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast			
	<hr/>	<hr/>	<hr/>
	1,250	1,000	1,030
<b>2 Free from Serious Disrepair</b>			
<b>2.1 Primary Building Elements</b>			
Structural Repairs Multi Storey	6,175	2,875	2,725
Multi Storey blocks are surveyed on a 5-7 year cycle to identify any works required to the structure of the buildings in order to keep the buildings safe and prolong their life.			
Structural Repairs General Housing	1,170	1,450	950
Structural works carried out in order to keep the building stable and structurally sound.			
<b>Secondary Building Elements</b>			
2.2 Upgrading Of Flat Roofs General	350	350	350
Replacement of existing roof covering and upgrading of insulation to meet current building regulations.			
2.3 Upgrade Flat Roofs Multi Storey	1,000	1,000	1,000
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required			
2.5 Mono Pitched Types	530	500	500
Replacement of the external render of the building, replacement of gutters and downpipes, environmental works			
2.6 Window Replace General	600	500	500
A rolling programme of double glazing where previously single glazing, or replacing existing double glazing to meet current standards. This is based on a cyclical programme.			
2.7 Window Replace Multi Storey	0	0	0
A rolling programme to replace existing double glazing to meet current standards. This is based on a cyclical programme.			
2.8 Balcony Storm Doors	60	60	60
Replacement of existing doors with more secure, solid doors			
2.9 Balcony Glass Renewal - Multi Storey	1,165	90	90
Replacement of existing balcony glazing on a cyclical basis			
	<hr/>	<hr/>	<hr/>
	11,050	6,825	6,175

	2013/14	2014/15	2015/16
	£000	£000	£000
<b>3 Energy Efficient</b>			
<u>Effective insulation</u>			
3.1 Energy Efficiency – General Houses	220	0	220
3.2 General Houses Loft Insulation			
Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.	50	50	50
<u>Efficient Heating</u>			
3.3 Heating Systems Replacement	4,950	4,100	3,500
Replacement of boiler/whole system as deemed necessary.			
3.4 Medical Need Heating	50	50	50
Installation of gas/electric heating depending on the medical assessment.			
This can be installing a completely new system, modifying or extending an existing system.			
3.5 Energy Efficiency Multi Blocks	1,500	1,500	1,500
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants			
3.6 Energy Efficiency Sheltered	250	350	250
Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.			
<u>Additional Energy Efficiency measures</u>			
3.7 S.C.A.R.F	35	35	35
Payment to SCARF for work carried out by them under the Energy Efficiency programme to individual council properties. The work carried out includes the installation of loft insulation, draught proofing and compact fluorescent bulbs. Also providing tenants with energy efficiency advice and information.			
3.8 Solid Wall Insulation	250	150	150
3.9 Vestibule Doors	0	0	15
	<u>7,305</u>	<u>6,235</u>	<u>5,770</u>
<b>4 Modern Facilities &amp; Services</b>			
<u>Bathroom and Kitchen Condition</u>			
4.1 Modernisation Programme	13,894	13,111	12,979
Replacement of bathrooms and kitchens.			
	<u>13,894</u>	<u>13,111</u>	<u>12,979</u>
<b>5 Healthy, Safe &amp; Secure</b>			
<u>Healthy</u>			
5.1 Condensation Measures	50	50	50
Installation of heating systems and ventilation measures to combat condensation.			
<u>Safe</u>			
5.3 Rewiring	1,100	1,100	1,100
Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis			
5.4 Lift Replacement Multi Storey/Major Blocks	1,000	1,000	1,000
Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.			
5.5 Smoke Detectors – Common Areas Major Blocks	150	50	50

	2013/14 £000	2014/15 £000	2015/16 £000
<b>Healthy, Safe &amp; Secure (continued)</b>			
5.6 Services	50	50	50
Cyclical maintenance/replacement of the following services			
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators			
5.7 Entrance Halls/Concierge	50	50	50
Provision of security service			
5.8 Laundry Facilities	50	50	50
Replacement of laundry equipment			
5.9 Upgrading of Lighting	36	10	10
Installation of lighting controlled by photo cell i.e. switches on and off automatically depending on the level of natural light & installation of lighting in areas where there was none before			
<u>Secure</u>			
5.11 Door Entry Systems	40	40	40
Installation of door entry and replacement of existing doors where required			
5.12 Replace Door Entry Systems - Major Blocks	200	200	200
Installation of door entry and replacement of existing doors where required			
5.13 Other Initiatives	750	750	750
Upgrading of stairs and installation of security doors and door entry systems			
	<b>3,476</b>	<b>3,350</b>	<b>3,350</b>

#### NON SCOTTISH HOUSING QUALITY STANDARDS

<b>6 Community Plan &amp; Single Outcome Agreement</b>			
6.1 Housing For Varying Needs	300	300	300
New build including extra care housing.			
6.2 Community Initiatives	300	400	400
Refurbishment of properties or environmental improvements in designated areas.			
6.5 Regeneration/Acquisition of Land or Houses	300	500	1000
Early Action projects linked to Regeneration and Master planning Briefs for Regeneration & provision of consultation events. Acquisition of Land/Houses for the new build programme.			
6.6 CCTV – Concierge	150	150	150
Provision of CCTV for the new Concierge service			
6.7 Adaptations Disabled	1,250	1,250	1,250
Installation of level access showers, ramps, stair lifts and kitchen adaptations			
6.8 Special Initiatives/Barrier Free Housing	650	250	150
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions			
6.9 Housing For Varying Needs- Amenity/Adaptations	200	150	100
Conversion of properties to Amenity Level standard			
6.10 Housing For Varying Needs- Extra Care/Adaptations	150	100	100
Adaptations required to ensure existing sheltered housing stock meets current standards			
6.11 Roads	100	100	100
Upgrade of Roads to an adoptable standard			
6.12 Paths	100	100	100
Formation or upgrading of paths			
6.13 Garages	0	0	0
Upgrade of Garages			
6.14 New Affordable Housing	600	400	0
	<b>4,100</b>	<b>3,700</b>	<b>3,650</b>

	2013/14	2014/15	2015/16
	£000	£000	£000
<b>7 Service Development</b>			
7.1 Conditions Surveys	50	50	50
Surveying of Council houses to identify failures against Scottish Housing Quality Standard			
7.2 Property Database	100	100	100
Various items of IT equipment including hardware and software			
7.3 Integrated Housing System	100	100	100
Various purchase of PC's and software packages			
	<hr/>	<hr/>	<hr/>
	250	250	250
	<hr/>	<hr/>	<hr/>
<b>9 Service Expenditure</b>			
Corporate Fees	5,605	4,859	4,745
	<hr/>	<hr/>	<hr/>
	5,605	4,859	4,745
	<hr/>	<hr/>	<hr/>
<b>Gross Programme</b>	<b>46,930</b>	<b>39,330</b>	<b>37,949</b>
	<hr/>	<hr/>	<hr/>
Less Slippage	(5,397)	(4,525)	(4,366)
	<hr/>	<hr/>	<hr/>
<b>Net Programme</b>	<b>41,533</b>	<b>34,805</b>	<b>33,583</b>
	<hr/>	<hr/>	<hr/>
Financed by :-			
Borrowing	17,917	12,022	10,013
Scottish Government Grant Funding – New Build	0	0	0
SEE Grant Funding	1,500	0	0
CFCR (Capital Financed From Current Revenue)	22,116	22,783	23,570
	<hr/>	<hr/>	<hr/>
Total Funding	<b>41,533</b>	<b>34,805</b>	<b>33,583</b>
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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	6 <sup>th</sup> December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Common Good Budget 2013/14 and indicative 2014/15 – 2017/18 Budget
REPORT NUMBER:	CG/12/1024

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### 1. PURPOSE OF REPORT

This report is to submit, for elected members' consideration, the draft Common Good budget for 2013/14, along with a further indicative 4 year budget and financial strategy on the use of its reserves and capital receipts.

### 2. RECOMMENDATION(S)

It is recommended that the Committee: -

- a) Approves the recommendation by the Head of Finance to retain a minimum of 2 years' cash balances;
- b) Notes the contents of Appendix 2 regarding clarity over the use of the Common Good Fund;
- c) Approves the recommendation in Appendix 3 regarding the financial strategy for the operation of the Common Good Fund, such that any surplus funds can be invested with Aberdeen City Council at an interest rate of 0.5% less than that charged by the Public Works Loans Board (PWLB) over a review period of 5 years;
- d) Approves the recommendations in Appendix 4 regarding the investment strategy of the Common Good Fund and the proposal regarding the strategy for funds received from the sale of any Common Good Assets;

and also notes: -

- e) The Common Good budget for 2013/14 as detailed in Appendix 1 to this report; and
- f) The 2014/15 - 2017/18 indicative budget which is also contained in Appendix 1.

### 3. FINANCIAL IMPLICATIONS

- 3.1 The Report outlines proposals for the Common Good budget for the financial year 2013/14, and indicative figures for the following 4 years.
- 3.2 It also contains details of the recommendation that cash balances of at least two years' worth of expenditure should be retained. Given the economic position of the UK, this should be reviewed in two years' time.

### 4. OTHER IMPLICATIONS

- 4.1 If funding is not provided for projects/external organisations then they may not be able to continue their work.

### 5. BACKGROUND/MAIN ISSUES

#### **Introduction**

- 5.1 In preparing a draft Common Good budget for 2013/14, the financial strategy approved by the Finance Monitoring Sub-Committee of 24 August 2004 has been applied. The use of CPI as part of the financial strategy to maintain cash balances is currently under review.
- 5.2 A report on the origin, history and purposes to which the Common Good may be used was prepared on 15<sup>th</sup> January 1976, by the then Town Clerk of the City of Aberdeen District Council. More detail on this is provided in Appendix 2. The report outlined the following purposes as meeting the required criteria: -
- Upholding the dignity of the City.
  - The prudent management, upkeep and improvement of Council Property which forms part of the Common Good.
  - Safeguarding the corporate rights of the community and defending its interests.
  - Granting of donations to public institutions or charities, providing it is in the interests of the general public of the city.
  - Any other purpose, which is in the bona fide and reasonable judgment of the Council, is for the good of the community as a whole or which the inhabitants at large may share.
- 5.3 It was also outlined that the prime purpose of the Council is to ensure that the Common Good is prudently conserved. Hence Appendix 3 outlines a financial strategy for the Common Good Fund.
- 5.4 In addition, recent practice has excluded any activity from receiving assistance from the Common Good for which Aberdeen City Council or any other public body has a statutory duty to support.

### **Draft Budget 2013/14**

- 5.5 In setting the Common Good budget, appropriate input has been provided by external bodies supported by the Common Good and the various officers responsible for the different expenditure and income lines.
- 5.6 The budget for 2013/14 is provided at **Appendix 1**. In building these figures the following broad assumptions have been made:
- Average interest rates reflect the projections currently being made enabling a 2% return on investments for the financial year ending 31 March 2013.
  - Rental income is based on projections provided by Asset Management, Enterprise, Planning & Infrastructure.
- 5.7 As can be seen in Appendix 1 the Common Good Fund is in a balanced budget position for 2013/14. The reason for this is that income from Common Good owned properties is increasing and the value of expected commitments in 2013/14 is slightly lower than in 2012/13.
- 5.8 Based on the figures attached it can be seen at Appendix 1, subject to review, that the balance on the Common Good fund is estimated to be £6.8m by 31<sup>st</sup> March 2014, which is £1.1m higher than the required minimum level of working balances and could be used to fund any items of one-off expenditure which the committee may agree to.

### **Projected Out-turn 2012/13**

- 5.8 The projected outturn for 2012/13 shows a small surplus of £32,000 against a budgeted deficit of £350,000.
- 5.9 The favourable movement of £382,000 comparing budget to out-turn is due to income from properties and estates being higher than expected, and also due to the delay in undertaking the work at the Kepplestone/Kingswells steading which has been budgeted for in 2012/13.

### **Cash Balances**

- 5.12 This report also provides details of the estimated cash balances which will be held on the Common Good. Based on the budget projections for

2013/14 there are projected cash balances of £6.8 million as at 31 March 2014.

- 5.13 It is recommended that the strategy for 2013/14 and for 2014/15 should be to limit expenditure to a level which will allow for working balances to be maintained to a point whereby two years' worth of Common Good expenditure could be met if required. Current expenditure levels are £2.85 million, therefore cash balances require to be retained at a minimum level of £5.7 million. In 2013/14, surplus funds are predicted to be £1.1 million, per the table contained in Appendix 3, and in 2013/14 these funds could be used for one-off items of expenditure.
- 5.14 It is the duty of the Council as trustees of the Common Good to ensure that the Cash Balances are maintained, and the Common Good is preserved for future generations.

### **Other Issues**

An internal audit report in June 2012 made the following recommendations:

1. That a financial strategy for the Common Good should be prepared and incorporate:
  - i) The purpose of the Fund;
  - ii) The nature of its expenditure;
  - iii) What the Council determines as 'Common Good';
  - iv) The governance and decision making process around Common Good; and
  - v) The levels of minimum balances retained by the Common Good Fund
2. That an investment strategy for the Common Good Fund should be prepared.

In dealing with the above findings, Appendix 2 provides clarity regarding to items 1 i) to 1 iii). This states that the primary objective of the Common Good Fund is to ensure that it is prudently conserved; it sets down the criteria for which expenditure against the Common Good Fund can be allowed; and defines the Common Good as 'the corporate property of the City Council which can be applied by them for the benefit of the general public of the City or its inhabitants'.

Appendix 3 details the proposed financial strategy, in response to items iv) and v), such that a minimum of two years' expenditure should be retained as working balances, and that surplus funds should be invested in order to receive a constant source of income.

Appendix 4 provides information with regard to the already approved investment strategy. The critical recommendation from this is that Common Good properties should be retained where possible. This appendix also details the proposal around potential receipts from the sale of Common Good assets, such that a renewals fund and a capital receipts investment fund are created.

6. IMPACT

- 6.1 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

Aberdeen City Council Internal Audit Report on Common Good Fund Arrangements June 2012

Finance & Resources Committee 4<sup>th</sup> October 2012

Property Asset Management Plan 2012

8. REPORT AUTHOR DETAILS

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**Common Good Fund Budget (Appendix 1)**

DRAFT		2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Note		Budget £'000	Outturn £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000
<b>General Properties/Estates</b>								
1	Insurance Costs	2	2	2	2	2	2	2
2	Repairs and Maintenance	24	144	75	75	75	75	75
		26	146	77	77	77	77	77
<b>Other Expenses</b>								
3	St Nicholas Carillon	6	6	6	6	6	6	6
4	Printing and Other Sundries	3	3	3	3	3	3	3
5	Official Catering	17	17	17	17	17	17	17
		26	26	26	26	26	26	26
<b>Donations, Grants, Contributions</b>								
6	Aberdeen Citizen's Advice Bureau	266	266	271	276	281	281	281
7	Funding - Twinning Activities	137	137	137	137	137	137	137
8	Contributions to Trusts & Festivals	325	325	325	325	325	325	325
9	Techfest	37	37	37	37	37	37	37
10	Satrosphere	39	39	39	39	39	39	39
11	Bulawayo Trust	45	45	45	45	45	45	45
12	Gomel Trust	8	8	16	16	16	16	16
13	Mary Garden Prize	2	2	2	2	2	2	2
14	Quincentenary Prizes Etc.	3	4	3	3	3	3	3
<b>Stage 1 Agreement -</b>								
15	Aberdeen Performing Arts Contribution	75	75	75	75	75	75	75
16	Aberdeen Safer Community Trust	57	57	57	57	50	50	50
17	Youth Activities small grant funding	50	50	50	50	50	50	50
18	Castlegate Arts Rent Grant	8	8	8	8	8	8	8
19	Events Funding	58	61	65	65	65	65	65
20	Duthie Park Project	136	136	138	0	0	0	0
21	Lemon Tree Rent	40	40	40	40	40	40	40
22	Crematorium Bus			37	37	37	37	37
		1,286	1,290	1,345	1,175	1,173	1,173	1,173
<b>Promoting Aberdeen</b>								
23	Hospitality for Children and Community Centres	4	4	4	4	4	4	4
24	Civic Support	293	293	274	274	274	274	274
25	Christmas Illuminations and Festivals	213	133	121	169	164	164	164
26	Entertainment for Elderly/Disabled Citizens	195	195	215	215	215	215	215
27	Older Persons Development Officer	17	17	17	17	17	17	17
28	Aberdeen City Promotions	165	140	150	150	150	150	150
29	Incidental Promotional Expenditure	20	16	20	20	20	20	20
		907	798	801	849	844	844	844
<b>Other Expenditure</b>								
30	Archivist Unit	170	170	170	170	170	170	170
31	Central Support Services	152	121	120	120	120	120	120
		322	291	290	290	290	290	290
<b>Other Projects</b>								
32	Home Safety Check Scheme	71	71	71	71	71	71	71
33	Charity Shop	13	13	13	13	13	13	13
34	Community Safety Initiatives	2	2	2	2	2	2	2
		86	86	86	86	86	86	86
<b>Other Recurring Expenditure</b>								
35	Civic Gift Fund	18	18	18	18	18	18	18
36	Lord Lieutenancy and other duties	7	15	7	7	7	7	7
37	Display of Flags and Regimental Colours and Armistice Day Expenses	6	6	6	6	6	6	6
38	Picture Loan Scheme	15	15	15	15	15	15	15
		46	54	46	46	46	46	46

**Common Good Fund Budget (Appendix 1)**

DRAFT		2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£'000	£000	£000	£000	£000	£000	£000
<b>Non Recurring Expenditure Items</b>								
39	Steading at Kepplestone & Kirkhills Farm	127	0	127	0	0	0	0
40	2012 Olympic Torch Relay	30	35	0	0	0	0	0
41	Diamond Jubilee	50	50	0	0	0	0	0
42	BP Big Screen	10	10	0	0	0	0	0
43	Maintenance of City Parks	20	20	0	0	0	0	0
44	AIYF Banners	15	15	0	0	0	0	0
45	Queen's Jubilee Community Events	50	50	0	0	0	0	0
46	Sports Club Grants for Young People	25	25	0	0	0	0	0
47	Hogmanay Fireworks	0	50	0	0	0	0	0
48	Newhills Expansion - Consultants	0	50	0	0	0	0	0
49	Sale of land Westburn Crescent	0	(90)	0	0	0	0	0
50	Fernhill Farm Replacement Building	0	0	40	0	0	0	0
51	Duthie Park	0	0	10	0	0	0	0
		327	215	177	0	0	0	0
	<b>TOTAL EXPENDITURE</b>	<b>3,026</b>	<b>2,906</b>	<b>2,848</b>	<b>2,549</b>	<b>2,542</b>	<b>2,542</b>	<b>2,542</b>
52	Income from Properties and Estates	(2,520)	(2,772)	(2,664)	(2,723)	(2,748)	(2,748)	(2,748)
53	Interest on Invested Funds	(95)	(95)	(113)	(117)	(120)	(120)	(120)
54	Lands of Skene/Torry (Share of Surplus)	(60)	(70)	(70)	(70)	(70)	(70)	(70)
55	Burgesses of Guild and Trade	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	<b>TOTAL INCOME</b>	<b>(2,676)</b>	<b>(2,938)</b>	<b>(2,848)</b>	<b>(2,911)</b>	<b>(2,939)</b>	<b>(2,939)</b>	<b>(2,939)</b>
	<b>Net (Surplus)/Deficit</b>	<b>350</b>	<b>(32)</b>	<b>0</b>	<b>(362)</b>	<b>(397)</b>	<b>(397)</b>	<b>(397)</b>
<hr/>								
56	<b>Movement in Reserves</b>							
	Balance as 31 March 2012		(6,763)					
	Estimated Movement in 2012/13		(32)					
	<b>Estimated Balance 31 March 2013</b>		<b>(6,795)</b>	<b>(6,795)</b>				
	Estimated Movement in 2013/14			0				
	<b>Projected Balance at 31 March 2014</b>		<b>(6,795)</b>	<b>(6,795)</b>	(6,795)			
	Estimated Movement in 2014/15			(362)				
	<b>Projected Balance at 31 March 2015</b>			<b>(7,157)</b>	(7,157)			
	Estimated Movement in 2015/16			(397)				
	<b>Projected Balance at 31 March 2016</b>			<b>(7,554)</b>	(7,554)			
	Estimated Movement in 2016/17			(397)				
	<b>Projected Balance at 31 March 2017</b>			<b>(7,951)</b>	(7,951)			
	Estimated Movement in 2017/18			(397)				
	<b>Projected Balance at 31 March 2018</b>			<b>(8,348)</b>	(8,348)			



## **Appendix 1**

### **Notes to accompany Common Good Budget**

#### **Note 1**

This budget is used to insure properties owned by the Common Good Fund.

#### **Note 2**

This is a budget for Repairs and Maintenance costs for properties owned by the Common Good Fund.

#### **Note 3**

This represents a funding contribution for the Bell Ringer at Carillon.

#### **Note 4**

This budget is for items such as printing of the Town House Brochure and promoting the Office of the Lord Provost.

#### **Note 5**

This budget is to provide refreshments during official City business.

#### **Note 6**

This represents core funding for Aberdeen Citizen's Advice Bureau.

#### **Note 7**

This funding is for the provision of financial and organisational support to people, communities and organisations in the City that want to get involved in twin city projects, and also contributes to the costs of a twinning officer.

#### **Note 8**

This is a contribution towards Aberdeen City Council's grants to various external organisations such as Aberdeen International Youth Festival, Lemon Tree, Garthdee Alpine Sports and Sport Aberdeen.

#### **Note 9**

This represents a contribution towards the running costs of the City's annual Techfest festival.

#### **Note 10**

This is a grant to cover the cost of Satrosphere's rental from Aberdeen City Council.

#### **Note 11**

This is a contribution towards the Aberdeen Bulawayo Trust, which provides support to people in Bulawayo, primarily focusing on the development of self sustaining market gardens and the repair and maintenance of homes and shelters.

Note 12

This is a contribution towards the Aberdeen Gomel Trust, which addresses and helps to resolve the medical, nutritional, social and spiritual problems experienced by the people of Gomel.

Note 13

This is funding for the Mary Garden Prize, presented as part of the Aberdeen International Youth Festival.

Note 14

This budget covers 3 x £1,000 prizes and catering costs for the Quincentenary Prize, awarded annually since 1995 to commemorate the 500<sup>th</sup> Anniversary of King's College.

Note 15

This provides matched funding for Aberdeen Performing Arts per an agreement with Scottish Arts Council.

Note 16

This is a budget is core funding for Aberdeen Safer Community Trust.

Note 17

This is funding for the ACC youth activity small grants scheme. This scheme offers young people opportunities to contribute to their own communities and to the life of the city.

Note 18

This is a budget to cover a rental grant for the Arts Centre

Note 19

This is funding for the City Events team to organise events such as fireworks display, Tartan Day etc.

Note 20

This is a contribution to the improvement project at the Duthie Park.

Note 21

This is a budget to cover a rental grant for the Lemon Tree.

Note 22

This is a budget to provide for a bus service to the crematorium.

Note 23

This is a small budget for events held at the Council's leased community centres.

Note 24

This is a budget for the Civic Support team, incorporating Lord Provost's secretariat, Town Sergeants and civic transportation.

Note 25

This is a budget for the cost of the Christmas illuminations.

Note 26

This is a budget to cover costs of administering and delivering the 50+ development programme and entertainment for the elderly and disabled.

Note 27

This is a budget to cover the salary costs of a development officer to work with elderly citizens.

Note 28

This is a budget to cover the cost of hosting Civic receptions and ancillary costs to promote the City of Aberdeen throughout the world.

Note 29

This is a budget for promotional civic hospitality.

Note 30

This is a contribution towards the costs of running the City Archive Unit.

Note 31

This is a budget to cover the allocation of central support costs such as finance, HR and office accommodation.

Note 32

This is funding for the Home Safety Check Scheme run by Aberdeen City Council.

Note 33

This is a budget to cover the rental and running costs for the charity shop in George Street.

Note 34

Funding for the Personal Alarms distributed on our behalf by Aberdeen Safer Community Trust.

Note 35

This is a budget for the Civic Gift Fund which buys gifts on behalf of the City of Aberdeen.

Note 36

This is a budget for the Lord Lieutenants, to cover expenses associated with their duties.

Note 37

This is a budget for the cost of the Armistice Day celebration including British Legion soup and sandwich lunch after the parade. Also includes £1,000 for banner displays.

Note 38

This is a budget to cover funding for pictures loaned from the Art Gallery to be displayed in other Council buildings.

**Items 39 to 51 are one-off items of expenditure and therefore non-recurring.**

Note 39

This is a budget for the rebuild of a steading at Kepplestone and Kirkhills Farm. The buildings have now been in a poor condition for sometime and are long overdue for replacement.

Note 40

This is a contribution towards the cost of the 2012 Olympics torch relay, as approved by Finance & Resources Committee in December 2011.

Note 41

This is a contribution towards the cost of events to celebrate the Queen's Diamond Jubilee in 2012, as approved by Finance & Resources Committee in December 2011.

Note 42

This is a budget for an additional BP Big screen event to support the 2012 Olympics, as approved by Finance & Resources Committee in December 2011.

Note 43

This is a contribution towards required infrastructure works at the city's parks. A detailed investigation and report is being prepared by the Head of Finance and the Head of Legal and Democratic in order to determine the full scale of the funding requirements.

Note 44

This is a contribution to the Aberdeen International Youth Festival, for promotional banners to be displayed in the City.

Note 45

This is a contribution towards appropriate community events to celebrate the Queen's Diamond Jubilee.

Note 46

This is a contribution for sports clubs for young people to purchase small items of sports equipment

Note 47

This is to fund the city's Hogmanay celebrations

Note 48

This is a budget towards the costs of employing consultants to prepare a feasibility study on the proposed development at Newhills expansion.

Note 49

This is income received from the sale of Westburn Crescent.

Note 50

This is to replace the farm at Fernhill, as the building is dangerous.

Note 51

This is to fund a reopening event at Duthie Park after the restoration project is complete.

Note 52

Around 100 properties have registerable leases on land owned by the Common Good. In addition to this, the Common Good owns land at Brimmond Hill, Hazlehead, Hilton, Hillhead of Pitfodels, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good.

Note 53

This is a budget to cover interest received on invested funds.

Note 54

The Common Good owns 51% of the Lands of Torry Trust and 30% of the Lands of Skene Trust. These trusts earn income in rents and interest from investment.

Note 55

This is a budget to represent income from admission fees for Burgesses of Guild and Trade.

Note 56

This line represents the movement in the Common Good's cash reserves.



## **Appendix 2**

This appendix sets out the proposals for determining the purpose of Common Good funds and will define:

The purpose of the Fund;  
The nature of its expenditure;  
Definition of the 'Common Good'

### **1. The purpose of the Fund**

The primary objective of the Common Good Fund is to ensure that it is prudently conserved for future generations. This entails the prudent management, upkeep and improvement of the properties which form part of the Common Good assets and may include the acquisition of additional land or property for the benefit of the general public.

### **2. The nature of its expenditure**

Specifically, the items of expenditure which can be met from the Common Good Fund are as follows:

- Upholding the dignity of the City;
- The prudent management, upkeep and improvement of those items of Council property which form part of the Common Good;
- Safeguarding the corporate rights of the community and defending its interests;
- Granting donations to public institutions or charities – this must be exercised in the interests of the general public of the City;
- Any other purpose which in a reasonable judgment of the Council is for the good of the community as a whole or in which the inhabitants may share; as distinct from the interest or benefit of any particular individual or group.

Overall, the purposes for which Common Good Funds may be utilised are limited to the City and its interests.

### **3. What is the 'Common Good'**

The Common Good of a Council is defined as the 'corporate property and estate of the Council, as distinct from monies available to it by the levying of taxes and assessments for particular purposes'

The Local Government (Scotland) Act 1973, Section 222(3), states that the Council of the City of Aberdeen, in administering said property, shall have regard to the interests of all the inhabitants of their districts.

Thus it follows that the Common Good of the City may not properly be applied in the interests, or for the benefit of, the general public or inhabitants of another locality.



### **Appendix 3**

This appendix seeks to set out a financial strategy for the Common Good Fund, defining the governance arrangements and the level of minimum working balances to be retained by the Fund.

In terms of financial planning and strategy, there are two elements to be considered:

1. Working Balances
2. Surplus Funds

#### **1. Working Balances**

It is recommended that a minimum of two years' worth of expenditure is retained as working cash balances, and that this is invested with the loans fund for a period of under one year. This allows for prudent financial management and financial planning by partner/external organisations who receive Common Good funding.

#### **2. Surplus Funds**

Surplus funds are defined as cash balances in excess of (1) above and would include any future capital receipts that may be realised.

The table below details the projected levels of both working balances and surplus funds over the period of the Council's 5 year business plan:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
Projected Balance 1st April	(6,763)	(6,795)	(6,795)	(7,157)	(7,554)	(7,951)
(Surplus)/Deficit for Year	(32)	0	(362)	(397)	(397)	(397)
Projected Balance 31st March	(6,795)	(6,795)	(7,157)	(7,554)	(7,951)	(8,348)
Minimum Balance Required	5,876	5,696	5,822	5,878	5,878	5,878
Surplus Funds	(919)	(1,099)	(1,335)	(1,676)	(2,073)	(2,470)

Surplus funds in 2013/14 are available for one-off items of expenditure.

### **Investment/Borrowing**

The current position with regard to Aberdeen City Council's (ACC) investments and borrowing is as follows:

Special arrangements exist for Common Good deposits of up to £5 million, invested for less than one year, which currently receive interest of around 2%; Other temporary investments in the Loans Fund receive approximately 1% per annum;

Borrowing from the Council Public Works Loans Board (PWLB) costs 3.8% per annum.

The Common Good Fund could, alternatively, make its surplus funds available to ACC and its counter party organisations. Counter party organisations are organisations with which ACC has borrowing/lending arrangements, and are attached below. As the Council can borrow at 3.8% currently, then in order to make the possibility of ACC taking money on deposit from the Common Good Fund an attractive one, Aberdeen City Council would require a discount of 0.5% on PWLB rates, over a maximum period of 5 years in line with the Council's 5 year budget.

Thus the Common Good fund would receive an interest rate of 3.3% when investing its surplus funds with ACC or its counter party organisations.

Any capital receipts should be invested in a manner such that a constant income is received over the 5 year period, and the investment maintains a solid income stream for the Common Good over the longer term.

### **Acquisition of Land**

As a further alternative to investing surplus funds, or using them as a mechanism for lending, the Council could invest in additional land or property for the benefit of the general public. Any such property would then generate income for the Common Good Fund in line with the proposals set out in Appendix 4.

**ABERDEEN CITY COUNCIL  
REVISED COUNTERPARTY LIST**

*As revised 04 October 2012*

**Deposits up to 12 months**

**UK Nationalised and Part Nationalised Banks - £30m 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 Local Authorities, including Police Authorities - £10m limit**

**Deposits up to 3 months**

**Council's Bankers - £20m limit**

Clydesdale Bank plc

**UK Banks - £10m limit**

Barclays Bank plc

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

Nationwide Building Society

**Collective Investment Schemes - £30m total limit**

**Money Market Funds - £10m limit**

Federated Prime Rate Sterling Liquidity Fund

Goldman Sachs Sterling Liquid Reserve Fund

Ignis Liquidity Fund

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## **Appendix 4**

This appendix seeks to set out an investment strategy for the Common Good Fund, and addresses two areas:

1. Tenanted Non Residential Properties
2. Funds received on disposal of assets

### **1. Tenanted Non Residential Properties Investment Strategy**

An investment strategy with regard to Common Good properties has been included within the Council's Property Asset Management Plan, which was approved at Finance & Resources Committee on 4<sup>th</sup> October 2012.

Primarily, the recommendation is for the Council to retain and actively manage the assets contained within the Common Good portfolio, thus generating revenue income.

Income targets have been set for the next 3 years and are as follows:

Financial Year	Rental Income Target
2012/13	£2,654,216
2013/14	£2,710,063
2014/15	£2,715,163

The Common Good properties are classed as Tenanted Non-Residential Properties (TNRP) and form part of the ongoing TNRP review which is due to be completed by December 2013. This means that all assets will have been reviewed and provides the council with a base position and clear direction for all asset types.

## **2. Funds received on disposal of assets**

If the Council wished to dispose of land or assets held by the Common Good fund, then they are bound by Section 75 of the Local Government (Scotland) Act 1973 which states that they shall not dispose of land 'for consideration less than the best that can reasonably be obtained'.

As an example, the Common Good Fund could dispose of an asset for £11 million.

This receipt could then be split to provide:

- a) A renewals fund; and
- b) A capital receipts investment fund.

The purpose of renewals fund would be to enhance assets or provide investment to maximise future returns. In this example, the value of the renewals fund would be in the order of £1 million.

The capital receipts investment fund would be the balance of the monies – in this example £10 million – and would be placed on deposit with the Council at 0.5% below PWLB borrowing rates, thereby providing a higher return for the Common Good fund than it would currently get but also incentivising the Council to borrow from a source other than the PWLB.

Based on the above it is therefore recommended that should any substantial receipt be achieved then a renewals fund and a capital receipts investment fund be established.

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth (Director of Corporate Governance)
TITLE OF REPORT	North East Scotland Pension Fund 2013/14 and indicative 2014/15 - 2017/18 Budget
REPORT NUMBER:	CG/12/1022

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

- 1.1 The purpose of this report is to provide the Committee with details of the budget included in the 2013/14 General Fund budget that relates to the North East Scotland Pension Fund (NESPF) and an indicative 2014/15 -2017/18 Budget.
- 1.2 This cost is based on Aberdeen City Council's statutory obligation to administer the scheme, the costs of which are fully met by the NESPF.

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

- 2.1 It is recommended that Committee:
  - a) notes the provision contained within the Councils General Fund budget for 2013/14,
  - b) notes the 2014/15 -2017/18 indicative budget,
  - c) instruct the Head of Finance to recover the actual costs from the NESPF, and
  - d) instruct the Head of Finance to draw up a Service Level Agreement (SLA) and report back to the relevant Committees.

### 3. **FINANCIAL IMPLICATIONS**

- 3.1 This report outlines the costs that the City Council incurs in acting as the administering authority for the Fund. These costs are recovered from the NESPF.
- 3.2 In recovering these costs a great deal of staff time is required both during the year end and at the year end to calculate and evidence the level of actual costs incurred both from the Council and the NESPF.

- 3.3 This is an inefficient use of staff time and could lead to cost variances during the year and increases the level of uncertainty of financial reporting during the year.
- 3.4 To streamline this process it is recommended that a Service Level Agreement is prepared and agreed between the Council and the NESPF which will:
- detail the level of service to be provided by the Council;
  - provide details of the standard of work the NESPF can expect;
  - clearly articulate the cost to the NESPF for these services; and
  - demonstrate greater accountability and Best Value.
- 3.5 Once this exercise is completed it will be reported to the relevant Committees for both parties before being signed off and implemented.

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

- 4.1 The Government is in the process of introducing a range of workplace pension reforms in light of people living longer and therefore likely to enjoy longer retirements. One of the key reforms is the introduction of legislation on Auto-enrolment, implemented from 1 October 2012 on a phased basis. This is part of the policy of the Government to encourage people to save more for retirement.
- 4.2 Auto-enrolment will place a duty on employers to automatically enroll all eligible job holders into a qualifying pension scheme and inform them that they have done so.
- 4.3 The financial implications of Auto-enrolment for the Council are likely to be the incurrance of extra on-costs in the form of employer pension contributions, as a result of more employees and workers being taken in, opting in or choosing to join one of the pension schemes.
- 4.4 There could also be some extra costs associated with implementation and maintenance of Auto-enrolment e.g. additional staffing time / resource and system changes on Pse.

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

##### **5.1 FUND STRUCTURE**

- 5.1.1 The North East Scotland Pension Fund and the Aberdeen City Council Transport Fund are administered by Aberdeen City Council within the Local Government Pension Scheme regulations (2009).
- 5.1.2 The Scheme was established under the Superannuation Fund Act 1972 and is a statutory scheme contracted out of the Second State Pension Scheme. The scheme is open to all employees of the scheduled bodies, except for those whose employment entitles them to



belong to another statutory pension scheme e.g. Teachers (Appendix 1, paragraph 1.2 lists the 13 scheduled bodies).

5.1.3 Employees of admitted bodies can join the scheme subject to their individual admission criteria which are out with the control of Aberdeen City Council and administered by the NESPF.

## 5.2 SCHEME GOVERNANCE

5.2.1 Aberdeen City Council as the administering authority for the Pension Fund delegates all pension scheme matters to the Pensions Panel who have delegated powers. Support for the Pension Panel in investment matters is provided by the Joint Investment Advisory Committee. Detail of these roles is included in the Fund Governance Policy Statement<sup>1</sup> which is attached as Appendix 1 to this report. Support to both committees is provided by the Head of Finance of Aberdeen City Council.

## 5.3 KEY FACTS – as at 31 March 2012

5.3.1 The Fund has nearly 50,000 members and 54 scheme employers.

5.3.2 There are three main categories of membership, comprising of actively contributing members (20,361), members who have left employment but who have a deferred entitlement (16,425) and members in receipt of pensions (15,768).

5.3.3 A diversified portfolio of assets amounting to £2.2 billion is managed externally by a number of appointed fund managers.

5.3.4 Total pension contributions in 2011/12 were £136 million comprising of employer contributions of £111 million and employee contributions of £25 million.

5.3.5 The fund made payments to retired members during 2011/12 amounting to £74 million. During the same period a total of £23 million of lump sum payments were also made.

5.3.6 In operating the Fund the appointed actuary will examine the level of future commitments against the value (and future value) of the Fund. This calculation is known as the “funding position”.

5.3.7 The funding position shows the Funds ability to meet its future liabilities such that a 100% funded scheme has the financial resources to meet its future commitments.

5.3.8 This is based on a number of assumptions that takes into account a range of factors including age profile, mortality rates etc. As such the

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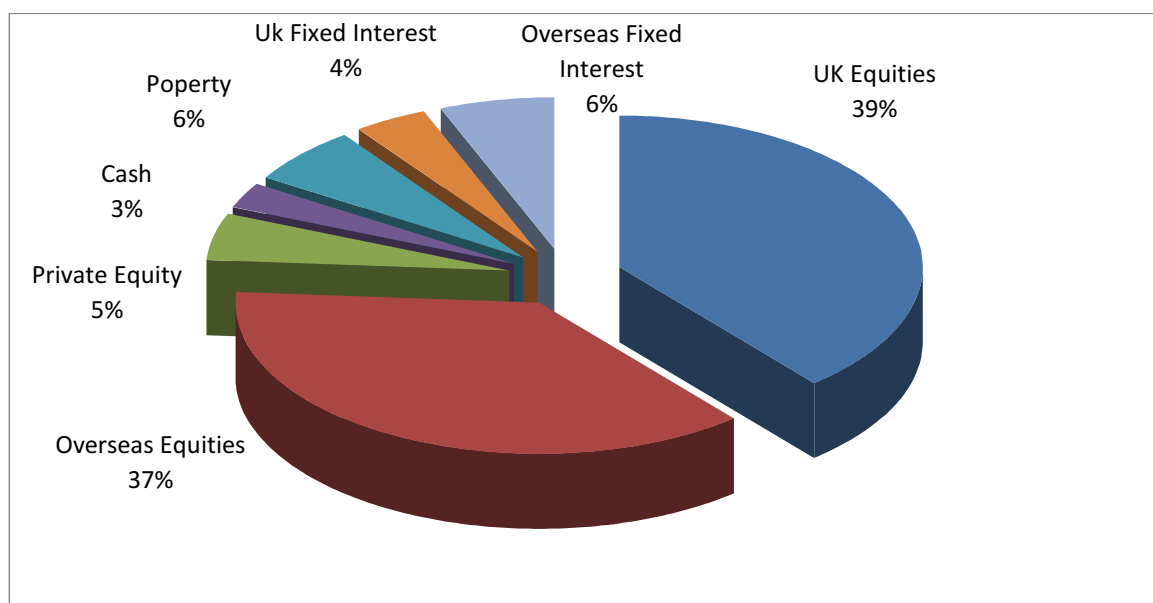
<sup>1</sup> NESPF – Governance Policy Statement is provided courtesy of the NESPF

level the scheme is funded to will by its nature, vary. The actuary will therefore set the employer contribution rate based around this. At present the NESPF has an estimated funding position of 88%. However, there is no current expectation that the employer rate will change for 2013/14.

#### 5.4 KEY ACHIEVEMENTS – 2011/12

- 5.4.1 New accounting and governance requirements saw the Fund publish its second Annual Report and Accounts separately from the accounts of Aberdeen City Council who acted as the Administering Authority for the financial year 2011/12.
- 5.4.2 The Pension Fund has produced an Annual Report of its performance and activities for the last 11 years. With effect from March 2011 the report became statutory with requirements to confirm the Fund's compliance with good Governance Practice and a management report explaining the Fund's overall investment performance.
- 5.4.3 The North East Scotland Pension Fund underperformed its customised benchmark over the year with a return of 0.94% versus the benchmark return of 2.18%. This underperformance is a combination of the continued restructuring of the Property portfolio and the underperformance from the Funds UK Equity portfolio. The fund continues to outperform its benchmark over the longer term.
- 5.4.4 The Fund was nominated for the third year running in the Large Fund category of the Professional Pensions Scheme Awards. The awards recognise high standards of service delivery to members, use of technology and overall investment performance.
- 5.4.5 The Fund continues to recognise its role as a shareholder in terms of Corporate Governance and Responsible Investment as a signatory to the United Nations Principles for Responsible Investment and membership of the Local Authority Pension Fund Forum where the Convener of the City Council Pensions Panel is a member of the Executive Committee.
- 5.4.6 Officers continued to work with the Fund's global custodian over the year to enhance the quality of information provided to Elected Members, via the Pensions Panel, in terms of investment performance measurement and governance by the custodian.
- 5.4.7 The asset allocation of the Main Fund continues the Fund's commitment to invest in longer term performing assets such as UK & Overseas equities. The following diagram shows the allocation of assets as at 31 March 2012, as per the NESFP Annual Report 2012.

### Asset allocation - Main Fund as at 31 March 2012



## 5.5 2012/13 BUDGET

5.5.1 The budget for Aberdeen City Council (ACC) for 2012/13 is estimated at £1.4 million and primarily relates to direct staff costs. Indicative budgets for the next 5 years are shown below to align reporting on the Pension Fund budget included in the ACC General Fund budget to a 5 year cycle to dovetail with the now embedded process within ACC of Priority Based Budgeting which underpins the Five Year Business Plan.

<b>Budget - cost areas</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Salary costs</b> Direct salaries and costs for the management of the Fund	1,202	1,213	1,226	1,239	1,251
<b>Support Costs</b> Property, ICT, Payroll, Legal, Human Resources, Accounting Services	202	206	209	212	215
<b>Total estimate recharge</b>	<b>1,404</b>	<b>1,419</b>	<b>1,435</b>	<b>1,451</b>	<b>1,467</b>

## 5.6 **GOVERNANCE**

- 5.6.1 The Pension Fund budgeted costs for salaries and direct costs are included in monthly monitoring reports to the Service and Corporate Management Teams. The Head of Finance reports to the Pensions Panel on a 6 monthly basis.

## 6. **IMPACT**

- 6.1 The Pension Fund budget promotes accountability and gives reassurance to the stakeholders in the Pension Fund. This report ensures transparency in costs from the administrator of the fund.

## 7. **BACKGROUND PAPERS**

North East Scotland Pension Fund Annual Report (2011/2012)  
Fund Governance Policy Statement  
Annual Accounts 2011/12

## 8. **REPORT AUTHOR DETAILS**

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This document is provided courtesy of the North East Scotland Pension Fund

## NORTH EAST SCOTLAND PENSION FUNDS – GOVERNANCE POLICY STATEMENT

This statement documents the governance arrangements for the pension schemes administered by Aberdeen City Council. It was agreed by the Pensions Panel on 5 March 2012 and complies with guidance issued by Scottish Ministers.

### 1. Regulatory Framework

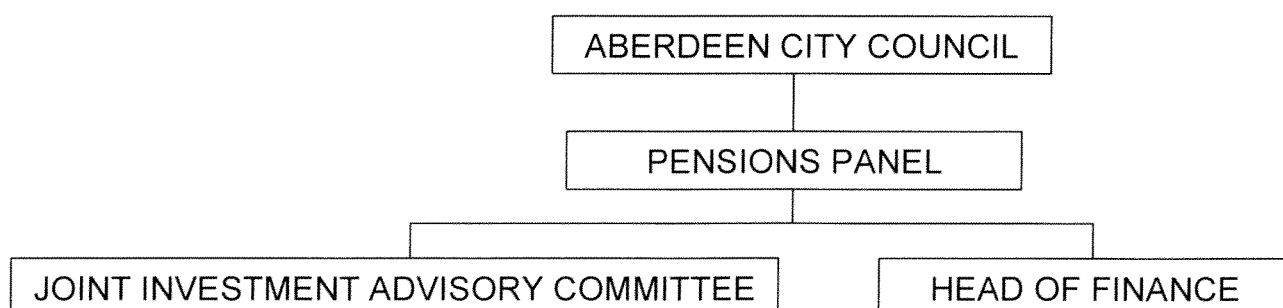
**1.1** The North East Scotland Pension Fund (The Main Fund) and the Transport Fund are administered by Aberdeen City within the Local Government Pension Scheme regulations. The scheme was established under the Superannuation Fund Act 1972, is a statutory scheme. The scheme is open to all employees of scheduled bodies except for those whose employment entitles them to belong to another statutory pension scheme (e.g. Police, Fire, and Teachers). Employees of admitted bodies can join the scheme subject to their individual admission criteria which are out with the control of Aberdeen City Council.

**1.2** There are 13 scheduled bodies:

Aberdeen City Council	Aberdeenshire Council	The Moray Council
Scottish Water	Grampian Valuation Joint Board	
Grampian Fire (non uniform)	Grampian Police (non uniform)	Northern Community Justice Authority
Aberdeen College	Banff and Buchan College	Moray College
Visit Scotland	SPSA	

A list of the admitted bodies is available from the office of the Head of Finance, Aberdeen City Council, The Town House, Broad Street, Aberdeen AB10 1AH and is also contained within the Annual Pension Fund Report.

### 2. Fund governance structure



**2.1** Aberdeen City Council has delegated strategic responsibility for the administration of the Pension Funds to the Pensions Panel. The Council's standing orders govern the actions of the Panel and its Officers.

#### 2.2 Pensions Panel

- Carries out a similar role to that of the trustees of a pension scheme. It is the key decision maker for all matters under the LGPS Regulations covering:

- Benefits Administration
- Investment Management
- The Panel consists of 4 City Council elected members, one from each of the major political parties. All members have equal voting rights.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)

### **2.3 Joint Investment Advisory Committee (JIAC)**

- The JIAC consists of 14 members, 4 elected members from Aberdeen City Council (members of the Pensions Panel), 4 elected members from Aberdeenshire Council, and 2 elected members from the Moray Council, 1 member representing the colleges and admitted bodies and 1 representative from Scottish Water, 2 Trade Union representatives.
- The JIAC have responsibility for monitoring the investment management of the Pension Fund and making recommendations to the Pensions Panel on the appointment, retention and termination of investment management contracts. All members of the JIAC have equal voting rights.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)
- A copy of the Pension Panel Committee Papers and minutes will be made available to members of the JIAC on a quarterly basis subject to the internal controls of Aberdeen City Council

### **2.4 Frequency of Meetings**

Both the Pensions Panel and the Joint Investment Advisory Committee meet at least quarterly.

### **2.5 Head of Finance**

- The Head of Finance has responsibility for implementing the decisions of the Pension Panel/JIAC, and for the day to day management of the affairs of the North East Scotland Pension Funds.
- The office of Head of Finance acts as the link for members, advisers and investment managers between meetings.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)
- Day to day administration of the Pension Fund is carried out within the Finance

Service by the Pensions Section.

## **2.6 External Service Providers**

- The Pensions Panel appoints an actuary to carry out the triennial actuarial valuation, interim valuation (if appropriate) and provide advice with regard to scheme funding.
- Up to two external advisers may be appointed to assist the Pension Panel in particular, regarding investment related issues.
- A number of investment managers have been appointed. They have responsibility for the selection, retention and realisation of individual investments. Where appropriate they also implement the Fund's policy relating to environmental, social and governance matters.
- The Pensions Panel has appointed a global custodian. The custodian is responsible for the safekeeping of the Fund's assets, along with transaction processing, corporate actions, dividend collection and tax reclaims.
- The Pensions Panel has appointed a performance measurement company which reports quarterly to the JIAC on the performance and risk profile of the Fund and its underlying fund managers.
- The detailed terms of reference are reviewed annually by the Aberdeen City Council Pensions Panel and detailed delegations are contained in the report on Committee Terms of Reference. (Appendix 1)

## **2.7 Internal controls**

Aberdeen City Council provides internal audit arrangements to the North East Scotland Pension Funds both as a tool of management and with direct reporting to the City Council Audit and Risk Committee.

## **2.8 External Review**

The annual financial statement of the Pension Funds are subject to external audit.

The Auditor is appointed by Audit Scotland, this helps ensure that public funds are properly safeguarded and accounted for and are used economically, efficiently and effectively in accordance with statutory and regulatory requirements.

## **2.9 Risk Management**

A risk review covering all aspects of the Pension Fund is carried out on an annual basis. Risk awareness is embedded into the investment performance management process. Risk will continue to feature in the training planned for all those with responsibility for administering the North East Scotland Pension Funds.

## **2.10 Training**

The Pensions Panel has approved a training programme for members of the Pensions Panel and the JIAC in accordance with best practice. Training for members of the

Pensions Panel and the JIAC is reviewed on an annual basis by the Pensions Panel.

## **2.11 Communication with scheme members**

All correspondence is sent direct to each member's home. We work with employers to ensure that we hold the most up to date information and advise members of the importance of notifying a change of address. We provide to members:

- A welcome pack
- Benefit Information on leaving the scheme
- Annual Benefits Statement
- Annual Pensions Update
- Newsletters
- Pensioner pay slips

The Pension Fund website allows members to access their records and is regularly updated with key information.

## **2.12 Communication with employers**

A quarterly bulletin is issued to employers within the fund covering both administration and investment issues. Administration meetings will be held with employers twice a year along with the Annual Pension Fund Forum and ad hoc if required.

## **3. Access to information**

**3.1** Panel papers and minutes for the Pensions Panel are available via the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk)

**3.2** The Pension Fund financial statement is contained within the Pension Fund annual report which is available at [www.nespf.org.uk](http://www.nespf.org.uk) The statement is prepared following recognised Accounting Codes of practice.

**3.3** Annual Report

- An Annual Report of the Pension Fund is prepared by the Pensions Section including a copy of the Pension Fund financial statement
- A copy of the report is made available to all scheme employers
- A summary of the review is provided to all pension fund members
- A copy of the Annual Report is available via the Fund's website at [www.nespf.org.uk](http://www.nespf.org.uk)

**3.4** Contact details for those who wish to engage with the Panel or JIAC are available on the Pension Fund website at [www.nespf.org.uk](http://www.nespf.org.uk)

**3.5** This Governance Statement and all supporting statements and policies are available on the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk)



## **GOVERNANCE STATEMENTS**

All governance statements and terms of reference will be reviewed annually by the Pensions Panel and in the event of any change in the management of the Pension Fund. A copy of the governance statements will be available on the website. Quarterly reporting with regard to the governance statements will be made to the Pensions Panel.

### **Governance Policy Statement**

This policy statement.

### **Governance Compliance Statement**

The Regulations that govern the management of LGPS funds in Scotland require that a Governance Compliance Statement is published which sets out the extent to which governance arrangements comply with best practice.

### **Funding Strategy Statement**

The FSS sets out how the administering authority balances the potentially conflicting aims of affordability of contributions, transparency of process, stability of employers' contributions, and prudence in the funding basis.

### **Statement of Investment Principles**

The policy outlines the North East Scotland Pension Fund's investment arrangements.

### **Investment Policy**

The policy sets out the investment policy for the North East Scotland Pension Fund (NESPF); the policy is supported by the Fund's:

- Statement of Investment Principles;
- Funding Strategy Statement; and
- Cash Manual

### **Statement of compliance with the Myners Principles**

Details the Pension Fund's compliance with the 10 Myners Principles

### **Training Policy**

Details of the training policy for members of the Pensions Panel and JIAC

### **Communications Policy Statement**

The statement sets out the North East Scotland Pension Fund's policy concerning communications with the following people/organisations:

- Members
- Representatives of members
- Prospective members
- Employing authorities

## **Corporate Governance and Socially responsible Investment Policy**

This statement will provide details of the North East Scotland Pension Fund's policy as an active and responsible investor.

### **Service Standards**

Outlined are the maximum turnaround times in which we aim to take the action indicated.

**All the above documentation is available on the Pension Fund website [www.nespf.org.uk](http://www.nespf.org.uk) and hard copy available on request from the Head of Finance.**

## APPENDIX I

### **PENSIONS PANEL –TERMS OF REFERENCE**

1. Appoint the Convener and Vice Convener of the Pensions Panel.
2. Appoint the Convener of the Joint Investment Advisory Committee.
3. Specify the name of the Fund.
4. Authorise the Convener and Vice Convener of the Pensions Panel to act on behalf of the Panel
5. Prepare, maintain and publish the Governance Policy Statement
6. Ensuring that the Fund complies with all Local Government Pension Scheme (Scotland) Regulations as amended. and all other legislation governing the administration of the Fund.
7. Preparing, maintaining and publishing the Funding Strategy Statement.
8. Ensure that an actuarial valuation is carried out on a triennial basis and consider the outcome of the valuation. Determine the level of employer contributions necessary to ensure a 100% funding level.
9. Set the investment objective and strategy in light of the Fund's liabilities.
10. Oversee and monitor the investment strategy and investment management of the Pension Fund having considered the recommendations of the Joint Investment Advisory Committee
11. Receive on a quarterly basis a report from the Joint Investment Advisory Committee on their recommendations with regard to the appointment, retention and termination of fund management appointments
12. Ensuring that appropriate arrangements for the administration of benefits are in place.
13. Prepare, maintain and publish the Communications policy.
14. Prepare maintain and publish the Statement of Investment Principles.
15. Approve the budget and business plan.
16. Ensure that an effective system of internal financial control is maintained.
17. Review the annual report and accounting statement.

## **JOINT INVESTMENT ADVISORY COMMITTEE - TERMS OF REFERENCE**

1. Appoint the Vice Convener of the Joint Investment Advisory Committee.
2. Ensuring that the Fund complies with the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010 as amended.
3. To consider the outcome of the triennial actuarial valuation and its impact on the short, medium and long term investment strategy of the Fund.
4. To advise and make recommendations to the Pensions Panel on the investment strategy and investment management of the Pension Fund.
5. Receive reports quarterly from officers and investment managers as to the investment management and performance of Fund and its underlying fund management portfolios.
6. Report quarterly to the Pensions Panel regarding their consideration of the desirability of the appointment, retention and termination of fund manager appointments.

## **HEAD OF FINANCE – TERMS OF REFERENCE**

1. Provide the Pensions Panel and JIAC with all relevant information as is required to enable the committees to discharge their responsibilities in relation to the benefit administration and investment of the Pension Fund
2. Prepare the budget and service plan
3. Maintain the system of internal controls
4. Prepare the annual report and financial statement of accounts
5. Manage the triennial and interim actuarial valuations
6. Manage the provision of IAS19 information on behalf of employers within the Fund
7. Manage the preparation of the Funding Strategy Statement
8. Manage the preparation of the Governance Policy Statement
9. Manage and preparation of the Communication Policy Statement
10. Ensure that the Pensions Service adheres to best practice

### **- In relation to the benefit administration of the Pension Fund**

Monitor developments which affect the administration of benefits

Promote membership of the Fund

Manage the admission policy

Collect and reconcile the employers and employee contributions

Pay pensions benefits

Maintain records in relation to the entire membership

Devise and implement training, consultation and communication strategies with employers and scheme members

Manage the AVC arrangements

### **- In relation to the investment management of the Pension Fund**

Ensure awareness of the investment management environment and its possible impact on the Pension Fund

With the assistance of external advisors prepare and monitor a strategic investment review of the Pensions Fund at least once every 5 years.

Implement investment reviews and strategic decisions

Manage and prepare the Statement of Investment Principles

Monitor the investment management structure and arrangements with regard to the Statement of Investment Principles

Provide advice to members of the Pensions Panel and Joint Investment Advisory Committee in their role of appointing, retaining and terminating fund manager appointees

Maintain records that monitor the investment performance of investment management of the Pension Fund

Maintain a record of the Fund's Assets

Monitor the security and efficiency of the custodian in order to verify:

- The assets' security
- The custodian's records of the Fund's assets agree with in-house and fund manager records
- The custodian's actions are in accordance with the agreement

11. Make recommendations to the Pensions Panel/Joint Investment Advisory Committee as to investment opportunities

12. Manage the in-house private equity fund

13. Manage cash flow

## **INVESTMENT ADVISORS – TERMS OF REFERENCE**

Provide objective and independent advice designed to meet the requirements of the Pension Funds, the Pensions Panel and the Joint Investment Advisory Committee.

### **ASSET/LIABILITY POSITION**

1. Assist in the setting and analysis of the fund objective through identifying;
  - The purpose of the fund
  - Its size and expected growth
  - Long term use and likely timescale
  - Liabilities to be covered and risks to be avoided
2. Assist in the development of a disciplined and efficient investment strategy to meet the fund objective.
3. Through analysis of the fund's performance expectations, risks sensitivity and liability profiles, assist in the establishment of a clear and appropriate investment policy benchmark for the fund.
4. Assist in the determination of an appropriate management structure for the fund.
5. Advise on rational benchmarks, targets and risk parameters for individual portfolios and managers.
6. Assist the Panel in the review, selection and ongoing monitoring of Investment Managers.  
Asset as requested in the preparation and provision of a formal training programme for elected members and officers.
7. Provide ad-hoc advice as may be required

## **FUND ACTUARY – TERMS OF REFERENCE**

1. The Consultant Actuaries will be responsible for preparing the actuarial valuations of the North East Scotland Pension Fund and the Transport Fund on a triennial basis.
2. Assistance in preparation of the Funding Strategy Statement
3. Preparation of IAS19 calculations for the various statutory and admitted bodies within the Fund.
4. Calculate employer contribution rates for new employers
5. Calculate bulk transfer values
6. Calculation for individual employers, i.e. windup figures
7. Individual member calculations
8. Provide advise with regard to overall scheme funding
9. Provide advice on matters relevant to the administration of the Pension Fund



## **INVESTMENT MANAGERS – TERMS OF REFERENCE**

1. An investment management agreement is signed with each investment manager. In complying with this each portfolio should be managed in accordance with the Pension Fund's investment objectives and with due regard to the diversification of risk.
2. On a quarterly basis the portfolio manager shall review and report the performance and risk profile of the portfolio.
3. The fund manager will make a formal presentation at least once a year to the Joint Investment Advisory Committee
4. The Pension Fund's investment restrictions and voting policy should be adhered to at all times.
5. The fund managers are expected to sell investments they do not consider suitable for the Funds at opportune times. They are expected to sell any investments that breach this statement in an orderly manner, in the meantime informing the officials of the Council that this action is being taken.
6. The suitability of any new type of investment must be highlighted by the fund managers to the Joint Investment Advisory Committee or in writing to Aberdeen City Council.
7. The fund managers will notify the Council in writing of any changes regarding the fund management house or persons responsible for the fund which might effect the suitability of the fund manager to manage the fund's assets.
8. Aberdeen City Council instructions must be carried out only with appropriate authority.
9. There must be timely and accurate reporting to Aberdeen City Council as detailed in the individual investment management agreement .
10. Computer systems must be secure and must protect client confidentiality and data integrity.
11. The fund manager must confirm on an annual basis that all fund management activity has been fully reconciled with the records of the global custodian.

## **CUSTODIAN – TERMS OF REFERENCE**

1. A formal agreement is in place with the global custodian
2. The custodian is responsible for the safekeeping of the Fund's assets
3. Effect transactions on behalf of the Pension Fund
4. Providing a stock lending service to the Fund
5. Processing all income, tax and corporate actions in a timely manner
6. Invest cash in a suitable vehicle to enhance returns
7. Providing regular reporting covering assets, transactions, cash flow etc.
8. Provide performance measurement reporting to the Pensions Fund

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	06 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Unrecoverable Debt
REPORT NUMBER:	CG/12/116

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### 1. PURPOSE OF REPORT

To seek Committee approval on Business Rates debts recommended as unrecoverable during 2011/12 and in excess of £25,000, as required in terms of Financial Regulations 11.3.7.

To advise numbers and values, up to £10,000, of Council Tax, Business Rates, Community Charge, Housing Benefit Overpayments and Rent Arrears deemed to be unrecoverable during 2011/12 after all approved recovery procedures have been followed, as required in terms of Financial Regulations 11.3.6 and 11.3.9

### 2. RECOMMENDATION(S)

The Committee is asked to:

- Note the value of Council Tax, Business Rates, Community Charge and Housing Benefit Overpayments deemed by the Director of Corporate Governance as unrecoverable and shown in Appendices I to IV.
- Approve that the > £25,000 amounts for Business Rates shown in Appendix V are also deemed as unrecoverable and be written off.

### 3. FINANCIAL IMPLICATIONS

The sums deemed as unrecoverable are fully provided for in terms of bad debt provision. With regard to Business Rates, these sums are met by the Rating Pool and have no impact on the Council's finances.

The total value in Appendices I to IV is 9,363 cases with a value of £1,996,932 compared to 11,630 and £2,622,697 in 2010/11. To put the level of unrecoverable debt into context, the annual sums raised in 2010/11 for Council Tax (including water charges) and Business Rates were £136m and £163m respectively. The sums deemed unrecoverable cover a number of financial years.

#### 4. OTHER IMPLICATIONS

None

#### 5. BACKGROUND/MAIN ISSUES

In accordance with the Council's Financial Regulations, it is policy to report annually on the levels of Council Tax, Business Rates, Community Charge, Housing Benefit Overpayments and Rent Arrears deemed unrecoverable.

The figures included within this report relate to those debts treated as unrecoverable during the financial year 2011/12. Apart from Sequestrations, debts are not deemed unrecoverable where there is ongoing liability. The sums mostly relate to previous years where all approved procedures have been followed. Full bad debt provision has been made in the accounts.

It must be emphasised that prior to completing the list, full advice, where appropriate, has been received from the Council's Debt Recovery Agents (Sheriff Officers) in determining that debts are indeed unrecoverable.

It should be noted that despite being deemed unrecoverable at this time, should the debtor be subsequently located, the debt will be reinstated and pursued. As an example, Council Tax debts with a value of £106,851 were reinstated during 2011/12 after finding new addresses for the debtors.

2011/12 saw a continuation in the amount of people being sequestrated and the total of £839,419 represents 73% of personal debt deemed unrecoverable (excluding Business Rates) compared to 38% in 2010/11.

To put the level of unrecoverable debt into some sort of context, the annual sums raised in 2011/12 for Council Tax (including water charges) and Business Rates were £136m and £163m respectively. The sums deemed unrecoverable cover a number of financial years.

A breakdown identifying the reasons and the financial year in which the debt was first raised are shown for each category of debt as follows:

##### **Council Tax:**

In total 7672 debts were deemed unrecoverable with a value of £1,035,480. After allowing for £106,852 in recoveries and reinstatements, the net amount is £928,628.17. A breakdown over the years and reasons are shown in Appendix I.

No individual accounts exceeded the £10,000 limit, which requires specific Committee approval.

**Community Charge:**

In total 609 debts were deemed unrecoverable with a value of £67,708.58. A breakdown over the years and reasons are shown in Appendix II.

**Housing Benefit Overpayments:**

In total 938 debts were deemed unrecoverable with a value of £153,118.63. A breakdown of the reasons is shown in Appendix III.

**Business Rates:**

In total 144 debts were deemed unrecoverable with a value of £891,295.22. After allowing for £43,818.26 in recoveries, the net amount is £847,476.96. A breakdown over the years and reasons are shown in Appendix IV.

Appendix V shows 5 debts with values above £25,000 and reasons are shown. The Committee is asked to deem the value of £336,305.42 as unrecoverable (totals also included in Appendix IV).

6. IMPACT

Managing uncollectable debt in accordance with the Council's Financial Regulations promotes good practice in the administration of local taxes and other sources of income. The non-collection of the amounts owed will not affect services because full account has been taken in budgets.

The public need to be aware that debts are pursued vigorously but there is no option but to class debts as unrecoverable when businesses fail and when individuals are sequestrated (made bankrupt). This Council only writes-off debts in exceptional circumstances but reinstates amounts owed regularly when further information becomes available.

7. BACKGROUND PAPERS

None

8. REPORT AUTHOR DETAILS

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COUNCIL TAX WRITE-OFFS 2011/12

Appendix I

<u>Reason</u>	<u>Cases</u>	<u>Prior Years</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>Total</u>
Unable to Trace	369	13,586.98	6,046.47	14,803.48	24,459.76	18,101.89	24,400.53	5,011.08	5,328.12	2,494.65	1,682.82	115,915.78
Deceased	816	43,495.36	11,248.73	11,170.47	9,345.91	10,201.11	12,940.94	14,724.22	14,977.53	12,850.84	2,284.29	143,239.40
Sequestration	2,657	121,130.34	27,809.04	36,499.76	36,333.22	53,363.70	58,399.08	78,923.17	107,324.50	129,859.09	110,023.63	759,665.53
Unrecoverable - no assets	230	2,487.66	11.78	329.29	43.67	140.27	455.82	1,644.30	1,555.75	2,870.34	2,204.63	11,743.51
Uneconomical	3,600	2,405.59	109.87	71.94	182.61	183.02	204.88	240.67	380.24	1,655.09	-517.73	4,916.18
	7,672	183,105.93	45,225.89	62,874.94	70,365.17	81,989.99	96,401.25	100,543.44	129,566.14	149,730.01	115,677.64	1,035,480.40
Less address found and previous write-off reversed		-14,380.41	-1,057.26	-40.18	-650.79	-2,966.30	-422.68	-954.12	-1,323.84	-1,888.34	-2,479.52	-26,163.44
Less previously written off now recovered		-8,879.74	-2,117.76	-1,420.00	-1,848.46	-1,743.16	-3,177.58	-3,397.68	-3,816.21	-16,017.66	-38,270.54	-80,688.79
	<u>7,672</u>	<u>159,845.78</u>	<u>42,050.87</u>	<u>61,414.76</u>	<u>67,865.92</u>	<u>77,280.53</u>	<u>92,800.99</u>	<u>96,191.64</u>	<u>124,426.09</u>	<u>131,824.01</u>	<u>74,927.58</u>	<u>928,628.17</u>

COMMUNITY CHARGE WRITE-OFFS 2011/12

Appendix II

<u>Reason</u>	<u>Cases</u>	<u>Total</u>
Unable to Trace	30	2,521.82
Deceased	66	6,989.71
Sequestration	93	11,212.80
Uneconomical	420	46,984.25
	<u>609</u>	<u>67,708.58</u>



HOUSING BENEFIT OVERPAYMENT WRITE-OFFS 2011/12

Appendix III

<u>Reason</u>	<u>Cases</u>	<u>Total</u>
Deceased	75	52,980.73
Sequestration	143	68,541.06
Unable to trace	3	95.70
Uneconomical	602	16,794.99
Unrecoverable - no assets	115	14,706.15
	<u>938</u>	<u>153,118.63</u>



## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	06 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
REPORT NUMBER:	CG/12/115

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### 1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 2011/12. This is an Audit Scotland recommendation.

### 2. RECOMMENDATION(S)

It is recommended that Committee note the content and note that a report will be presented annually to advise of the Housing and Council Tax Benefit Service performance for 2012/13.

### 3. FINANCIAL IMPLICATIONS

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

### 4. OTHER IMPLICATIONS

None

### 5. BACKGROUND/MAIN ISSUES

See attached document.

### 6. IMPACT

The service has a key role in:

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

## 7. BACKGROUND PAPERS

Performance Review and Key Objectives review undertaken by management team.

## 8. REPORT AUTHOR DETAILS

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# Revenues and Benefits

## Housing & Council Tax Benefit Annual Report

2011/12



**ABERDEEN**  
CITY COUNCIL

## **1.0 Introduction**

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

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2011/12 and set Housing and Council Tax Benefit objectives for 2012/13.

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

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

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

## **2.0 Performance Review of 2011/12**

### **2.1 Benefits Administration**

A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2012/13.

#### **2.1.1 Processing of New Claims**

A target was set to process new claims for benefit on average in under 25 days. The DWP and Audit Scotland has recorded that nationally the speed of processing new claims declined in 2011/12. The national standard for 2011/12 according to DWP was 24 days and the average for all Scottish Local Authorities was 25 days in 2011/12. In 2011/12 the Service achieved an average of 33 days. The reason for not meeting the target can be attributed to a number of factors but in the main due to significant vacancies during 2011/12.

However, performance compares with other urban Scottish authorities:

North Lanarkshire	20 days
Dundee	20 days
Inverclyde	21 days
Glasgow	23 days
Aberdeen	33 days
East Dunbartonshire	33 days
Edinburgh	35 days
Renfrewshire	35 days
West Dunbartonshire	38 days

The average cost of the Urban Authorities was £43.12 with an average performance of 28.7 days

At the end of the second quarter of 2012/13 the performance had improved to 26 days better than average performance of the urban authorities for 2011/12 at a lower than average cost. At the same period in 2011/12 the performance was 36 days.

In 2011/12 there were 14,071 new claims for Council Tax Benefit and Housing Benefit actioned.

### **2.1.2 Processing of Change of Circumstances**

A target was set to process change of circumstances for benefit on average in under 14 days. In 2011/12 the service achieved an average of 14 days .Other urban Scottish authorities performance was;

Inverclyde	6 days
North Lanarkshire	6 days.
Dundee	7 days
West Dunbartonshire	9 days
East Dunbartonshire	11 days
Aberdeen	14 days
Glasgow	14 days
Edinburgh	15 days

The average cost of the Urban Authorities was £43.12 with an average performance of 9.1 days

At the end of the second quarter of 2012/13 the performance was 14 days. At the same period in 2011/12 the performance was 17 days.

In 2011/12 there were 43,688 changes of circumstances for Council Tax Benefit and Housing Benefit actioned.



### **2.1.3 Right Time**

The Right Time Indicator is a combination of average number of days to process a new claim and average number of days to process a change of circumstance. A target of 16 days was set. In 2011/12 the service achieved 19.66 days. There is no published data to make a comparison. Again staff resources had an impact and the main reason why the target was not met.

At the end of the second quarter of 2012/13 the performance was 18 days. At the same period in 2011/12 the performance was 22 days

### **2.1.4 Cost per Benefit Case**

Our costs have decreased from £41.41 in 2010/11 to £39.52 in 2011/12. This demonstrates continued lowering of cost of providing the service with an increased benefit caseload. A performance target of £39.00 has been set for 2012/13.

Benchmarking with the other urban Scottish Local Authorities was taken on the 2011/12 figures. The figures shown below shows the Gross Administration Cost per Benefit Case.

West Dunbartonshire Council	£29.73
North Lanarkshire Council	£31.31
Aberdeen City Council	£39.52
Glasgow City Council	£41.80
City of Edinburgh	£42.82
Inverclyde Council	£45.15
East Dunbartonshire Council	£45.47
Renfrewshire Council	£46.64
Dundee City Council	£65.65

The average cost of the Urban Authorities was £43.12 compared to £39.52 for Aberdeen.

## **2.2 Housing Benefit Overpayments**

The target for the amount of Housing Benefit Overpayments collected in 2011/12 was £1.3m. The Service collected £1,293,623 in 2011/12. Recovery rate increased in 2011/12 to 71.96% from 71.45% in 2010 /11. It is believed that the recovery rate will continue to improve and the collection rate target of £1.3m will be achieved in 2012/13.

The Benefit Overpayment Team is part of the Revenues and Benefit Recovery Team. The Recovery team provides a recovery service for Council Tax debt, Community Charge Debt, Service Income debt and Housing Benefit Overpayments. This enables the sharing of best practise and to utilise the existing expertise in debt recovery to aid performance improvement. Performance and cases will continue to be monitored to ensure the recovery escalation is adhered to.

## **2.3 Fraud**

The Service has a dedicated team headed up by the Fraud Manager with two Fraud Investigators and an Administrative Support Assistant who are responsible for investigating allegations of fraud.

In 2010/11 the team lost two experienced Fraud Investigators therefore a lower target of 20 sanctions was set for 2011/12 to allow for the employment and training of the new investigators. The team achieved 18 sanctions which included 8 cases referred to the Procurator Fiscal and a total of £189,000 Fraud Overpayments identified.

As well as continuing to work with DWP fraud colleagues and staff in the UK Border Agency a formal data sharing agreement with the Council's Trading standards team has been set up.

The Fraud team continue to work with other agencies within the criminal justice system to ensure that the Council meets its obligations to protect the public purse from fraud.

## **2.4 Appeals**

A target of 65% was set for the “Percentage of applications for reconsideration or revision actioned and notified within 4 weeks”. The team achieved 63.33%. A target of 65% was set for the “Percentage of Appeals submitted to the Appeals Service within 4 weeks”. The team achieved 44%. A target of 95% was set for the “Percentage of Appeals submitted to the Appeals Service within 3 months”. The team achieved 84%.

Due to staff resources, staff within the Appeals Team were required to help in other areas within Benefit Processing, which impacted on their performance and is the main reason why targets were not met.

## **2.5 Accuracy**

The aim of the Benefit Service is to pay the right amount to the right person at the right time. Quality checking is recognised as a priority area and is mandatory across all areas of benefit processing. The Quality checking regime was reviewed and a new process implemented in 2010. The Service recognises that further work is required in this area as accuracy performance is being measured on material error, i.e. an error likely to cause an incorrect award rather than the correct payment to its customer. A further review is being undertaken during 2012/13 to ensure that the process continues to be fit for purpose.

The Accuracy target has been set at 95% but realise that this will take some time to achieve. The Service achieved 77% accuracy in 2011/12. While this performance appears poor, it does not reflect the financial accuracy of the decisions the Service make.

## **2.6 Interventions**

Claimants are encouraged to report changes in their circumstances on time. Where claimants fail to report changes interventions are a means of identifying them by proactively reviewing the claimants most likely to have had an unreported change. These claims are selected through a risk based assessment.

The Service has undertaken a review of its intervention procedures and processes and a new intervention strategy developed. Due to staff resources the new procedure has not yet gone live. It is anticipated that the review will be completed and implemented during 2012/13.

In 2011/12 1174 Interventions were carried out with 618 resulting in a decreased award, 192 in an increased award, 263 had no change to the current award and 101 awards were cancelled. A target of 2,400 has been set for 2011/12.

### **3.0 Review of the Key Service Objectives set for 2011/12**

#### **3.1 Closely monitor performance.**

Although not meeting targets in some areas our performance does compare favourably with other Scottish Urban Authorities.

The dip in performance experienced by the Benefit Service in 2011/12 was due to a combination of factors;

The Service moved to new Corporate Headquarters in June 2011. This caused major disruption as the Service had been based in their previous location for 23 years

The Service underwent a major staffing restructure which meant a higher than normal number of vacancies plus a high number of staff on Maternity Leave.

Much of 2011/12 was focused on supporting the Corporate Governance Alternative Delivery Model (ADM) project with senior staff involved in creating output documentation, meeting bidders, answering bidder's queries etc. The ADM project also caused significant uncertainty for staff until the decision by full Council not to proceed with this option was made in April 2012.

In order to mitigate the affects of the above a number of measures were undertaken to aid improved performance:

- Use of specialist contractors to help with the workload.

- Revenues and Benefits structure was reviewed to include a dedicated Benefit Team
- Use of external resource to review Benefit processes.

The new structure is now in place and as vacancies are now being filled performance is steadily improving. The Benefit Service is confident that the system which is now in place is fit for purpose.

### **3.2 Continue to benchmark on both cost and performance**

External scrutiny can provide assurance that a service is well managed, safe and fit for purpose and that public money is being properly used. Benchmarking on both cost and performance has been included within this report to provide these assurances.

### **3.3 Continue to take part in the National Fraud Initiative.**

The National Fraud Initiative (NFI) is a data matching exercise that runs every 2 years. The NFI is designed to help participating bodies identify possible cases of fraud and detect and correct any consequential under or overpayments from the public purse.

The Service has completed the 2010/11 initiative which started in January 2011. 2088 cases were investigated which identified £180,027 Housing Benefit overpayments which included 7 proven fraud cases.

The 2012/13 initiative will commence in January 2013.

### **3.4 Continue working on the Audit Scotland Action Plan**

Following a risk assessment audit by Audit Scotland in October 2009 the Service submitted an action plan to address the small number of improvement opportunities and minimise the identified risks. Since January 2010 the Service has taken action to address these risks and believe that all risks had been addressed with one outstanding item in relation to Interventions. The new process that had been developed has not yet gone live due to lack of resources. However, as vacancies are being filled it is anticipated that the Intervention Strategy will be fully implemented during 2012/13.

### **3.5 Continue with the staff led Benefits Improvement groups to improve performance and customer service**

During 2011/12 staff were involved in the review of the Intervention process. The categories of claims and the processes were agreed in preparation for implementation once the Service is fully resourced.

### **3.6 Review of Benefit Take Up Plan for 2011/12**

In conjunction with Capita Services a Benefit Take Campaign was carried out from October 2010 to October 2011 targeting the most deprived areas in Aberdeen. This involved telephoning people in these areas who were not currently in receipt of Council Tax Benefit or Housing Benefit. Customers were contacted using a recorded message which directed them to speak to a trained Capita Advisor (at no cost to the customer). The trained advisor calculated whether there was entitlement to Benefit and advised the Benefit Service.

Benefit staff then conducted house visits to obtain the completion of a benefit claim along with the supporting evidence and assessed the claim on return to the office. During the period of the campaign an extra 189 customers were identified as being entitled to benefit and a total of £69,567 was awarded.

### **3.7 Undertake Customer Survey**

Due to the move to Marischal College and staff shortages a Customer Survey was not carried out during 2011/12. However, in June 2012 a customer satisfaction survey was carried out in the Customer Service Centre to get feedback from our customers on their experience of using CSC over the past year. The survey had a number of questions and was split into sections – delivery, timescales, information, professionalism, staff manner and satisfaction with service and included the opportunity for any other comments. The survey was carried out with customers across all Services delivered from the CSC and involved Council Tax Benefit and Housing Benefit customers. The results demonstrated that 82% of people were fairly or very satisfied overall and 18% expressed dissatisfaction with one or more areas of the survey. In general, the feedback given from customers was very positive.

The Benefit Service is currently designing a Customer Survey for Benefits Administration.

### **3.8 Investigate possibility of an on-line claim**

An on-line claim form was purchased from Capita in March 2012.

The Service recognises that although the implementation of the on-line claim form will provide some efficiency through more automation and standardisation that this route is not suitable for all Housing Benefit and Council Tax Benefit customers.

Implementation will require active promotion and involvement of our Customer Service colleagues, IT colleagues and Registered Social Landlords. This work is part of the Corporate Governance Improvement Plan and will be subject to the prioritising of all the options and overall approach.

### **3.9 Restructure of Revenues and Benefits with the creation of a Benefits Team**

The Service has undertaken and completed a review of its structure to include a dedicated Benefit Team.

### **3.10 Work closely with colleagues in Housing to improve benefit and rent performance by Rent Assistants gathering evidence in support of claims from tenants.**

The Service holds regular meetings with our colleagues in Housing. During 20011/12 training was given to Housing staff in order that they could help their most vulnerable tenants sustain their tenancies and prevent rent arrears and reduce the risk of eviction.

A dedicated resource is available to deal with Rent Management queries in particular for Court and homeless cases.

### **3.11 Address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.**

During 2011/12 the Service has been preparing for the impact of Welfare Reform on their business in a number of ways;

Benefit staff are involved in the Corporate Welfare Reform Working Group and have attended meetings and courses with various bodies such as the Institute of Revenues Rating and Valuation, DWP and COSLA.

The Service has given talks to various groups including landlord forums, Disability Group and the Older Peoples Advisory Group.

The Benefit Processing Manager has also given awareness sessions to Revenues and Benefit staff, Customer Service staff and Registered Social Landlord representatives.

The identification of tenants affected by the various reforms and liaison with the Housing Service and Registered Social Landlords will continue in 2012/13

#### **4.0 Key Operational Tasks to be undertaken during 2012/13**

- 4.1 Closely monitor performance.
- 4.2 Continue to benchmark on both cost and performance.
- 4.3 Continue to take part in the National Fraud Initiative.
- 4.4 Review Quality Checking Regime.
- 4.5 Monitor accuracy and financial impact on subsidy.
- 4.6 Review intervention strategy and effectiveness of intervention activity.
- 4.7 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 4.8 Review of Benefit Take Up plan for 2012/13.
- 4.9 Undertake Customer Survey
- 4.10 Implementation of on-line claim form in line with Corporate Governance Improvement Plan.



- 4.11 Continue to work closely with colleagues in Housing to improve benefit and rent performance.
- 4.12 Continue to address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.



**APPENDIX I**

**KEY SERVICE PERFORMANCE OBJECTIVES - 2012/13**

The following are seen as key objectives for the Service to be undertaken during the current financial year.

		<b>Target for 2011/12</b>	<b>Achieved</b>	<b>Target 2012/13</b>
1	Processing of New Claims	Less than 25days	33 days	28 days
2	Processing of Change of Circumstances	Less than 14 days	14 days	14 days
3	Right Time	16 days	19.66 days	16 days
4	Cost per Case	£41.25	£39.51	£39.00
5	Percentage of Cases Processed within 14 Days	90%	70.15%	90%
6	Accuracy of Processing	95%	77%	95%
7	Interventions	-	1174	2,400
8	Value of Housing Benefits Recovered	£1.3m	£1,293,623	£1.3m
9	Total Sanctions	20	19	28
10	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	63.33%	65%
11	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	44%	65%
12	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	84%	95%

**PRINCIPLES TO BE ADOPTED**

**IN THE ADMINISTRATION OF**

**HOUSING AND COUNCIL TAX BENEFITS**

**2012/13**

## **Benefit Uptake**

- a) The Council recognises that it has a statutory duty to promote both Council Tax and Housing Benefit.
- b) It will promote Council Tax and Housing Benefit and other reliefs when dealing with customers.
- c) It will produce leaflets/publish articles/posters when appropriate on Benefit Issues.
- d) Promote Council Tax Benefit and Housing Benefit with the issue of Council Tax bills.
- e) Provide resources when practical to attend Benefit uptake promotions/workshops.

## **General Benefits Administration**

- a) Administer the Benefits Scheme in accordance with the statutory provisions.
- b) Ensure that claimants are aware of their statutory appeal rights.
- c) Appeals will be dealt with by a separate team supporting the principle of an independent review.
- d) The Service will work closely with the Job Centre Plus and Pension Service.
- e) Wherever possible to keep documentation clear and simple to "Plain English Standard".
- f) Provide a visiting service for the elderly or infirm in relation to Benefit Issues within 72 hours or on request.
- g) Ensure that staff undertake and receive regular training.

## **Managing Overpayments**

- a) Administer overpayments in accordance with the statutory provisions.
- b) The Council is committed to the recovery of overpaid Benefit and will use all available measures available to it:-
  - By deduction from ongoing Benefit
  - From arrears of Benefit
  - By deduction from Benefit paid direct to the landlord.
  - By deduction from Benefit paid direct to a landlord for other tenants.
  - By recovery of the overpaid sum as a Sundry Debt.
  - By legal action, if appropriate.
- c) Wherever possible the statutory maximum deduction should be made.
- d) The most appropriate method and rate of deduction to be selected dependent on the circumstances of each particular case.
- e) Write off of unrecoverable overpaid Benefit will be in accordance with the procedures applicable to sundry income and in accordance with the Financial Regulations.

## **Prevention and Detection of Fraud**

- a) The Council will use all the statutory provisions available to it in its attempts to prevent and detect Fraud.
- b) The Council will where appropriate seek the prosecution of offenders by referring cases where fraud has occurred to Grampian Police and the Procurator Fiscals Office.

Cases would only be referred for prosecution after all individual circumstances, including family, age, mental health of the person have been considered.

- c) The Council will also use the powers available to it to “caution” offenders and to improve 30% Administrative Penalties in relevant circumstances instead of prosecution.
- d) Provide investigation staff with regular training. The investigation staff will work under a Code of Conduct.
- e) The Investigation Team will liaise closely with other agencies and other Local Authorities in combating Fraud across all areas of the Welfare State.
- f) Council will seek to promote and develop an audit fraud culture amongst staff and the public to deter fraud.
- g) The Council will publicise any successful prosecutions in order to promote the anti fraud message.

### **Working with Others**

- a) The Council is committed to working with others and in particular with the state agencies including the Pension Service and Job Centre Plus.
- b) The Council will support the signing and monitoring of National Service Level Agreements with such bodies.
- c) The Service will work closely with the Voluntary Sector including CAB by meeting with them formally or on an ad hoc basis as required.
- d) The Service will work with the Housing Service in terms of liaising and presenting Benefit Issues at the Community Services Landlord Forum.
- e) The Service already has strong links within the Registered Social Landlords and will seek to strengthen these by the signing of formal service level agreements.

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	ICT Asset Management Plan
REPORT NUMBER:	CG/12/125

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1. PURPOSE OF REPORT

To seek approval of the ICT Asset Management Plan (ICT AMP)

2. RECOMMENDATION(S)

It is recommended that Committee approve the ICT Asset Management Plan.

3. FINANCIAL IMPLICATIONS

£1.15M revenue has been approved for ICT Investment in financial year 2012/13. Development of the ICT Asset Management Plan (AMP) indicates that a continuing rolling programme of funding is required to maintain its ICT Assets.

Additional capital works, where identified for new investment in ICT Assets will be supported by business cases and presented to the Capital Asset Management Group for consideration and approval through the Non-Housing Capital Programme (NHCP) budget and Enterprise Architecture Board.

4. OTHER IMPLICATIONS

The ICT AMP has been developed taking into consideration whole life cycle cost, sustainability and environmental issues and Health & Safety concerns.

Decisions taken around ICT Assets are governed by Enterprise Architecture framework principles.

Demand for future ICT Assets should be checked against future Full Time Equivalent (FTE) numbers to ensure that workforce planning,

property rationalisation and flexible working policy decisions are factored into any future ICT Asset purchases.

## 5. BACKGROUND/MAIN ISSUES

The Council recognises that its assets are a significant and valuable resource to delivering efficient and effective services in achieving its vision, aims and objectives. The Council has had a Property Asset Management Plan in place since 2009, and from 2012, will also have Service Asset Management Plans in place for all Directorates linking individual service requirements to their property assets.

The Council also recognises that all its key resources, not just its property resources, require to be managed strategically and operationally during 2012 will be creating an overarching Corporate Asset Management Plan incorporating the key resources of Property, Fleet, Open Space, Housing, Roads Infrastructure and ICT Assets, each resource having its own AMP. This report outlines the main principles of the ICT AMP.

The vision of the ICT AMP is that all ICT Assets are serviceable and fit for purpose, accessible when required, efficient and sustainable. The ICT AMP 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. Details of ICT Assets are recorded electronically and include details of location and financial information and other operational overheads in order to identify operational overheads and whole life cycle costing. It is intended to grade ICT Assets against suitability and serviceability criteria and retain this information within the ICT Asset Register so as to be able to prioritise continuing investment on ICT Assets.

In designing this approach to ICT asset management we have identified the following 5 overarching aims and objectives that will seek to ensure that the Council's ICT assets are fit for purpose within current budgetary constraints:

ICT Assets should meet the needs of those that use them. This includes staff, members, pupils, visitors, customers and the general public through the different access channels (face to face, telephone and online). Acquisition of ICT Assets needs to consider access for those with disabilities and or special needs, such as additional language support.

ICT Assets should be economically sustainable with minimal operating costs on a whole life costing model. This means keeping running costs down, maximising existing asset use, reducing duplication and

waste while planning for future capacity requirements, prioritising capital and revenue spending and through full option appraisal incorporating whole life costing and assessing opportunity costs. ICT Asset acquisition will follow evaluation and consideration of full life cycle costs and benefits appraisal.

ICT Assets should be environmentally sustainable. This means considering local and global environmental factors, monitoring and reducing energy consumption and CO2 emissions through the whole ICT life cycle from manufacture, packaging, utilisation and disposal.

ICT Assets must be safe, secure and comply with current legal and regulatory requirements and known future requirements. This means ensuring regular audits for DSE requirements and PAT testing of all ICT Assets, regular preventative maintenance and testing of critical ICT assets such as Uninterrupted Power Supply (UPS) and Air Conditioning within Data Centre and communications rooms' facilities, compliance with Waste, Electrical and Electronic Equipment (WEEE) regulations for electrical disposals, compliance with software licensing terms and conditions, compliance with Data Protection Act (DPA) and Disability Discriminations Act (DDA) when designing new ICT systems.

ICT Assets should link to the Council's strategic business objectives. This means that governance and decision making surrounding ICT Assets are integral to the strategic planning process and managed to deliver its strategic priorities and service in line with risk and providing value for money services for the benefit of the local community.

In order to make effective ICT asset purchasing decisions, a cross-service Enterprise Architecture Board will be established. Business cases for capital funding will be submitted for consideration and prioritisation to the Corporate Asset Management Group.

## 6. IMPACT

Corporate - The use of ICT is a core and critical component to the provision and operation of all Council services. The continued review of ICT Asset Management Plan supported by 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 potential impact of the Council's ICT Assets on how it can deliver its Services.

## 7. BACKGROUND PAPERS

CIPFA – A Guide to Asset Management and Capital planning in local authorities.

Property Asset Management Plan Update 2012.

8. REPORT AUTHOR DETAILS

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# **ICT Asset Management Plan 2012**

## Contents

1. Background
2. Corporate Objectives and Priorities
3. Current Asset Management Performance
4. Key Challenges and Achievements
5. Delivery Arrangements
6. Investment Planning
7. Performance Management
8. Key Priorities 2012 - 2015
9. Glossary of Terms

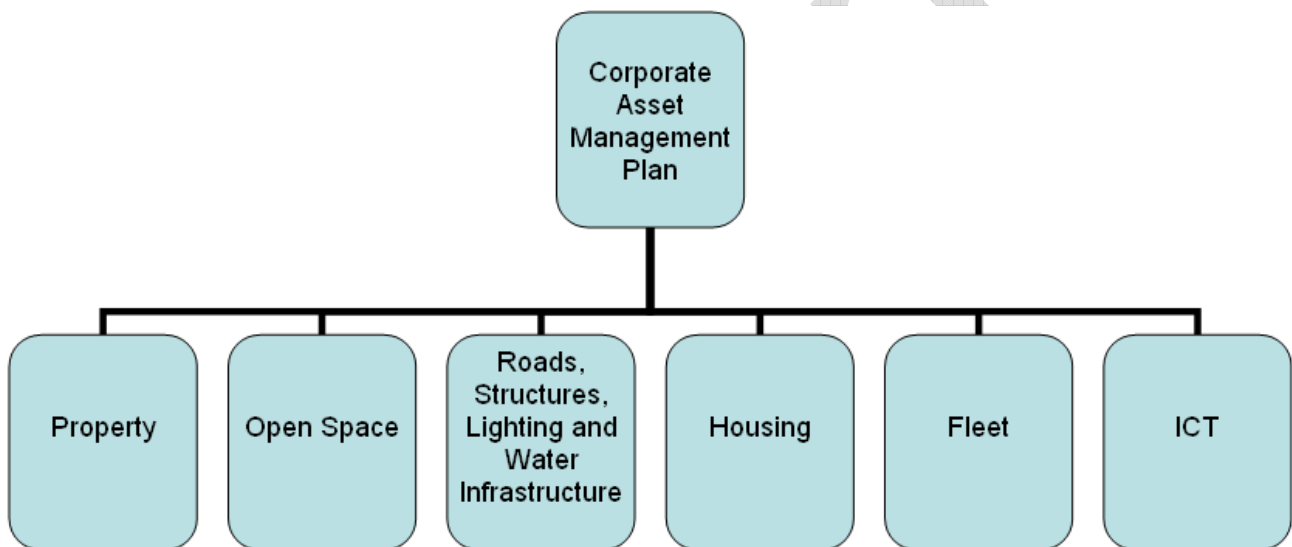
### Appendices:

- Appendix A Asset Management Methodology
- Appendix B ICT Organisational Structure

# 1. Background

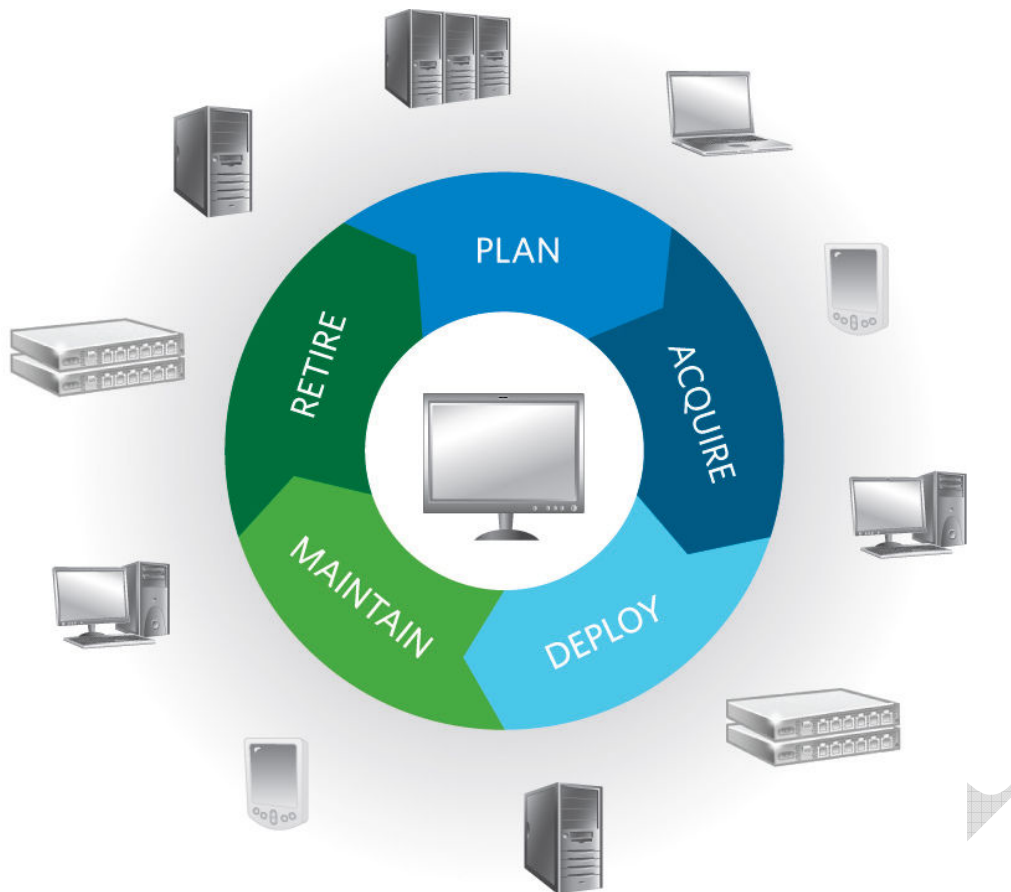
## 1.1 Role of Asset Management

- 1.1.1 The Council recognises that its assets are a significant and valuable resource to delivering efficient and effective services and in achieving the vision, aims and objectives of the Council. In order to maximise the potential from its assets they must be aligned with the organisation's strategic corporate goals and objectives and managed in an active, effective and efficient manner.
- 1.1.2 This is the Council's first ICT Asset Management Plan (AMP) and will be updated on annual basis to reflect changes in structures, systems and processes. This ICT AMP along with the Council's other AMPs will feed into the overarching Corporate AMP.



## 1.2 ICT Background

- 1.2.1 The ICT section, within Corporate Governance, Customer Service and Performance is committed to working within the Council and with its partner organisations to deliver a value for money, secure, quality service which enables business innovation through its use of ICT.
- 1.2.2 The following diagram identifies the main components that make up the related ICT Asset Management Process Life Cycle model. It serves as the basis for the methodology which underpins the implementation of the ICT Process Life Cycle model and, ultimately, the ICT AMP. The detailed methodology is described in Appendix A hereto.



### 1.2.3 The ICT AMP covers the following key ICT Assets:

- Data Centre and network communication facilities incorporating Server Racks, Uninterrupted Power Supplies (UPS), Generators and Air Conditioning;
- Communication Lines and network equipment including cabling, wireless access points, controllers, switches, routers and hubs;
- Telephone Systems and handsets, including mobile phones, Blackberry and other smart phone devices;
- Desktop computers, laptops and thin client devices;
- Servers;
- Shared network and local storage and backup facilities;
- Shared network and peripheral devices (printers and scanners);
- Local peripheral devices (USB memory sticks, printers, scanners);
- Enterprise Applications (Internet/Intranet presence, E-mail, Content Management, Firewall, Security);
- Enterprise Database Systems (Oracle and SQL Server);
- Enterprise Agreements, Contracts and Certificates;
- Data and Information



1.2.4 The following table provides a summary of the types, numbers and value of ICT assets across Aberdeen City Council.

Table 1: ICT Asset Types

Type	Number	Replacement Cost/ Investment Made (£)
Desktop Computers including monitors	10035 @ £350	£3,512,250
Laptop Computers	3264 @ £500	£1,632,000
Thin Client devices (Wyse terminals)	300 @ £200	£60,000
Interactive Whiteboards/Data Projectors	1250 @ £2000	£2,500,000
Network Switches	Circa 750	£450,000
Telephone Switches	220	Approx. £2,500,000
Wireless Access Points	Circa 1000	£250,000
Intersite Network Connection	350	Approx £500,000 initial installation investment.
Business Application Software	140	Approx £4,800,000
Mobile Handheld Devices, including smartphones	3206	£160,300
Physical Servers	226	£2,910,000
Virtual Servers	249	£500,000
Oracle Database Instances	31	£120,000
SQL Database Instances	157	£80,000
Security	Various protection methods deployed	£200,000
No of e-mail accounts	6000 employee including teachers	n/a
No of user accounts	10000 including pupil accounts	n/a
No of incidents and change requests per annum (2011/12)	44,507	n/a
ICT Goods and Services purchased on behalf of the Authority in 2011/12	3,314,140	n/a

## 2. Corporate Objectives and Priorities

### 2.1 Council's Vision and Asset Objectives

2.1.1 This ICT AMP follows the vision and objectives stated in the 2012 PAMP, with some appropriate amendments, including the need for all property and ICT reviews to consider the implications of the Priority Based Budget exercise.

2.1.2 To deliver our vision of 'Aberdeen – The Smarter City' we are focusing on key priorities that we have shaped around:

- The national priorities set by the Scottish Government.
- The national outcomes set out in the Single Outcome Agreement
- The constant desire to provide efficient, effective and joined up public resources
- Required assets being fit for purpose, in the right place(s), at the right time(s)

2.1.3 Within the Council's Single Outcome Agreement we have an aspiration that people who live and work in Aberdeen will:

- be well informed and actively supported to achieve their full potential
- acknowledge, and act on, their shared responsibility to shape the City's future
- support and celebrate cultural diversity, and share a commitment to social justice
- have access to services of a high quality that meet their needs

so that Aberdeen will be an ambitious, achieving, smart city that:

- Develops an economy based on knowledge and innovation;
- Encourages more efficient use of greener resource which generates a competitive economy;
- Uses technology and data to enable informed decisions to be taken;
- Enables citizens to interact in a city where there is a sense of place; and
- Encourages a form of governance which engages its citizens

Our citizens will recognize this and play their part in taking it forward. We will ensure all citizens are encouraged and appropriately supported to make their full contribution.

2.1.4 In effectively managing the Council's financial resources and assets it has further been identified that the aim is to produce a coherent balanced budget which is realistic and reflects the Council's priorities and encourages the efficient and effective use of the Council's resources, by:

#### **Budget Monitoring**

- Rigorous monitoring of spend income against budget (revenue; capital; headcount; savings programme)
- Ensure rigorous challenge of monitoring by Officers and Members
- Rigorous monitoring and review of income/charging

### **Budget Planning**

- Develop and observe a budget timetable for planning, consulting and deciding on options necessary to produce a balanced budget

### **Financial Planning**

- Develop and continuously review Medium Term Financial Plan

### **Use of Resources**

- Develop a rigorous programme of change aimed at improving the efficiency of the Council; and ensure that the programme is properly resourced and performance managed for complete and timely delivery
- Asset management strategy to be developed and implemented for the effective management of the property portfolio
- Benchmarking information used to improve decisions on effective planning and budget choices

2.1.5 In order to do this we need to:

- Identify areas where robust asset management can help support the delivery against these priorities
- Develop alignment between asset management and our strategic priorities into property strategies, plans and programmes
- Ensure that our approach to performance management is appropriately focused on priority areas

2.1.6 The above approach is being progressed as part of a Priority Based Budget project which has identified that the City Council's six key strategic priorities are:-

- Smarter Governance – Participation, acknowledging the role that citizens can play in the evolution of the city;
- Smarter Living – Quality of Life, challenging inequality and positively promoting wellbeing building cultural and physical activity;
- Smarter People – Social and Human Capital, focusing on education including lifelong learning and nurturing city of learning with a city-wide workforce which can grow and diversify the economy;
- Smarter Environment – Natural Resources, sustaining the environment by maximising the use of low carbon technology in our infrastructure and housing, and managing our waste and promoting our streetscape and green space;
- Smarter Economy – Competitiveness, recognising the importance of sustaining a competitive economy with clear financial parameters which attracts people to invest, work and export from;
- Smarter mobility – Transport and ICT, promoting the transport links to and from the city which are sustainable, and maximising digital connectivity for the benefit of all people and the development of business in the city.

### **Vision and Priorities**

Over the next five years we plan to deliver our services in a different way with a greater focus on income generation and delivering what we do in partnership with

other organisations and/or businesses. In particular we will be re-examining how we best use and manage the council's assets to both reduce costs and create income.

## **Outputs/Outcomes**

In pursuing these priorities we will contribute to the following National Outcomes:

**Outcome 1** - We live in a Scotland that is the most attractive place for doing business in Europe;

**Outcome 2** - We realise our full economic potential with more and better employment opportunities for our people;

**Outcome 10** - We live in well-designed, sustainable places where we are able to access the amenities and services we need;

**Outcome 12** - We value and enjoy our built and natural environment and protect it and enhance it for future generations;

**Outcome 14** - We reduce the local and global environmental impact of our consumption and production

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

Local Outcomes are set out in the Single Outcome Agreement approved by the Council and its partners in 2009. These are currently being reviewed and updated.

## **2.2 ICT Asset Management Objectives**

2.2.1 In designing our approach to ICT asset management we have identified the following 5 overarching aims and objectives that will seek to ensure that the Council's ICT assets are fit for purpose within the current budgetary restraints:

- ICT Assets should meet the needs of those that use them. This includes staff, members, pupils, visitors, customers and the general public through the different access channels (face to face, telephone and online). ICT Asset access needs to consider access for those with disabilities and or special needs, such as additional language support.
- ICT Assets should be economically sustainable with minimal operating costs on a whole life costing model. This means keeping running costs down, maximising existing asset use, reducing duplication and waste while planning for future capacity requirements, prioritising capital and revenue spending, proper option appraisal incorporating whole life costing and assessing opportunity costs. ICT Asset acquisition will follow evaluation and consideration of full life cycle costs and benefits appraisal.
- ICT Assets should be environmentally sustainable. This means considering local and global environmental factors, monitoring and reducing energy consumption and CO2 emissions through the whole ICT life cycle from manufacture, packaging, utilisation and disposal.
- ICT Assets must be safe, secure and comply with current legal and regulatory requirements and known future requirements. This means ensuring regular audits for DSE requirements and PAT testing of all ICT Assets, regular preventative maintenance and testing of critical ICT assets such as UPS and Air Conditioning within Data Centre and communications room facilities, compliance with WEEE regulations for electrical disposals, compliance with

software licensing terms and conditions, compliance with Data Protection Act (DPA) and Disability Discriminations Act (DDA) when designing new ICT systems.

- ICT Assets should link to the Council's strategic business objectives. This means that governance and decision making around ICT Assets are integral to the strategic planning process and managed to deliver its strategic priorities and service in line with risk, providing value for money services for the benefit of the local community.

2.2.2 Capital and Revenue spend on ICT Investment will be governed by the Corporate Asset Management Group and Enterprise Architecture Board.

To achieve objectives, the ICT Service will hold and maintain a comprehensive ICT Asset Register which will record all its ICT Assets including details of their age to enable life cycle management of its infrastructure and enable trend analysis.

Minimum details which will be recorded will be:

- Type of Asset
- Unique Asset Identifier
- Specification Description of the Asset
- Serviceability status (i.e. asset is serviceable or requires repair/disposal and/or replacement).
- Date the ICT Asset came into effect
- The initial cost of the ICT Asset
- The ongoing annual cost of the ICT Asset
- Who uses the ICT Asset
- The location of the Asset
- Details of what other ICT Assets are linked to the Asset
- How effectively the ICT Asset is supporting the business (fitness for purpose assessment)

In addition, ICT will maintain a service catalogue outlining all ICT services provided and have in place robust reporting processes to assist Council to make prompt asset related decisions regarding new or changed use of ICT Assets through the Enterprise Architecture Board.

## 3. Current Asset Management Performance

### 3.1 Section 1 - General

- 3.1.1 Historically, the ICT Infrastructure which is currently in use has grown on an ad-hoc basis through investment by individual services or through discrete projects. A rolling programme of ICT Repairs and Renewals was established in 2005 followed by a separate Curriculum PC replacement budget in 2007 through the council's non Housing Capital Programme. These programmes were combined to a single ICT Investment Programme in 2011/12, which was transferred to revenue expenditure from financial year 12/13. Priorities for investment in both new and replacement projects are prioritised against Corporate and known Service priorities. There is an unknown funding gap to maintain a program of ICT Investment.
- 3.1.2 ICT Service is a centralised service covering all services, including support of educational establishments. The current ICT service has a head count of 83 fte, after significant head reduction in 2010. Corporate Data Centre services, including server and storage management, were transferred to a Managed Service Provider in January 2011. Education server and storage management services is provided and supported in-house by ICT services. The service is heavily biased towards delivering support services including ICT purchasing and is under-resourced for delivery of transformational services and helping services use technology to deliver efficiencies.
- 3.1.3 The ICT Service supports a wide variety of individual departmental applications (departmental applications, local spreadsheets and databases). System administration of some of the Council's business applications is carried out within services. There is opportunity to review and consolidate business and desktop applications
- 3.1.4 The ICT Service has recently appointed an analyst with responsibility for reviewing ICT training needs through trend analysis of calls raised through the ICT Service Desk (also commonly known as the ICT Helpdesk). The objective of this is to help move ICT support mechanism from ICT demand to self-support.
- 3.1.5 The ICT Service has Service Level Agreements for ICT Service Delivery with a number of services including details of all ICT Assets for that Service being supported and delivered by ICT.
- 3.1.6 The ICT Service operates an ICT Account Manager function as single point of contact for departmental liaison.
- 3.1.7 The ICT Service operates a centralised ICT Service Desk between 08.30am to 5pm Monday to Friday to record and workflow all requests for incident and problem management, and changes to ICT services. An out of hours Service Desk operates through our Managed Data Centre provider to record all incidents and resolve server related incidents within their control.
- 3.1.8 The ICT Service is working towards implementing ITIL Best Practice Framework. All job descriptions and processes are created using this. Overview training on the

Framework was carried out in 2008 but has not been extended due to limited budget. A comprehensive programme of staff training needs to be completed.

3.1.9 To date, ICT Assets have been recorded in a number of different spreadsheets and systems. Automated tools are used to gather information on installed desktop computer software for compliance.

### 3.2 Section 2 - Condition Survey info

3.2.1 **Desktop Computers, Laptops and Thin Client Devices.** There are a large number of ageing desktop and laptop computers across both corporate and educational establishments. Introduction of Virtual Desktop Environment (VDE) can extend the lifespan of desktop computers and laptops computers working wholly in a VDE environment. For those devices which require to operate in a non-VDE environment, the devices need to be replaced every 4 years or as and when any new application or operating system requirement requires additional memory and/or processing power. Desktop and laptop computer operating system standard is currently Microsoft Windows 7 EnterpriseProfessional. Table 2 below shows desktop and laptop estate by age to show level of ICT investment required to refresh the estate to be fully supported in a Microsoft Windows 7 EnterpriseProfessional environment. Information is continuing to be gathered and evaluated to determine how many of these will be able to continue to operate in a VDE environment. In this case, the devices will be replaced by thin clients if there is any hardware malfunction. VDE is currently not viable in the curriculum environment. Based on current ICT Service Desk call analysis, there are on average 200 PC hardware failures per annum. Desktop and laptop computers are purchased through Procurement Scotland agreement, which is auctioned every 12 – 18 months. This provides stability of build at component level thus reducing installation and support costs over the life of the device.

Table 2: Summary of Client Device Estate (PC and Laptop)

Type of device	Age	No of devices	Suitable for Windows 7
Corporate Desktop computers	> 4 years	3195	No
Corporate Desktop computers	2 – 4 years	355	Some
Corporate Desktop computers	1 – 2 years	308	Yes
Corporate Desktop computers	0 – 1 years	142	Yes
Corporate Laptop computers	> 4 years	461	No
Corporate Laptop computers	2 – 4 years	187	Some
Corporate Laptop computers	1 – 2 years	87	Yes
Corporate Laptop computers	0 – 1 years	322	Yes

Curriculum Desktop computers	> 4 years	3135	No
Curriculum Desktop computers	2 – 4 years	1454	No
Curriculum Desktop computers	1 – 2 years	988	Yes *
Curriculum Desktop computers	0 – 1 years	923	Yes *
Curriculum Laptop computers	> 4 years	1088	No
Curriculum Laptop computers	2 – 4 years	1197	No
Curriculum Laptop computers	1 – 2 years	99	Yes *
Curriculum Laptop computers	0 – 1 years	123	Yes *

\* while these models are suitable for using Windows 7 operating system, curriculum server and storage environment currently primarily uses RM CC3 curriculum network software which does not support Windows 7 clients. (See section 3.2.9 Server)

**3.2.2 Network switches, hubs and routers.** Through investment in previous financial years, these ICT Assets are generally fit for purpose, with equipment on lifetime warranty basis. A small stock of spares are retained to allow for faulty equipment to be swapped out and returned for repair. Within corporate environment these are standardised to HP range of equipment, while within the curriculum environment this is standardised to CISCO range. Equipment is re-utilised through property and schools estates rationalisation projects and ICT investment only required where additional buildings are added to the Council's property portfolio.

**3.2.3 Telephone Switches.** ICT investment through the ICT rolling programme, 3Rs schools estate building programme and Marischal College works means that the majority of the Council's telephone switches in major office accommodation and a proportion of those within educational establishments are fit for purpose and enabled for VOIP. The exceptions to this are Central Library, Spring Garden and Kittybrewster and Mastrick location telephone switches. These will require replacing or upgrading within the next 2 years to allow the Council to take advantages in voice communications technology to meet business efficiencies through the use of unified communications. In addition, various smaller telephone switches will be required over a rolling programme of replacements. Investment required is shown in Table 3 below.

Table 3: Telephone Switch Replacements

Site	Size of Telephone Switch	Estimated cost of Replacement/Upgrade
Central Library and Art Gallery	Up to 150 users	£85K
Spring Garden	Up to 100 users	£60K
Kittybrewster	Up to 350 users	£100K
Mastrick sites	Up to 150 users	£60K



Individual sites, including schools	Vary from 15 – 200 users	Vary from £5K to £25K depending on site
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3.2.4 **Interactive Whiteboard and Data Projectors.** The Council has invested significantly through Capital funding in 2009/10 and 2010/11 in the installation of interactive whiteboards with associated data projectors to support its learning and teaching environments and to facilitate sharing of information through electronic presentation. Whiteboard assets are purchased with a 3 year warranty and it is anticipated that the lifespan of this equipment is around 7 years. A high proportion of whiteboards and projectors fall out of warranty from October 2012, and any repairs or replacements will require to be funded from revenue. This is revenue budget which is not currently provisioned. Indicative quotes have been provided for a support contract to cover all Whiteboards and Data Projectors at a cost of around £80K per annum. The situation will be closely monitored from October 2012 and business case for funding will be developed if it is seen that a support contract is essential.

3.2.5 **Internal Wireless LAN Connectivity.** To meet Council's objective for more mobile and flexible working and learning, and to support the anticipated demand of Bring Your Own Device (BYOD), the Council has invested in the implementation of internal wireless technologies within major Council office accommodation and educational establishments. Significant investment is required to complete installation in all educational establishments. Table 4 below shows those sites where Wireless connectivity is already available for connection and whether the sites allow public access as well as connection for Council approved devices. Table 5 shows those sites where wireless connectivity has been identified as a requirement and the level of ICT investment required to achieve this.

Table 4: Sites with managed wireless access available

Site	Access for ACC Owned Devices and approved guest access	Public Access
Marischal College	Y	N
Town House	Y	N
Kittybrewster	Y	N
Crown House	Y	N
Spring Garden	Y	N
Central Library	Y	Y
Cults Academy	Y	Y – only in library
Bucksburn Academy	Y	Y – only in library
Oldmachar Academy*	Y	N
Heatheryburn Primary	Y	Y – only in community wing
Hazlehead Primary	Y	Y – only in community wing
Mile End Primary	Y	Y – only in community wing
Seaton Primary	Y	Y – only in community wing
Manor Park Primary	Y	Y – only in community wing
Braehead Primary	Y	Y – only in community wing
Hanover Street Primary	Y	N
Kaimhill Primary	Y	Y – only in community wing
Airyhall Primary	Y	Y – only in community wing
Walker Road Primary (partial)	Y	N
Gilcomston Primary	Y	N
Kingswells Primary	Y	N
Woodside Primary	Y	N
Cults Primary	Y	N
Dyce Academy	Y	N
Kincorth Academy	Y	N
Harlaw Academy	Y	N
Bridge of Don Academy	Y	N
Central Library	Y	Y
Kittybrewster Store	Y	N
Whytemyres OT Store	Y	N

\* This site was one of the first sites for wireless technology to be installed and refresh of the central controllers is scheduled through ICT Investment in 2012/13 for compatibility with all other sites.

Table 5: Sites with no managed wireless availability

Site	Funding Approved	Anticipated Costs (K)
Aberdeen Grammar School	Y	40K
Torry Academy	Y	30K
Northfield Academy	Y	30K
St Machar Academy	Y	40K
Riverbank Primary	Y	15K
Greenbrae Primary	Y	15K
Scotstown Primary	Y	15K
Middleton Park Primary	Y	15K
Forehill Primary	Y	15K
Danestone Primary	Y	15K
Stoneywood Primary	Y	15K
St Peters RC Primary	N	15K
Bramble Brae Primary	N	15K
Holy Family Primary	N	15K
Dyce Primary	N	15K
Fernielea Primary	N	15K
St Josephs Primary	N	15K
Hazlewood Special	N	15K
Abbotswell Primary	N	15K
Ashley Road Primary	N	15K
Charleston Primary	N	15K
Cornhill Primary	N	15K
Culter Primary	N	15K
Ferryhill Primary	N	15K
Glashieburn Primary	N	15K
Kingsford Primary	N	15K
Kirkhill Primary	N	15K
Kittybrewster Primary	N	15K
Loirston Primary	N	15K
Muirfield Primary	N	15K
Newhills/Bucksburn Primary	N – to be done in conjunction with new school	15K
Quarryhill Primary	N	15K
Skene Square Primary	N	15K
Tullos Primary	N	15K
Westpark Primary	N	15K

3.2.6 **Intersite Network Connections.** A register of leased lines is maintained with annual recurring costs over a number of suppliers (BT, Cable & Wireless, O2, Capita and IFB). Significant investment has been made to implement a core meshed wireless network for educational establishments. The design was created to reduce resilience on single links and reduce annual running costs from traditional leased line circuits. This has worked for the majority of educational establishments

and reduced annual recurring costs by £100K in financial year 2012/13 but a number were not suitable for this technology. Until a prolonged period of operation has been in place and any lessons learnt, this technology will not be extended for corporate sites. In the meantime, there are a number of key network links which have been identified as single points of critical ICT service delivery for which additional resilient links should be considered. Table 6 below identifies these connections. An options appraisal needs to be carried out to determine level of investment going forward for all network connectivity.

Table 6 Vulnerable network connections with single point of failure

Site A	Site B	No of users affected
Balgownie One	Town House	300
Kittybrewster	Town House	350
Tullos Primary School	Town House	Telephony DR Site
West Tullos Roads Depot	Town House	Up to 70

**3.2.7 Application Software.** ICT maintains an ICT Applications Software Register and carried out a fitness for purpose audit in summer of 2011. This audit highlighted a number of applications which were not performing to their maximum potential. A further exercise is to be carried out to identify where applications can be consolidated and rationalised to reduce recurring support costs. This is a priority activity to identify potential level of ICT investment required. The Council currently uses either Oracle or SQL Server database as its preferred underlying database. As part of the application review, a review of the backend database will be undertaken to optimise costs for licensing and support. During the year 2012/13, a major program of work (Nevis Programme) to upgrade the Council's e-mail and office productivity tools to Microsoft Exchange and Microsoft Office 2010 will be carried out.

**3.2.8 Mobile Devices.** The Council approved at its Finance & Resources Committee Meeting in March 2012 to extend its current Vodafone contract for mobile devices, including Blackberry and smart phones until June 2014. As part of its ICT Asset Management plan actions, the service will be working towards maximising benefits included within the Vodafone agreement, challenging usage costs of mobile devices and ensuring accurate billing information is processed timeously.

**3.2.9 Servers.** Corporate servers were refreshed or planned to be refreshed through the Council's Managed Data Centre contract with Atos. Prior to the Managed Data Centre, the Council had invested significantly in the use of server virtualisation technologies to reduce the number and environmental impact of server hosting. This has been continued through the Atos contract. Within the educational environment, servers are hosted locally within schools. With the exception of those implemented within the 3Rs programme of works, all are now over 3 years old, are running operating system which is no longer supported by Microsoft, and are constrained in local storage resources. A significant investment to refresh and rationalise schools server estate is required to ensure that these are fit for purpose for the next 5 years. An options appraisal for this requirement, including an

analysis of ongoing storage requirements for schools, is due to be completed in late December 2012 to identify level of investment required for financial year 2013/14.

**3.2.10 Storage.** Prior to the Council's Managed Data Centre contract with Atos, centralised storage and backup facilities had been implemented using EMC SAN technologies and Netbackup backup software. These were due for refresh in 2010/11 and refreshed to Hitachi SAN technology and upgraded Netbackup software as part of the move to the Managed Data Centre. This is a shared storage facility used by a number of Atos clients. As part of its ICT Asset Management plan, Council needs to consider level of investment to increase capacity within the lifetime of this contract for corporate business as storage needs expand as records of video, sound and pictures are captured. This requirement is even greater within the educational environment as pupils use technology for creating their personal e-Portfolios through their learning experience from P1 to S6. A long term strategy for storage needs to be reviewed and determined. It is likely that emerging cloud based storage solutions may be appropriate for most data. A sound records management, and information governance model needs to be introduced to ensure that we are capturing, recording and retaining (and disposing) of electronic information to meet business requirements within legislative requirements.

**3.2.11 Security Systems.** The Council has invested significantly in technology to minimise the threat of electronic attack through the introduction of anti-virus, anti-malware, encryption, intrusion-prevention protection and detection at strategic points within the infrastructure, with different layers of technology. There is a continuing need to review threats and keep subscriptions for appropriate ICT Security Assets in place to minimise threats and ensure compliance with GSX code of connection and PCI DSS regulations for cash and credit transactions. Table 7 below identifies current security measures that are funded through ICT Revenue budgets. Table 8 identifies security initiatives approved through ICT Investment fund for 2012/13.

Table 7: Current ICT Security Systems

Description	Annual Cost	Notes
Corporate Gateway – anti-virus/anti-malware	£12K	
Corporate Gateway – internet filtering	£45K	
Corporate Gateway – Intrusion Prevention and Firewalls	£12K	
Corporate Client – anti-virus/anti-malware	£11K	Consideration to be given to replacement with Microsoft tools provided with Microsoft Enterprise Agreement
Corporate Client – endpoint encryption	£6K	To be replaced with Microsoft Enterprise Agreement tools (from September 2012)
Education Gateway – internet filtering	£13.5K	To be upgraded with Education Gateway Security ( Unified Threat

		Management)
Education Gateway – anti-virus	none	No gateway anti-virus – only via client. consideration to be done through Education Gateway Security (Unified Threat Management) Covered with gateway
Education Gateway - Firewall	£3.5K	No Intrusion Prevention
Education Client – anti-virus	£17.5K	Consideration to be given to replacement with Microsoft tools provided with Microsoft Education Subscription Agreement or with improved Education Gateway security

Table 8: Proposed Additional Security Measures 2012/3

Description	Investment and Anticipated annual costs	Notes
Education Gateway – Intrusion Protection and Internet Filtering	Capital £60K – Annual revenue - £10K	Scheduled 2012/13 ICT Investment. Required to facilitate access for mobile devices from educational establishments. Replaces current education internet filtering solution
Mobile Device Management Solution	Capital Annual Revenue	Scheduled 2012/13 ICT Investment Enables control of mobile devices, whether Council or Employee owned (Bring your Own Devices (BYOD)

### 3.3 Section 3 – Maintenance and Key Performance Indicators (KPIs)

3.3.1 Corporate Governance, Customer Service & Performance spends approximately £3.5M per annum on maintenance support and services including line rental charges for corporate voice and data network, security services, software licences and application support. In addition other Council Services spend an additional £2.3M from service budgets on ICT maintenance support and services.

3.3.2 There are no statutory KPIs for ICT Assets. However a number of the standard SOCITM Performance Indicators are measured and monitored through Corporate Policy & Performance Committee. A Benchmarking Service can be purchased from

SOCITM to compare these figures with other local authorities but to date this has not been used. Those that are routinely measured are:

- Cost per unit Workstation
- % Employees with Remote Access to Council network from non council premises
- % server availability

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## 4. Key Challenges and Achievements

### 4.1 Key Challenges

- 4.1.1 There is a continuing requirement to increase efficiencies and deliver more for less. Each ICT Asset must be used to its maximum potential and obtain maximum value and return on investment. We must therefore Maximise use of corporate systems and services and decommission of underused and/or under performing assets, maximise license usage and redeploy or cancel licences and support to recoup savings on licence contracts.
- 4.1.2 In order to support ICT Asset decisions around business requirements, we need to develop a cross-service Enterprise Architecture Governance framework, incorporating existing PMO processes and ICT Account Managers, also taking cognisance of the Scottish Local Government ICT Strategy, Scottish Public Service Network requirements and Aberdeen City Council's own ICT strategies.
- 4.1.3 There is a requirement to ensure that ICT Asset records are accurate and up to date to help deliver support and make informed business and financial decisions. This can be resource intensive and there needs to be a cultural shift to ensure that individual users take responsibility for checking status and reporting changes in their use of ICT Assets. Linking and maintaining ICT Assets to employees and pupils is required to enable this.
- 4.1.4 As the Council seeks to maximise its limited corporate office accommodation, and reduce spend on property assets, the ICT Assets must be able to support mobile and flexible working which is required to facilitate this. This will require an investment in VOIP and Wireless technologies.
- 4.1.5 Through the consumerisation of ICT and the increasing use of Smartphones, iPads and android tablet equipment, the Council's ICT Assets must embrace this and seek ways to enable staff to make use of such devices, including potentially their own personal equipment, to access Council services in a secure way. This will require investment in additional network security and resource to manage its introduction in a controlled, secure manner.
- 4.1.6 Having achieved a rationalisation of server and storage ICT Assets in the corporate environment, education establishments individually have servers and storage. There are potential savings if these were rationalised and an options appraisal is required to assess the options going forward, including rationalisation of the underlying authentication services to the ICT services.
- 4.1.7 As the world uses more photo and video within their normal working operating environment, this puts a strain on existing storage. This is particularly relevant in the educational establishments where pupils are expected to keep an ePortfolio of their work through their school life. While short term local storage options can be purchased, this does not address long term storage requirements of the Council and introduces potential risks associated with loss of control of data. All local external storage requires to be encrypted to minimise this risk. An options appraisal is required to assess options and provide recommendation for investment.



- 4.1.8 Furthermore there is a continuing challenge to have better governance of and intelligent reporting from Council's electronic records. The Council uses and has access to a number of different document management and reporting tools, and needs to consider how best to maximise usage of these tools.
- 4.1.9 There is a continued requirement to meet various Government security standards including PCI DSS compliance for credit transactions and GSX compliance for Government secure e-mail and internet services, which places constraints on how ICT Assets can be configured and managed, and from time to time require additional ICT security assets to be purchased.
- 4.1.10 Risks from electronic threats continue to be high, and there is a continuing need to operate preventative measures on our ICT Assets such as intrusion prevention, internet access controls, operating system and application patching and anti-virus and anti-malware protection, detection and cleansing.
- 4.1.11 The Council has recently entered into a Microsoft Enterprise Subscription Agreement, which will facilitate an upgrade to its Email and Desktop productivity applications. This coupled with the implementation of Virtual Desktop Environment is intended to provide a more flexible desktop service with standardised software and more efficient application deployment and licence control. This is required to be implemented fully by February 2013.
- 4.1.12 The Council needs to consider how to provide ICT data centre facilities at the end of the existing Managed Data Centre contract in January 2016. Options could be continuing and retendering for managed data centre, co-location of facilities within either public or private sector data centre, shared services with other public sector body or building and managing its own data centre facilities. Regardless of the preferred option, there is likely to be a requirement for significant investment in either Capital or Revenue at this time.
- 4.1.13 As the Council transforms and moves its transactional services from traditional services to web and telephone services as a way of meeting customer demand, and achieving cross Council efficiencies, this will have an impact on its ICT Assets particularly on requirement for better systems integration.
- 4.1.14 While there has been an established ICT Rolling Programme (now ICT Investment Fund) for some years, the level of funding constrains what can be achieved within the programme.

## **4.2 Achievements**

- 4.2.1 To date, ICT Assets have been recorded in a number of different spreadsheets and systems, and a priority is to review how and where our Assets are recorded, and the processes in place to keep the information accurate and up to date. Automated tools are used to gather information on installed desktop computer software for compliance purposes.

- 4.2.2 A successful program to rationalise and consolidate corporate Wintel server estate has been completed which reduced power and CO2 emissions and floor space requirements.
- 4.2.3 Core meshed wireless network to link educational establishments to the internet and Council services has been completed. This has been extended to some corporate sites where applicable.

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## **5. Delivery Arrangements**

### **5.1 Customer Service and Performance – ICT Service**

ICT Asset Management responsibility is delegated to the ICT Section of Customer Service and Performance. The ICT Service is fronted by an ICT Service Desk as a single point of contact for all ICT queries. In addition there are two ICT Account Managers who act as point of escalation for any ICT queries and who will work with services to ensure that their business requirements are worked through to ICT technical implementation, where required. Where a business requirement requires new ICT Capital investment then this will be put forward to the Corporate Asset Group for funding.

### **5.2 ICT Service Delivery reports for Asset Management**

- 5.2.1 Service Desk Support Reports – KPI performance and SLA performance reports are regularly produced. This information is used to identify common faults and repeat failures.
- 5.2.2 New Starts and Leavers Reports – a report from the HR system is distributed to ensure that access to departmental systems is ceased or changed as appropriate, that any licences are redistributed and/or telephone and network connections are cancelled.
- 5.2.3 Customer Satisfaction Survey – a customer satisfaction reporting mechanism which was in place for random selection of service desk incidents ceased due to limited resources in 2010. ICT services are however included in wider Corporate Governance Customer satisfaction which is done on a bi-ennial basis.
- 5.2.4 Major Incident Reports are produced and shared when a major incident takes place to establish lessons learnt and identify recommendations to prevent incidents recurring through asset replacement, training, procedural change etc.
- 5.2.5 Internet Monitoring – bandwidth reports are produced regularly to ensure that business usage not impacted negatively by any personal usage. ICT Acceptable use allows 15 mins per day personal internet usage, and ad-hoc reports to line managers to review individual staff usage are issued on authorised request.
- 5.2.6 Reports from Asset Register are produced for Service Level Agreements with other services and trusts.
- 5.2.7 Centralised software library where media is stored and recorded.

### **5.3 ICT Service Management**

- 5.3.1 The ICT Service Management Team meets on a weekly basis. This group reviews and approves operational changes to existing ICT Assets, reviews and approves major incident reports and takes action on the recommendations arising from these reports. The ICT organisational structure is featured at appendix B.

## **5.4 Enterprise Architecture Board**

5.4.1 The Head of Customer Service & Performance will chair the group with the following officials representing each Service:-

- Head of Procurement, Corporate Governance
- Head of Environment Services, Housing & Environment
- Head of Regeneration and Housing investment
- Head of Planning and Sustainable Development
- Head of Adult Services
- Head of Educational Development, Policy and Performance
- ICT Account Manager, Corporate Governance, Social Care & Wellbeing and Housing & Environment
- ICT Account Manager, Education, Culture & Sport, Enterprise Planning & infrastructure and Office of Chief Executive
- Senior Programme Manager, PMO
- Enterprise Architect (post subject to approval)

5.4.2 The group will meet on a bi-monthly basis, with support coming from ICT Enterprise Architect and ICT Technical teams. The group will also meet between regular meetings as and when ICT Enterprise Architecture decisions have to be made.

## **5.5 Corporate Asset Group**

5.5.1 The Head of Asset Management & Operations continues to chair the group, with the following officials representing each Service:-

- Head of Finance, Corporate Governance
- Head of Environment Services, Housing & Environment
- Head of Regeneration and Housing Investment
- Head of Service, Office of Chief Executive
- Head of Customer Service and Performance
- Head of Adult Services
- Head of Educational Development, Policy and Performance
- General Manager, Asset Management

5.5.2 The group meets on a monthly basis with support coming from the Asset Management Team.

## **5.6 Partnership & Collaboration**

5.6.1 Where possible, ICT Assets are purchased through Procurement Scotland frameworks. This contributes to maximum buying volumes for all public sector bodies within Scotland.

5.6.2 Where no specific framework exists, ICT will work in collaboration with Central Procurement Unit to ascertain if there are any other public sector with a similar requirement and partner for joint procurement.

5.6.3 Customer Service & Performance Service is a member of SOCITM and actively participates in SOCITM through regular meetings and ICT consultations.

## **5.7 Communication**

5.7.1 The ICT Service Desk uses the Council's intranet pages to communicate maintenance periods. ICT Account Managers maintain electronic distribution lists of system owners to advise and communicate on ICT maintenance and support.

5.7.2 Frequently asked questions and Advice and Guidance notes on the use of Council's ICT Assets are published on the Zone on an ad-hoc arrangement.

5.7.3 Quarterly security advisories are published on the Zone.

5.7.4 ICT Account Managers meet regularly with Business representatives to review SLA performance, and ongoing changes to ICT Assets.

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## 6. Investment Planning

### 6.1 Capital

- 6.1.1 Capital Bid for £3M funding for refresh of corporate server, storage and backup infrastructure within Data Centre facilities has been submitted to the Corporate Asset Management Group for 2015/16 onwards to continue ICT Service delivery beyond the current Managed Data Centre contract.
- 6.1.2 Capital bid for £5.7M funding for significant ICT Investment to support transformation of Corporate Governance services to the Council has been submitted through the Corporate Asset Management Group. Bids are being considered for 2015/16 onwards, although transformation to deliver savings identified through PBB needs to be delivered from 2013.14 onwards.
- 6.1.3 Investment for refresh of items included within this ICT AMP have previously been funded through Capital ICT Rolling Programmes. Corporate Asset Management Group agreed that this rolling programme be changed to a revenue budget as from April 2012.

### 6.2 Revenue

- 6.2.1 Revenue funding for £1.1M is available for ICT Investment rolling programme. Allocation of spend from this budget was approved at Finance & Resources Committee, with identified reserve items to the value of £625K should additional funding become available.
- 6.2.2 Priority investment arising from this ICT AMP has identified projects to the value of £1.6M. This includes all identified reserve projects from 2012/13.
- 6.2.3 There is currently revenue across all services to the value of £1.6M on WAN network connectivity, and fixed and mobile telephony calls and rental.
- 6.2.4 There is currently £3.5M revenue within ICT to fund annual hardware, software and ICT services arranged on behalf of the Council by ICT.
- 6.2.5 In addition other Services currently have revenue funding to the value of £2.3M against ICT supplies and services budgets. This funding is generally used for service specific application software licence, support and maintenance, and fixed and mobile telephony calls and rental.

## 7. Performance Management

### 7.1 Performance Management

An informed organisation collects high quality information on context, activities and results; analyses it to expose issues or opportunities; and presents informed options to decision-makers internally, and candid assessments of plans and performance externally. Without high quality information, organisations will not be well placed to respond to the immediate challenge of cuts to funding and longer-term challenges of providing sustainable high-quality public services and creating the right climate for economic growth.

Option appraisal is crucial to ensure organisational interventions are fully informed and based on robust evidence. The core method of economic appraisal, cost-benefit analysis, has been designed to inform comparison between options for government interventions, recognising that in the public sector appraisals need to go beyond traditional financial analysis, and pick up broader social, environmental and economic effects which may not have ready market values. Appraisal techniques can be applied at project or programme levels, and have particular value when there is pressure to reduce costs while minimising effects on front line services or the wider economy.

There are no statutory performance indicators relating to ICT Assets. However, there are a number of factors such as cost, usage, availability, sufficiency (demand) and accessibility that can be measured and monitored to assess how the Council's ICT Assets are performing.

### 7.2 Performance Measures

#### 7.2.1 Costs:

The following cost measures will be considered:

- ICT revenue expenditure as a % of all revenue spend
- Annual Capital expenditure on ICT Assets
- Unit cost for Workstation (whole life cycle cost)
- Unit cost for Network Connection (whole life cycle cost)
- Maintenance costs, including repairs and electrical testing as % of revenue expenditure
- Application licence and support costs as % of revenue expenditure
- Disposal costs as % of revenue expenditure

#### 7.2.2 Usage

The following usage measures will be considered:

- Network Bandwidth usage to determine whether network links are working efficiently, require additional capacity or whether there is potential to reduce connectivity.
- % of PCs and laptops that are in active/inactive use to determine whether equipment can be redistributed to meet business requirements.
- PC performance to determine whether equipment is being utilised effectively.
- Server usage and capacity to determine peaks in usage or where servers are not being effectively utilised.

- Storage usage and capacity to determine where additional capacity is most required.

### 7.2.3 Availability measures

The following availability measures will be considered:

- % Network Availability – this measure can include availability of individual network links, and the data points, wireless access points, switches, hubs and routers allowing individual client devices to connect to Council applications.
- % Application Availability – this measure can include availability of server and operating systems, underlying database and storage infrastructure as well as the applications themselves.
- % Datacentre Availability – this measure includes power, and datacentre environmental controls affecting datacentre availability,

### 7.2.4 Accessibility

In order to assess ICT accessibility, the following measures will be considered

- % of employees with a business e-mail account
- % of employees with access to Internet Services
- % of employees with access to a PC
- % of employees with full access to Council Services from non council premises
- Number and type of special ICT needs functionality provided (e.g. Zoomtext large text viewer)

### 7.2.5 Demand

In order to assess future demand, measures that will be considered are:

- No of Employees
- School Rolls
- No and type of Property providing Council services

## 7.3 Grading System

Following best principles of ICT Asset Management, we will be looking to introduce a grading system for suitability and serviceability conditions which will be applied and recorded against ICT assets. The criteria for this will be subject to consultation with users across all services and will take into consideration individual service business requirements.



## 8. Key Priorities 2012 – 2015

### 8.1 Key Priorities

8.1.1 The following priority areas will be progressed.

Priority Area	Start Date	Completion Date
Formation of Enterprise Architecture Board, including approval and recruitment of Enterprise Architect post	August 2012	March 2013
Microsoft Enterprise Subscription – Implementation of software licences through Nevis Programme	November 2012	February 2013
Schools Server Replacement – Options appraisal and implementation of replacement strategy	November 2012	August 2013
Options Appraisal on Schools Storage Strategy	November 2012	January 2013
Network Infrastructure – identification of network connections with little or no resilience and carry out options appraisal for additional resilience	January 2013	June 2013
Application Review	October 2012	ongoing
Development of Business Intelligence reporting	September 2012	December 2013
Review current ICT Asset procedures and registers and develop detailed improvement action plan	September 2012	April 2013
Data Centre Options Appraisal	October 2012	July 2014

## 9. Glossary of Terms

ACROYNM	TITLE	SUMMARY
GSX	Government Secure Extranet	Government Secure Network Service for wider communications, largely with other Scottish Local Authorities
ITIL	IT Infrastructure Library	ITIL is the most widely adopted approach for IT Service Management. It provides a practical, no-nonsense framework for identifying, planning, delivering and supporting IT services to the business.
PBB	Priority Based Budgeting	Council's approach to 5 year business budget
PMO	Programme Management Office	Supports the management and implementation of Aberdeen City Council projects identified within PBB and other improvement programmes.
VDE	Virtualised Desktop Environment	Desktop computers which in the main have no local processing capability. Sometimes referred to as 'dumb terminals'. They get their programs and data from the main ICT data centre.
WEEE	Waste, Electrical and Electronic Equipment Regulations	This aims to prevent the generation of electrical and electronic waste and to promote re-use, recycling and other forms of recovery in order to reduce the quantity of waste discarded.

## Appendix A

### Asset Management Methodology

#### **ICT Current Position**

ICT Asset Management is carried out by ICT on behalf of the Authority and is done in line with BSi Standard PAS55 and Information Technology Information Library (ITIL) best practice principles and processes.

PAS 55 describes asset management as the systematic and coordinated activities and practices through which an organisation optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organisational strategic plan.

PAS 55 is divided into two parts, viz:

- Part 1 – the Specification for the management of physical infrastructure assets.
- Part 2 - Guidelines for the application of PAS 55 Part 1 requirements. Part 1 specifies the requirements for an asset management system for the management of physical assets and asset systems over their life cycles. The management of physical assets is inextricably linked to the management of other asset types and these other asset types are considered within the asset management system insofar as they have a direct impact on the management of physical assets. The optimal life cycle management of physical assets is heavily dependent upon information and knowledge, human assets and financial resources, and often has a significant impact on reputation and customer satisfaction. Applying PAS 55 enables us to demonstrate a high level of professionalism in whole life cycle management of our physical assets, specifically in respect of achieving the following benefits:
  - The ability to demonstrate best value within a constrained funding situation.
  - Establishing an asset management system to optimally and sustainably manage our physical assets.
  - Implementing, maintaining and improving our asset management system.
  - Demonstrating and proving compliance with corporate asset management strategy and policy (and to others).
  - Having a clear audit trail that serves as a basis for taking decisions and associated risks.
  - The ability to show that sustainable development is actively considered over assets' life cycles.

Specific aspects of the ITIL solution to managing assets builds on the PAS 55 approach by applying the principles of its IT Asset Management Process Life Cycle model approach (as referred to under Section 1.2.2. of the main document).

Establishing management processes, their role in the asset life cycle and the departments that are involved in each process. The following table includes the main processes (as derived from the Asset Management Process Life Cycle model) in an IT Asset Management methodology:

<b><u>Process Name</u></b>	<b><u>Functions</u></b>	<b><u>Departments</u></b>	<b><u>Roles</u></b>
<b>Request</b>	<ul style="list-style-type: none"> <li>• Request to provision a service or an asset</li> <li>• Approval(s) of request</li> <li>• Determine fulfilment type (from inventory or new purchase)</li> </ul>	<ul style="list-style-type: none"> <li>• IT</li> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Manager</li> <li>• Department Budget Manager</li> <li>• Service Desk</li> </ul>
<b>Procure</b>	<ul style="list-style-type: none"> <li>• Procure new assets or services when not in inventory</li> <li>• Negotiate and establish contracts with suppliers</li> <li>• Link contracts to catalogue line items</li> </ul>	<ul style="list-style-type: none"> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Manager</li> </ul>
<b>Receive</b>	<ul style="list-style-type: none"> <li>• Receive new assets or services from suppliers</li> <li>• Validate shipment (match received goods to order)</li> </ul>	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Facilities (or IT)</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Manager</li> <li>• Financial Manager</li> </ul>
<b>Manage</b>	<ul style="list-style-type: none"> <li>• Execute IMAC processes</li> </ul>	<ul style="list-style-type: none"> <li>• IT</li> </ul>	<ul style="list-style-type: none"> <li>• Service Desk</li> </ul>
<b>Retire</b>	<ul style="list-style-type: none"> <li>• Retire obsolete assets from operational use</li> <li>• Acquire legal indemnification for disposed assets</li> <li>• Update asset status</li> </ul>	<ul style="list-style-type: none"> <li>• IT</li> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Manager</li> <li>• Financial Manager</li> </ul>
<b>Plan</b>	<ul style="list-style-type: none"> <li>• Provide enough stable consistent</li> </ul>	<ul style="list-style-type: none"> <li>• IT</li> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Manager</li> <li>• Department Budget</li> </ul>

	information for accurate budgeting and forecasting		Manager • Financial Manager
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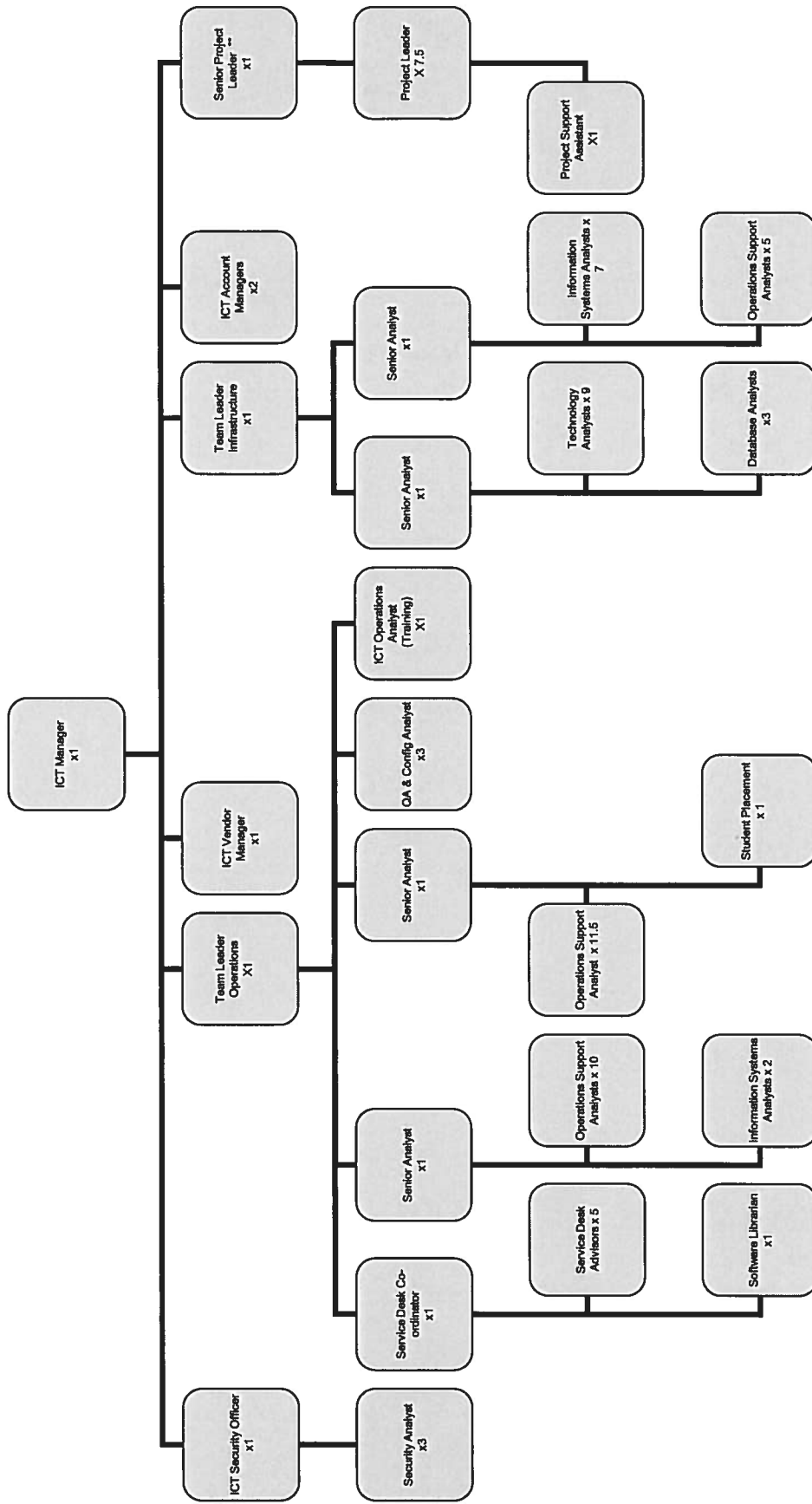
The following table illustrates the phases of an implementation programme and the business benefits delivered at each level. Regardless of which level an organisation is currently in, it is important to prioritise future efforts. Establish a phased approach by targeting areas of the infrastructure that provide the highest business value and enable greater cost control over the IT assets. This strategy delivers business benefits where they are most important to supporting the delivery of IT services.

<u>Level</u>	<u>Phase</u>	<u>Activities</u>	<u>Benefits</u>
1	Asset Discovery	<ul style="list-style-type: none"> <li>• Identify deployed assets</li> <li>• Know what is in the infra structure at any given point in time to a given level of detail: hardware, software, network, etc.</li> <li>• Know who is using assets, how frequently, how much)</li> </ul>	<ul style="list-style-type: none"> <li>• Understand and manage asset usage</li> </ul>
2	Inventory Management	<ul style="list-style-type: none"> <li>• Identify owned assets</li> <li>• Compare owned with deployed (inventory)</li> <li>• Identify “over” or “under” deployment of assets and reasons (change policies, processes, procedures) and, over time, reduce the gap</li> </ul>	<ul style="list-style-type: none"> <li>• Manage compliance</li> <li>• Reduce over-purchasing</li> <li>• Enforce standards (manage non-standard)</li> <li>• Redeploy assets</li> </ul>
3	Contract Management	<ul style="list-style-type: none"> <li>• Introduce contracts</li> <li>• Link contracts to assets (hardware, software, network, etc.)</li> <li>• Identify and capture critical terms and conditions</li> <li>• Create workflow</li> </ul>	<ul style="list-style-type: none"> <li>• Manage maintenance costs</li> <li>• Manage contract service levels</li> <li>• Automate contract renewal</li> <li>• Improve negotiations and vendor/spend management</li> </ul>

		and event notifications, such as lease notifications, re-negotiation windows, cancellations, etc.)	
4	Financial Management	<ul style="list-style-type: none"> <li>• Planning and budgets</li> <li>• Analyse infrastructure blueprint prior to planning and budgeting</li> <li>• Reconcile with fixed assets</li> <li>• Provide accurate asset data to fixed assets</li> <li>• Invoice reconciliation</li> <li>• Automate invoice reconciliation process</li> <li>• Asset allocation and chargeback</li> <li>• Track asset costs by cost centre and chargeback</li> </ul>	<ul style="list-style-type: none"> <li>• Improve budgeting process</li> <li>• Improve management of fixed assets/depreciation</li> <li>• Improve management of tax payments</li> <li>• Reduce payment of erroneous invoices</li> <li>• Manage IT demand and behaviour by allocating cost to actual consumers</li> </ul>

Appendix B

# ICT – Structure November 2012



\*\* Senior Project Leader post proposed to be converted to Enterprise Architect post

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## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 <sup>th</sup> December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Corporate Records Management
REPORT NUMBER:	CG12/120

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### 1. PURPOSE OF REPORT

To update Committee on the proposed corporate approach to Records Management.

### 2. RECOMMENDATION(S)

That Committee notes the corporate approach to records management that will compliment the Corporate Information Management Strategy and provide the Council with the governance framework which is required come January 2013 when the Public Records (Scotland) Act 2011 becomes a legislative requirement.

### 3. FINANCIAL IMPLICATIONS

Any requirements from the Action Plan have to date been met from existing budget.

### 4. OTHER IMPLICATIONS

Compliance with the Public Records (Scotland) Act 2011 is mandatory for all Scottish Public Authorities. Failure to comply could result in an 'Action Notice' being issued by the Keeper of the Records of Scotland with attendant reputational damage. Adherence to this legislation also supports compliance with other information management legislation such as the Data Protection Act, Freedom of Information (Scotland) Act and Environmental Information (Scotland) Regulations. This related legislation also has reputational and financial penalties should the Council be found to be non-compliant.

## 5. BACKGROUND/MAIN ISSUES

The implementation of the Public Records (Scotland) Act 2011 from January 2013 is an opportunity for positive change in records management practices within Aberdeen City Council. The scope of the Act applies to all records irrespective of the technology used to create and store them or the type of information they contain.

The principle vehicle for achieving this change will be a Records Management Plan which Aberdeen City Council will be statutorily obliged to prepare and submit to the Keeper of the Records of Scotland (the “Keeper”) for his approval. To assist authorities with this process, the Keeper has published a Model Records Management Plan which Aberdeen City Council must adopt.

The plan has 14 elements which can be themed into the following areas:

- Governance and Policy
- Business classification, retention and disposal (transfer, archiving, destruction)
- Information security and data protection
- Business continuity, audit trail
- Competency framework for records management staff
- Assessment and review

A number of these themed areas are already in place or are underway at Aberdeen City Council because of the adoption of the Information Management Strategy in 2010:

### **Governance, Policy and competency framework**

- Defined responsibilities at senior management and Records Management level
- Corporate Records Management Policy
- Corporate Freedom of Information and Environmental Information Regulations Policy
- Corporate Information Management Strategy
- Recent transfer of Records Management and Access to Information Compliance team from Legal and Democratic to Customer Service and Performance

### **Business classification, retention, disposal**

- Recent commencement of developing a corporate classification scheme and working with Service areas to define appropriate records management practice – creation, processing and retention
- Procurement of corporate confidential waste contract underway

### **Information security and data protection**

- Defined responsibilities at senior management, Information Security and Data Protection level
- Data Protection Policy
- Information Security Policy

### **Business continuity, audit trail**

- Corporate Business Continuity plans underway
- Audit trail will be evidenced via the Corporate classification scheme

### **Assessment and Review**

- Quarterly CMT reporting
- September 2012 - positive Good Practice Assessment from Office of Scottish Information Commissioner

The timetable for submission of the Records Management Plan to the Keeper by public authorities has not yet been stated, but is likely to be in the latter part of 2013, early part of 2014.

During 2012, Corporate Governance has focused on merging the strands of information management service areas. There are already a number of positive results coming from this, in particular, the recent Good Practice Assessment by the Office of the Scottish Information Commissioner who regulates the Council's compliance with the Freedom of Information legislation. Since 2010 when the Council was previously assessed, compliance figures have increased from 66% to 78%, although in July this year compliance rose to 89%. These figures demonstrate the benefits of a corporate approach being taken to manage information, which at the core is about day-to-day records management practice.

The Records Management service has also seen some significant changes in its operational delivery with staff and business areas establishing their transactional activities within the new headquarters at Marischal College. There are currently two corporate record stores, one on-site for active records at Marischal College and one off-site for semi / non-active records at Whitemyres. The Records Management operational requirements at Whitemyres have remained at this higher level since 2011, whilst at Marischal they ebb and flow as business areas look at developing new ways of working where there is a high dependency on large quantities of hardcopy records. The Records Management team and Access to Information Compliance team (formerly known as the Freedom of Information Compliance) have evolved their day-to-day practice to promote this holistic information management approach to compliance and records management.

The bringing together of all records management functions regardless of media or format will allow ACC to take a more strategic approach to the management and use of data including master data management, security, business intelligence, research, data analysis, document retention and the provision of a unified technical infrastructure over time. This corporate approach will provide the Council with a strong foundation to support the ongoing work to implement the Public Records (Scotland) Act 2011 requirements, Corporate Information Management Strategy whilst adhering to all related legislation.

## 6. IMPACT

Using this corporate records management approach and continuing to progress the corporate Information Management Strategy action plan will ensure the Council continues to develop a fit-for-purpose framework for robust information governance. Public sector organisations are now under increasing pressure to develop business efficiencies, whilst ensuring business continuity and risk management. This paper supports that ethos and provides a framework through which the required management can be achieved and audited. It also demonstrates the value placed by the Council on its information assets and how this will contribute effectively to the overall management of the organisation. These include:

- Effective management of information assets in all formats, electronic and hardcopy
- Compliance with statutory and regulatory requirements
- Reduction of risk
- Greater accountability and governance
- Efficient use of staff time
- Space savings
- Cost reduction
- Improved working environment

## 7. BACKGROUND PAPERS

## 8. REPORT AUTHOR DETAILS

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Tel. 522521

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Request for Authority to Procure the Provision of Banking Services
REPORT NUMBER:	CG/12/109

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### 1. PURPOSE OF REPORT

This report advises the Committee of the intention to conduct a collaborative tender exercise for the provision of Banking Services for a period of 5 years and seeks approval of the estimated expenditure as detailed in this report.

### 2. RECOMMENDATION(S)

It is recommended that the Committee approves:

- (i) the estimated expenditure of £35,000 per annum (which equates to a total expenditure of £175,000 over the proposed 5 year duration), in accordance with SO1(3) of the Council's Standing Orders Relating to Contracts and Procurement; and
- (ii) that a competitive tendering exercise for the provision of Banking Services is undertaken jointly with Aberdeenshire Council, in line with the Council's Standing Orders relating to Contracts and Procurement, Financial Regulations and relevant EU Legislation.

### 3. FINANCIAL IMPLICATIONS

The budget for banking services has reduced since the commencement of the current contract from approximately £70,000 per annum to £35,000. This saving can mainly be attributed to a significant reduction in cash handling volumes, since the closure of the Cash Office at St Nicholas House in May 2012.

### 4. OTHER IMPLICATIONS

Staff resources throughout Council services will be involved in implementing the new contract.

### 5. BACKGROUND/MAIN ISSUES

The Council has a contract in place to secure Best Value for its core banking services. The current contract, which expires on 30<sup>th</sup> September 2013, was let for a 5 year period.

The contract was tendered collaboratively with Aberdeenshire Council and given the success of the partnership working and scale economies; the Central Procurement Unit has ascertained that the parties are keen to collaborate once again.

Market engagement indicates that the Council will benefit from advances in technology introduced within the Banking Sector.

### 6. IMPACT

Should the outcome of the tender exercise result in a new supplier being appointed for the provision of Banking Services then the procurement timescales will allow for a lead-in period which should mitigate against any potential upheaval during the initial transition/implementation phase.

### 7. BACKGROUND PAPERS

None.

### 8. REPORT AUTHOR DETAILS

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Tel: 664893

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 <sup>th</sup> December 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Request for Approval of Expenditure for Supply of Electric Vehicle Charging Infrastructure Tender
REPORT NUMBER:	EPI/12/258

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### 1. PURPOSE OF REPORT

This report informs Committee of the allocation of Grant Funding from Transport Scotland to be spent on the procurement and installation of electric vehicle charging infrastructure. The Committee is advised of the intention to go out to tender for the supply of the Electric Vehicle Charging Infrastructure for this financial year and is asked to approve the estimated expenditure as detailed in this report.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- i. Approve the estimated expenditure of up to £120,000 for 2012/13 from the grant to facilitate the provision of electric vehicle charging infrastructure;
- ii. Allow officers to procure Electric Vehicle Charging Infrastructure, estimated to be in the region of £80,000, through an open tender in accordance with SO1(3) of the Council's Standing Orders Relating to Contracts and Procurement; and
- iii. Allow officers to identify and directly award the contract to the preferred bidder.

### 3. FINANCIAL IMPLICATIONS

The funding for the project was awarded to the Aberdeen Community Planning Partnership, of which Aberdeen City Council is a member, by Transport Scotland, the transport agency of the Scottish Government, in October 2012 as part of a UK-wide initiative known as "Plugged in Places" funded by the Office of Low Emission Vehicles (OLEV). The £120,000 of funding is to cover the full cost of the supply and installation of the units for the 2012/13 financial year. Around £80,000 of this is expected to be spent on the units themselves with the remainder expected to be spent on installation and supporting infrastructure. The installation of the units and supporting infrastructure

is to be carried out by the Council so does not require to be included within the tendering process. Any underspend must be returned to Transport Scotland. A condition of the funding is that the units must be installed by the end of the financial year.

Transport Scotland has confirmed that funding for “Plugged in Places” will continue for Scotland into the 2013/14 financial year but have not confirmed how much this will be, how or where it will be allocated.

Transport Scotland has outlined the minimum number of units that can be purchased and at least two of these must be Rapid Chargers. These are expensive to run, but once installed and operational, units will be made available to the public on a “pay as you go” basis so the Council has the ability to charge for the service provided and cover the cost of provision of electricity. As well as being asked for the cost of supplying the units, bidders will be asked to provide the cost of a maintenance package for them for a minimum of three years. After this period, the maintenance aspect will be reviewed.

#### 4. OTHER IMPLICATIONS

The estimated spend on the units themselves is around £80,000 which is below the threshold set under the Public Contracts Scotland Regulations 2012 – and so tendering will be undertaken in accordance with the Council’s Standing Orders and Financial Regulations and a Non-EU open tendering procedure will be undertaken.

An EHRIA has been completed.

#### 5. BACKGROUND/MAIN ISSUES

The UK government has set targets to reduce the UK’s greenhouse gas emissions by 50% by 2027 and by 80% by 2050. Given that transport is recognised to be one of the largest sources of CO2 emissions, Electric Vehicles (EVs) are seen as being a large part of the solution due to their zero tailpipe emissions. The Office of Low Emission Vehicles (OLEV) aims to encourage EV uptake with the “Plugged in Places” scheme, which gives grant funding to areas of the UK to fund the installation of electric vehicle charging infrastructure. Scotland is one of those areas. Aberdeen is classed as a strategic hub in Scotland’s “Plugged in Places” project and has been allocated grant funding to install EV charging infrastructure.

This tender process will be run by the Transport Strategy and Programmes Team with appropriate support being provided by the Central Procurement Unit. The tender shall be awarded on the most economically advantageous basis, and shall give consideration to price, quality of product, service levels, implementation plans, delivery and sustainability.



The tender shall be advertised via the Public Contacts (Scotland) website in order to make it available to the widest possible choice of suppliers.

The successful bidder will be awarded the opportunity to supply the electric vehicle charging infrastructure for delivery this financial year.

Discussions are currently taking place with colleagues on appropriate locations for the charges as there are minimum electrical requirements that have to be met.

The Procurement Business Partner has been consulted and supports the recommendations in the report.

The Finance Business Partner has been consulted and supports the recommendations in the report.

## 6. IMPACT

The “Plugged in Places” scheme has been running since 2009 across Scotland. Therefore it is anticipated that manufacturers of Electric Vehicle Charging Infrastructure will be aware of the scheme which should hopefully lead to considerable interest in the tender.

An EHRIA has been undertaken with the summary provided below.

In order to ensure that the infrastructure is installed in the best places, consultation has been undertaken with the local branch of the Electric Vehicle Association Scotland. As they already have practical experience of using electric vehicles in Aberdeen, they have the best working knowledge of where publically accessible points are needed. They have also confirmed that there is a requirement for publically accessible Electric Vehicle charging infrastructure.

Project Officers have attended two “E-cosse Scotland” workshops. E-cosse Scotland is a partnership of government, industry, WWF Scotland and other key stakeholders to advance wholesale adoption of Electric Vehicles (EVs) in Scotland and this has allowed officers to learn more about the project, the expectations of the funding providers and the needs of EV users.

The project will bring about many positive impacts. It will benefit users of EVs in the city by providing them with a greater number and variety of places to charge. It will make it more attractive for EV owners, who may otherwise have only been able to charge their vehicle at home, to travel longer distances, safe in the knowledge that they will be able to recharge in a greater number of places. The project should also help to encourage EV ownership and electric vehicle movements in the city centre instead of fossil-fuelled ones, thereby reducing the output of

NOx and PM10 production (both of which have serious health consequences) from fossil fuelled vehicles.

It has been recognised that cables, being used to connect cars to charging units, could present a trip hazard, particularly for the visually impaired, those with mobility issues and wheelchair users while an increase in the number of EVs could also prove problematic for the visually impaired or those with hearing difficulties as EVs are virtually silent. Careful siting of EV charging units, preventing the crossing of public footways, should minimise the danger of a tripping hazard while work is being undertaken at European level to overcome the “silent danger” of EVs. International standards, which have already been drawn up by the United Nations Economic Commission for Europe, are expected to be turned into legally binding regulations by the end of next year.

7. BACKGROUND PAPERS

n/a

8. REPORT AUTHOR DETAILS

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