

ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 14<sup>th</sup> February, 2008

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

S e d e r u n t :

Lord Provost Peter Stephen, Chairperson;  
Depute Provost John West; and

COUNCILLORS

GEORGE ADAM  
YVONNE ALLAN  
MARIE BOULTON  
SCOTT CASSIE  
RONALD CLARK  
NORMAN COLLIE  
NEIL COONEY  
JOHN CORALL  
IRENE CORMACK  
WILLIAM CORMIE  
BARNEY CROCKETT  
KATHARINE DEAN  
ALAN DONNELLY  
JACQUELINE DUNBAR  
JAMES FARQUHARSON  
NEIL FLETCHER  
GORDON GRAHAM  
MARTIN GREIG  
JAMES HUNTER  
LEONARD IRONSIDE

MURIEL JAFFREY  
JAMES KIDDIE  
JENNIFER LAING  
GORDON LESLIE  
CALLUM McCAIG  
MARK McDONALD  
AILEEN MALONE  
ANDREW MAY  
ALAN MILNE  
JAMES NOBLE  
GEORGE PENNY  
JOHN REYNOLDS  
RICHARD ROBERTSON  
JENNIFER STEWART  
JOHN STEWART  
KEVIN STEWART  
WENDY STUART  
KIRSTY WEST  
JILLIAN WISELY and  
IAN YUILL

Lord Provost Peter Stephen, in the Chair

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## **HAZEL SPALDING, HEAD OF DEMOCRATIC SERVICES**

1. The Council heard the Lord Provost explain that this Council Meeting was the last meeting that Hazel Spalding would attend in her capacity as Head of Democratic Services prior to her 12 month career break starting on 1<sup>st</sup> April, 2008. The Lord Provost thanked Hazel for her excellent guidance and advice to all Members of the Council explaining that Mrs. Spalding always conducted her advice and guidance in a very friendly, approachable and pleasant manner which was appreciated by all Members of the Council.

The Lord Provost thanked Mrs. Spalding for her work and wished her well in her career break.

On behalf of the Council the Lord Provost presented a bouquet of flowers to Mrs. Spalding as an appreciation of her work.

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

to concur with the remarks of the Lord Provost.

## **MATTER OF URGENCY**

**Lord Provost Stephen intimated that he had in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, directed that the following items of business be considered as a matter of urgency to enable the Council to consider the General Fund Draft Revenue Budget 2008/09 to 2010/11 and the Housing Capital Programme for the same years.**

## **GENERAL FUND - DRAFT REVENUE AND CAPITAL BUDGETS 2008/2009**

2. The Council had before it for consideration reports by the City Chamberlain which (1) (a) submitted for consideration a draft General Fund Revenue Budget for 2008/09, (b) explained the various corporate issues which Members may wish to consider in determining their budget strategy including the level of reserves and working balances, (c) outlined various factors which may influence the revenue budgets in 2008/09 to 2010/11, and (d) outlined indicative budgets for 2009/10 and 2010/11; and (2) provided Elected Members with information to allow the setting of the Non-Housing Capital Programme for the financial year 2008/2009 and an indicative programme for the financial years 2009/2010 and 2010/2011.

The report on the draft Revenue Budget explained (a) that the Scottish Government spending plans entitled "The Scottish Budget Spending Review 2007" for the next three years was presented to Parliament on 14<sup>th</sup> November, 2007 and a finance circular was issued on 13<sup>th</sup> December, 2007; (b) that in addition a concordat

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reflecting a package of measures, within a tight financial settlement was endorsed by the Scottish Ministers and by the COSLA Presidential Team and within the package of measures, reference was made to Single Outcome Agreements, reductions in ring fencing and the retention of efficiency savings; (c) that the jointly agreed package will give local authorities flexibility and greater responsibility with the onus increasingly on authorities to reach decisions on where the money should be spent to achieve agreed outcomes; (d) that it should be noted that the local government settlements 2008 to 2011 are quite different from previous years and are not immediately comparable due to the un-ring fencing of former specific grants that were provided in addition to the core settlement and year on year movements from the settlements; (e) that the settlement outlined that within the overall "all of Scotland" figures of £9.992 billion, the total revenue support allocated to the Council is £337.592 million for 2008/09, rising to £351.532 million for 2009/10 and £363.743 million for 2010/11; (f) that also provided is an indication of the Council's share of the national annual sum of £70 million which will be received if, as part of the overall package, the Council freezes Council Tax rates to 2007/08 levels; (g) that the Council's share of this would be £3.3 million which is equivalent to not increasing the Council Tax by 3.1% or £38 on a Band D property in 2008/09; (h) that whilst the overall settlement reflects an above inflation increase in revenue grants it is worth highlighting that upon a per capita basis of revenue grant per head, the Council does not score favourably; (i) that funding per head of population for Aberdeen is calculated to be £1,632 for 2008/09; (j) that the Scottish average per head of population of £1,953 with the Council receiving 83.6% of the Scottish average, and by way of illustration, if the Council received the same level of grant per head of population as the Scottish average, then the Council would gain an additional £66.4 million of grant funding in 2008/09; (k) that the arrangements for the basis of the 2008/09 settlement distribution are that the Grant Aided Expenditure totals had been frozen in 2007/08 with the underlying data such as mid-year population estimates and school pupil roles having been updated and the considerable amount of Revenue Support Grants redistributed by way of secondary indicators, the main one being poverty and deprivation indicators; (l) that Members will be aware that this Council loses a substantial amount of redistributed grant because it does not score highly on the poverty and deprivation indicators assessment; (m) that it is clear from the various client "demand" led pressures within Social Work that the grant settlement is insufficient to meet these on-going commitments on an open ended basis, particularly in regard to services for community care and children, with the pressure in children's services generally being caused by the underfunding of Social Work Services, where a gap of around £10 million exists between the amount identified based on indicators within the GAE calculation and the amount required to deliver the service in the City (this automatically impacts on other services of the Council as funding has to be committed to children's services); (n) that it is recognised that the demographics of Scotland are changing particularly in relation to social care, with currently significant growth in the demand for and the cost of older people services due to both the ageing population and the nature and type of service required; (o) that in the case of Aberdeen, a major cause of the high expenditure is current high level of demand for care, for children and young people and adults with learning disabilities and older people including free personal care; (p) that since 1<sup>st</sup> April, 2004, the

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previous Section 94 controls on borrowing have been replaced with a new prudential framework and Councils are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003; (q) that in setting the Non-Housing Capital Programme, Elected Members will be aware that under the Prudential Code, the level of capital investment is determined at a local authority level; (r) that for 2008/09 to 2010/11 total loan charges support provided to local authorities through Aggregate External Finance is based on an assumed level of new capital debt taken out each year, and the City Chamberlain has assumed that supported borrowing allocations for the Council are £10.321 million for 2008/09 and future years; (s) that in terms of the Prudential Code, the Council must consider the affordability of its capital programme for all years and the Code also requires the Council to have regard for wider management processes in accordance with professional good practice; (t) that it is also a requirement of the Prudential Code that treasury management is carried out in accordance with good professional practice and the Prudential Code requires the Council to comply with the CIPFA Code of Practice for Treasury Management in the Public Services (the report explained that the Council complies fully with this Code of Practice); (u) provided information on Council Tax income; the use of reserves and balances; and the capital fund; and (v) provided details of relevant budgetary matters such as:- budget demand led pressures; waste management services; inflationary pressures; equal pay and modernisation issues; and equal pay claims.

**The draft Revenue Budget report recommended:-**

that the Council consider the draft General Fund Revenue Budget and take decisions as to:-

- (a) adjustments to the 2008/09 draft base budget taking into consideration the revenue implications of proposed expenditure on the Non-Housing Capital Programme;
- (b) the Council Tax levels for 2008/09, 2009/10 and 2010/11 taking into consideration the Scottish Government's "Spending Review 2007" document and the concordat between the Scottish Government and COSLA;
- (c) the proposal that the level of uncommitted balances or free balances on the General Fund, be targeted to be reinstated to a level of between 2.5% to 3% of the total value of the net expenditure Revenue Budget and this be subject to on-going regular review and monitoring as part of the Council's finance strategy; and
- (d) instruct the City Chamberlain to bring forward proposals to the Resources Management Committee in August, 2008 in relation to a review of debt strategy, the use of the Capital Fund and the restoration of balances.

The draft Non-Housing Capital Programme report explained (a) that in determining the Capital Programme, bids were requested from all services and resulted in the total bids received being in excess of the funding available, the programme was then reviewed and priority was given to on-going legal commitments of projects, rolling programmes, transformation and previously approved projects; (b) that these projects total £78.558 million (excluding slippage) for the financial year 2008/09; (c) that in relation to the forecast out-turn for the Capital Programme

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2007/2008, the programme is anticipated to break even based on spend to date on many of the projects; (d) that during the current financial year there had been a number of projects that had "slipped" due to a variety of reasons that are to some extent outwith the control of the Council and to allow for such unforeseen factors an allowance is made within the programme for such events (for the financial year 2007/08 the figure was £20.531 million 30% of total expenditure) and the figure for future years is set at approximately 30% of total expenditure; (e) it should be noted that spend to date, as at 31<sup>st</sup> December, 2007 is £31.509 million, clearly, this means that there will have to be a large amount of spend within the next three months to achieve the proposed out-turn; (f) it should also be noted that included within the other enhancements is an allowance for a number of specific grants, including:-

- cycling, walking and safer street - £365,000
- 20mph initiatives - £466,000
- school buildings - £4.062 million
- NESTRANS - £1.339 million
- additional capital grant - £1.841 million;

(g) details relating to capital financing, the Prudential Code and a summary of the Capital Programme 2008/2009; (h) that the level of capital spend for which funding is available is £54.991 million, this compares to the estimated level of expenditure (after slippage) of £54.991 million, therefore, if the Council wishes to increase the capital programme, savings will have to be found within the Council's revenue budget; (i) that the Council should also be aware of the continued position in relation to building costs within Aberdeen and therefore, Elected Members should bear in mind that the indicative costs given for many projects are likely to increase over the next few years, examples of the type of projects that are likely to be affected would include the Ness landfill sites, Torry Regeneration, Cove Community Facilities, Music School Accommodation and Croft House; (j) in order that the construction elements of the programme can be initiated, the Corporate Director for Resources Management should be authorised to progress the agreed programmes of works in relation to contractual arrangements, tender preparation and issues, tender receipt and opening, tender acceptances, performance bonds, related items and administrative contracts and therefore, this will require a granting of directions in terms of Standing Orders 69 to 76 (inclusive), 79 and 80, which became effective on 1<sup>st</sup> October, 2002; (k) details relating to setting indicative capital programmes for financial years 2008/09 to 2010/11; and (l) that in determining the Capital Programme for 2008/09, it is recommended by the Corporate Management Team that a capital investment fund of £2 million be created and this would give the Council, through consideration by the Resources Management Committee the capacity to invest in for example spend to save projects and it is recognised that this will have revenue (Capital Financing) costs of £90,000 and this is reflected in the Revenue Budget for Members consideration.

**The draft Non-Housing Capital Programme reported recommended:-**

that the Council -

- (a) considers and approves the Capital Programme for the financial year 2008/09, identifying any new projects that they wish included, to be funded

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- from the appropriate savings identified in the General Fund Revenue Accounts;
- (b) sets an indicative programme for 2009/10 and 2010/1;
  - (c) approves the identified/earmarked commitments of £8.192 million (as detailed in the report);
  - (d) instructs the City Chamberlain to report to the Resources Management Committee meeting on 22<sup>nd</sup> April, 2008 on proposals for a detailed process for the prioritisation of projects;
  - (e) approves the granting of directions in terms of Standing Orders as detailed in the report; and
  - (f) approves the creation of a capital investment fund project of £2 million with approval for use by the Resources Management Committee (as detailed in the report).

Councillor Dean addressed the meeting in the manner reproduced in Appendix A to this Minute and moved, seconded by Depute Provost West:-

- (a) that the proposals contained in her statement be approved and that the draft Revenue Budget detailed in the City Chamberlain's report be adjusted in accordance with Schedule 1 to her statement;
- (b) that the Non-Housing Capital Programme 2008/09 to 2010/11 detailed in the City Chamberlain's report be adjusted in accordance with the detail contained in Schedule 2 to her statement;
- (c) that the Administration's proposals for savings and growth as detailed in her statement be approved;
- (d) that the Council agree there be no increase in Council Tax with a Council Tax collection rate of 97.6%;
- (e) that the Council approve the proposal that the level of uncommitted balances or free balances on the General Fund be targeted to be reinstated to a level of between 2.5% and 3% of the total value of the net expenditure Revenue Budget and that this be subject to ongoing regular reviews and monitoring as part of the Council's finance strategy;
- (f) to instruct the City Chamberlain to bring forward proposals to the Resources Management Committee in August, 2008 in relation to a review of debt strategy, the use of the Capital Fund and the restoration of balances;
- (g) that the Council approves the identified/earmarked commitments in relation to the Capital Programme of £8.192 million;
- (h) instructs the City Chamberlain to report to the Resources Management Committee meeting on 22<sup>nd</sup> April, 2008 on proposals for a detailed process for the prioritisation of capital projects;
- (i) that the Council approves the granting of directions in terms of Standing Orders as detailed in the Non-Housing Capital programme report;
- (j) that the Council approves the creation of a Capital Investment Fund project of £2 million with approval for use by the Resources Management Committee (as detailed in the Non-Housing Capital Programme Report); and

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- (k) that the Council agrees to the establishment of a Budget Monitoring Sub-Committee comprising seven Members (two Liberal Democrat Group Members, two SNP Group Members, one Labour Group Member, one Conservative Group Member and the Independent Member on the Council).

Councillor Dean thanked her colleagues in the Administration, particularly Councillors Kevin Stewart, Cassie and Fletcher, the City Chamberlain and her staff and all other Directors and staff who assisted her in the preparation of the Administration's budget.

Councillor Milne moved as an amendment, seconded by Councillor Farquharson:-

That the Council -

- (a) approve a 12% saving on the funding used to acquire agency staff (this would equate to a saving of £16.8 million);
- (b) that the Council approve zero base budgeting from next year and every third year;
- (c) that the Council approve the increased use of joint procurement with Aberdeenshire Council and NHS Grampian and other public service bodies;
- (d) that the Council authorise officers to investigate underspends in the budget and allow them to be carried over; and
- (e) otherwise approve the recommendations contained in the two reports provided by the City Chamberlain.

Councillor Ironside moved as a further amendment, seconded by Councillor Hunter, as follows:-

We totally oppose the massive service cuts imposed by this budget proposal, particularly the cuts in children's and adults services.

We move that the Administration's budget be taken back for urgent reconsideration and alternative proposals identified to meet Aberdeen City Council's budgetary requirements without imposing further hardships on the most vulnerable members of our community.

Further an urgent report be brought back to a Special Council Meeting before 29<sup>th</sup> February, 2008.

#### **DECLARATION OF INTEREST**

**During the debate on the proposed motion and two amendments, Councillor Yuill declared an interest in the subject matter of the debate due to his employment. Councillor Yuill felt it necessary to leave the Chamber during the debate and the subsequent votes.**

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On a division between the amendment by Councillor Milne and the amendment by Councillor Ironside, there voted:-

For the amendment by Councillor Milne (21) - Depute Provost West; and Councillors Boulton, Cassie, Corall, Cormie, Donnelly, Dunbar, Farquharson, Fletcher, Jaffrey, Kiddie, McCaig, McDonald, May, Milne, Noble, Penny, Kevin Stewart, Wendy Stuart, Kirsty West and Wisely.

For the amendment by Councillor Ironside (10) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter, Ironside, Laing and Robertson.

Declined to vote (10) - Lord Provost Stephen; and Councillors Clark, Cormack, Dean, Greig, Leslie, Malone, Reynolds, Jennifer Stewart and John Stewart.

Absent from the division (1) - Councillor Yuill.

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

For the motion (27) - Lord Provost Stephen; Depute Provost West; and Councillors Cassie, Clark, Corall, Cormack, Cormie, Dean, Dunbar, Fletcher, Greig, Jaffrey, Kiddie, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart and Kirsty West.

For the amendment (5) - Councillors Boulton, Donnelly, Farquharson, Milne and Wisely.

Declined to vote (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter, Ironside and Laing.

Absent from the division (1) - Councillor Yuill.

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

**Attention having been directed to the removal by the Secretary of State of any disability imposed by Section 38 of the Local Government (Scotland) Act 1973 on any members of the Council who are tenants of municipal houses so as to enable them to consider, discuss and vote on the matter of rent of municipal houses, the Head of Democratic Services intimated that the following Member had declared an interest:-  
Councillor Collie.**



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### **HOUSING REVENUE ACCOUNT - HRA REVENUE AND CAPITAL BUDGET 2008/2009 TO 2010/2011**

3. The Council had before it (1) a report by the City Chamberlain which provided Members with information to allow the setting of the housing rent level for the financial year 2008/09 as well as provisional rent levels for the financial years 2009/10 and 2010/11 and explained that this would allow a capital programme for 2008/09 to be set and a provisional programme for 2009/10 to 2010/11 to be determined; and (2) a report by the City Chamberlain which provided Elected Members with information to allow the setting of the Housing Capital Programme for the financial year 2008/09 and an indicative programme for the financial years 2009/10 and 2010/11.

The Housing Revenue Account report explained (a) that the draft budget for 2008/2009 (as attached at Appendix 1 to the report) showed gross expenditure of £66.901 million which included a contribution to capital expenditure referred to as Capital Financed from Current Revenue (CFCR) of £9.006 million and income of £66.901 million which reflects and includes a proposed rent increase of 4.2% based on feedback from the annual tenants consultation; (b) that the budget includes the capital financing charges to fund a programme of £44.988 million (the details of the potential projects to be included in this programme were contained in Appendix 1 to the report); (c) that the budget detailed in Appendix 1 to the report also requires the miscellaneous rents and service charges to be set and the report gave indicative increases that the Council may wish to consider, along with what these mean as a percentage (the Council will have to decide on any possible increment to these charges in line with their rent setting strategy); (d) that during 2007/08 the voids trend has continued to decline and the budget detailed in the report reflects this and assumes further reductions will be made as this is based on the current rent level; and (e) issues relating to efficiency targets; working balances; the Prudential Code and provisional budgets for financial years 2009/10 to 2010/11.

#### **The Housing Revenue Account report recommended:-**

that the Council -

- (a) consider and determine any adjustments they may wish to make to the draft 2008/09 Housing Revenue Account including efficiencies targets;
- (b) determine the average weekly unrebated rents for municipal houses to take effect from Monday, 7<sup>th</sup> April, 2008 taking into consideration the Scottish Housing Quality Standards Delivery Plan, the outcomes of the 2002 Tenants Referendum and the annual rent consultation;
- (c) determine the level of revenue contribution to the Housing Capital Budget for 2008/09 as well as a provisional contribution for the financial years 2009/10 and 2010/11;
- (d) determine the level of income which will be utilised to finance borrowing through the Prudential Code to finance capital expenditure for 2008/09 as well as a provisional amount for the financial years 2009/10 and 2010/11;
- (e) determine the level of working balances that should be retained to meet future contingencies;

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- (f) determine the level of miscellaneous rents and service charges, including heat and rent;
- (g) agree to other adjustments Council may wish to make to the draft Housing Revenue Account for the financial years 2008/09 to 2010/11; and
- (h) consider, in terms of the Joint Public, Voluntary and Community Compact the level of core funding to voluntary and community centre organisations for the financial years 2009/10 and 2010/11.

The Housing Capital Programme report explained (a) that the Local Government in Scotland Act 2003 introduced a new statutory duty relating to best value and community planning and in response to this legislation, the Council has worked with its community planning partners to produce Aberdeen's Community Plan *aberdeen futures*; (b) that contained within the Community Plan are a number of challenges including "homes" and "neighbourhood action"; (c) that the residents of Aberdeen have indicated that in relation to homes that the City needs to have more quality affordable housing; and the City needs to deal with energy conservation and home security; (d) that residents who were consulted during the preparation of the community plan indicated that the City must also develop an area of focus which seeks local solutions to local issues which has resulted in the production of neighbourhood community action plans for each of the 37 neighbourhoods within the City; (e) that the main actions impacting the housing investment programme which have been identified within the individual plans can be summarised as follows:-

- to achieve standards above the minimum requirements of the Scottish Housing Quality Standards
- to eradicate below tolerable standard dwellings within the City by 2011
- to implement the Housing Energy Conservation Act to reduce energy consumption through efficient heating systems and installation measures
- to eradicate dampness within the Council housing stock
- to improve maintenance of the housing stock
- to provide a fit for purpose housing stock with modern kitchen/sanitary facilities and modern heating systems
- to increase investment in the housing stock
- to achieve environmental improvements
- to improve the quality of housing
- to address crime prevention measures

(f) that from 1<sup>st</sup> April, 2004, Councils were required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003; (g) when setting the programme, Members will be aware that under the Prudential Code, the level of capital investment is determined at a local authority level; (h) that attached at Appendix 1 to the report was the list of potential projects which are part of the draft Housing Capital Programme subject to the setting of the rent levels, and this draft Programme, which is subject to approval, is currently based on rent levels of inflation plus 1% which would provide a CFCR contribution of £9.006 million towards financing net spend of £44.948 million in 2008/09; (i) that this net budgeted spend is based on a gross programme of £52.695 million, prior to an allowance for slippage of 15% for

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tender variables and project progress, and is in line with the funding outlined from borrowing and CFCR; (j) previously the provisional budget of £50.988 million had been identified from the 2008/09 Housing Capital Programme, however, £6 million of projects have been identified as routine repairs and maintenance on fixed assets which in accordance with the code of practice on local authority accounting issued in 2006 should be charged to the Housing Revenue Account (the provisional revenue contribution has been reduced to reflect the transfer of expenditure into the Housing Revenue Account when a budget has been identified); (k) that the rent setting report is a separate item on the agenda for today's meeting when Members will decide on the Council house rent levels for 2008/09, and a proposed rent setting strategy for 2009/10 and 2010/11; (l) that this report has assumed that the Council will continue with the business plan approach and approve a rent increase of 4.2%, with CFCR being estimated at £9.006 million with a level of capital receipts at £12 million, however, should the Council chose to increase the rent levels above the 4.2% level and therefore above the draft programme of £44.988 million it will need to decide on how the rent increase should be implemented, that is, it must decide on the split between CFCR and what new additional borrowing it wishes to undertake; (m) that the proposed capital programme (as detailed in Appendix 1 to the report) sets out provision made for a number of items including those listed below:-

- installation of a new district heating system at Ashgrove Court
- upgrading of Denburn Court to amenity standard, this will also include a new heating system
- upgrading of Parkhill Court from bedsit sheltered accommodation to one bedroom sheltered accommodation
- the first full year of framework agreement to provide the modernisation of kitchens and bathrooms
- continuation of the rebuild of Coronation Court and the upgrading of Hillside and Northfield Cottages (housing for varying needs);

(n) the indicative programme for financial years 2009/10 and 2010/11; (o) the additional capital investment, which allows the Council to, should they desire, increase the level of borrowing undertaken annually to finance capital expenditure due to the introduction of the Prudential Code; (p) that in setting a Housing Revenue Account budget for 2008/2009 to 2010/2011, Members will have to pay cognisance to the level of capital investment in setting a rent setting strategy; (q) that in setting the rent levels for 2008/2009 the additional income generated can be used for the following options:- (1) wholly finance capital expenditure; (2) wholly used to finance additional capital borrowing or (3) a mix of CFCR and prudential borrowing (as was the case in setting the 2005/2006 Revenue Budget); (r) the main advantages and disadvantages of the three options; (s) that the Council's new build programme still remains a significant commitment within the Housing Capital Programme, to increase the provision of houses for varying needs, to meet the growing demands of an increasing ageing population and this can be seen by the rebuild of Coronation Court; (t) that the Council also welcomes the Scottish Government's proposals in the Green Paper "Firm Foundations: The Future of Housing in Scotland" which proposes to support local authorities and social landlords by:-

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- ending the right to buy for all new social housing
- encouraging local authorities to use prudential borrowing powers to afford new affordable rented housing
- providing new incentives for Council house building such as subsidies awarded on a competitive basis where best value can be demonstrated;

(u) that the Council therefore intended to take advantage of these new proposals and commit a capital expenditure to commence early action works, within the six priority area for community regeneration, in partnership with other housing providers to increase the supply of affordable rented family sized cottages in Aberdeen; (v) to avoid the concentration of poverty and to remove any perceived stigma of Council housing, it is proposed that the Council seeks a strategic partner to commence with the construction of family sized housing within three areas as “demonstration projects” of efficient, sustainable construction methods and the development of high quality mixed tenure developments, specifically:-

- Hayton Road - Demolition Scheme: removal of empty tenement flats and construction of approximately 10 x semi-detached three bedroom cottage type properties
- Cummings Park - Cleared former school site; construction of approximately 20 x 3 bedroom cottage type properties
- St. Fitticks - Redevelopment of former farm site:- 6 x family sized flats;

(w) that there is sufficient capacity within the Housing Capital Expenditure Budget for 2008/09 to commence on-site assembly work in advance of commencing construction of new build affordable Council housing for rent; and (x) in view of the priority and need to rebuild new build affordable housing, officers within Strategic Leadership and Resources Management will work towards building capacity within existing projected Housing Capital Expenditure Budgets for future years, these are contained within the revised HRA Business Plan, the results of this process will be presented to the Resources Management Committee for consideration and approval prior to the Summer recess.

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

that the Council -

- (a) consider the information contained within this report to set a capital programme for the financial year 2008/09 based on the rent setting strategy adopted;
- (b) consider the indicative level of programme for the financial years 2009/10 and 2010/11 based on the rent setting strategy adopted; and
- (c) agree that all receipts generated from the Council house sales be utilised for the repayment of debt.

Councillor Malone addressed the meeting in the manner reproduced in Appendix B to this report and moved, seconded by Councillor Kiddie:-

- (a) that the Council agree to maintain the rent policy of inflation plus 1% meaning that the average unrebated weekly rent of Council houses be increased by £2.46 per week (from £56.29 to £58.75) with effect from 7<sup>th</sup> April, 2008 (4.2% increase);

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- (b) the level of revenue contribution to the Housing Capital Budget for 2008/2009 will be £9 million and an indicative level of £6.5 million for 2009/10 and £4 million for 2010/11;
- (c) that the level of income which will be utilised to finance borrowing for the Housing Capital expenditure will be £35.9 million for 2008/09 and an indicative level of £39 million for 2009/10 and £40.5 million for 2010/11 allowing the Council to have an overall programme of £52.7 million for 2008/09;
- (d) that working balances should be maintained at 5% of gross expenditure with minimum balances of £3.345 million for 2008/09;
- (e) that the miscellaneous rents and other service charges as detailed in the draft Housing Revenue Account report be approved;
- (f) to otherwise approve the remaining recommendations contained in the Housing Revenue Account report; and
- (g) to approve the recommendations and proposals contained in the Housing Capital Expenditure report.

Councillor Malone thanked all the staff who had helped her prepare the budget.

Councillor Crockett moved as an amendment, seconded by Councillor Graham:-

That the Council restricts the increase on Council house rents to the current rate of inflation. The Council also agrees that it leads a campaign to press the Scottish Government for a specific response to Aberdeen's social housing crisis.

On a division, there voted:-

For the motion (30) - Lord Provost Stephen; Depute Provost West; and Councillors Boulton, Cassie, Clark, Corall, Cormack, Cormie, Dean, Donnelly, Dunbar, Fletcher, Greig, Jaffrey, Kiddie, McCaig, McDonald, Malone, May, Milne, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Wisely.

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

Absent from the division (3) - Councillors Farquharson, Leslie and Yuill.

**The Council resolved:-**

to adopt the motion.

**MATTER OF URGENCY**

**Lord Provost Stephen intimated that he had in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 directed that the following item of business be considered as a matter of urgency to**

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**allow the Council to consider setting Prudential indicators for the financial years 2008/2009 to 2010/2011.**

#### **DRAFT PRUDENTIAL INDICATORS**

4. The Council had before it a report by the City Chamberlain which provided Elected Members with information in relation to the Prudential indicators that are required to be set for the financial years 2008/09 to 2010/11 as required by Part 7 of the Local Government in Scotland Act 2003.

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

that the Council -

- (a) considers the information contained within the report and sets the Prudential indicators for the financial years 2008/09 to 2010/11 (based on the approved budgets on the day); and
- (b) instructs the City Chamberlain to monitor the indicators and report back to Council on the position with regard to the indicators where appropriate.

The Council were then circulated with a revised set of Prudential indicators for the financial years 2008/09 to 2010/11 from the Administration, based on the decisions taken by the Council at Articles 2 and 3 to this Minute (a copy of which forms Appendix C to this Minute).

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

- (i) to approve the revised set of Prudential indicators for the financial years 2008/09 to 2010/11; and
- (ii) to instruct the City Chamberlain to monitor the indicators and report back to Council on the position with regard to the indicators where appropriate.

#### **DRAFT COMMON GOOD BUDGET 2008/09 TO 2010/11**

5. The Council had before it a report by the City Chamberlain submitting for consideration the draft Common Good Budget for 2008/09 to 2010/11 along with indicative budgets for 2009/10 and 2010/11.

The report advised (a) that in preparing a draft Common Good Budget for 2008/09 to 2010/11, the strategy approved by the Finance Monitoring Sub-Committee on 24<sup>th</sup> August, 2004 has been applied (the calculation of an indicative cash balance using the consumer price index (CPI) as part of the budget setting process has been adopted as an underlying principle); (b) that included in the Common Good Budget for 2008/09 is £450,000 of expenditure approved by the Resources Management Committee on 18<sup>th</sup> January, 2008 relating to the Greenfern development site and whilst the Common Good has adequate cash funds to meet this expenditure it will put pressure on the maintenance of the recommended

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minimum cash balances, pending the recouping of this expenditure at the completion of the project and in view of this, where indicative cash balances are shown in this report they have been reduced by £450,000 in respect of this to allow meaningful comparisons; (c) on the origin, history and purpose of the Common Good; (d) on information relating to the draft budget for 2008/09 and the indicative budgets for 2009/10 to 2010/11; (e) on the items referred to the Common Good Budget process:-

the following items had been referred to the budget process in respect of recurring expenditure:-

- Hanse Day - £10,000
- Aberdeen's Winter Festival - £40,000
- 50+ Programme - £30,000
- Castlegate Arts - £8,000

The following items have been referred to the budget process in respect of non-recurring items of expenditure:-

- Homecoming Scotland - Archivist - £15,000
- Duthie Park 125<sup>th</sup> Anniversary - £25,000;

and (f) on the invested funds and cash balances within the budget.

**The report recommended:-**

that the Council -

- (a) consider the detailed Common Good Budget for 2008/09 as detailed in the Appendix to the report and the forecast cash balances position;
- (b) approves a Common Good Budget, taking into consideration any proposals to amend the draft budget (as detailed at Appendix 1 to the report), including any decisions arising out of consideration of items referred to the budget process (as detailed at Appendix 6 to the report), Council's approval of the General Fund Budget and the impact on cash balances;
- (c) notes the indicative Common Good Budgets for 2009/10 and 2010/11; and
- (d) notes that a future report will be provided to the Resources Management Committee in relation to assessing and maintaining the value of the Common Good.

**The Council resolved:-**

- (i) to approve the recommendations contained in the report and the base budget for the Common Good; and
- (ii) to refer the additional recurring expenditure and non-recurring items of expenditure as detailed in the report to the next meeting of the Resources Management Committee on 26<sup>th</sup> February, 2008 for consideration.

- **PETER STEPHEN, Lord Provost.**

**Appendix A****BUDGET SPEECH 2008/09**

1. Lord Provost, Members of Aberdeen City Council, I rise to move the Administration's proposals for the 2008/09 Revenue Budget and Non Housing Capital Programme. These budgets require to be considered together under the Prudential Borrowing Regime.
2. This is the first budget from the new Administration which has been leading Aberdeen City Council since the elections in May 2007.

We have set out our priorities in the document Vibrant, Dynamic and Forward Looking which was adopted as Council Policy on 27 June 2007. From the 72 priorities which it contains we have prioritised 22 for the earliest implementation.

**Education**

- Implement the ambitious £110 million 3Rs schools project
- Ensure Aberdeen's pupils and teachers have school buildings fit for the 21st century
- Continue work to improve attainment across city schools
- Ensure education is appropriate to pupils' needs and ensure pupils leave school with skills essential for living
- Establish a network of community learning hubs across the city
- Continue work to raise the achievement of vulnerable children and close the attainment gap across the City.

**Economic Development**

- Continue to drive regeneration and take advantage of regeneration opportunities city wide as they present themselves and identify, in consultation with the local communities and the business community, immediate priorities for regeneration projects

**Culture, Arts and Sport**

- Complete the development of the Regional Sports Facility
- Ensure high quality, well managed sports facilities in Aberdeen.

**Health and Care**

- Ensure that there are clear contracts and service level agreements with partner providers
- Launch a major new initiative in partnership with NHS Grampian, Grampian Police and the Voluntary Sector to tackle substance misuse including drugs and alcohol
- Develop advocacy for appropriate client groups and ensure that the advocacy provisions of the Mental Health Act are implemented.



**Transport**

- Improve Aberdeen's transport infrastructure – including delivering the 3rd Don crossing and addressing other “pinch points” in the city's roads network.
- Lobby the Scottish Government to urgently address congestion issues on trunk roads in Aberdeen, including specifically the Haudagain and Bridge of Dee
- Continue to invest in proper maintenance of roads, pavements and street lights
- Work to improve public transport in and to our city, including supporting Aberdeen Crossrail and the introduction of appropriate bus priority measures

**Environment**

- Adopt ambitious targets for recycling and composting, including a target of 40% of household waste being recycled by 2011
- Pursue legal remedies for littering, flyposting, dog fouling, noise pollution, graffiti and unauthorised parking

**Housing**

- Work with Registered Social Landlords to develop affordable housing including 2,000 new affordable houses
- Provide better secured controlled access to multi-storey blocks

**Efficient Council & Fair Funding**

- Deliver on equal pay under the single status agreement, whilst protecting the ability to keep services in house under best value
- Completing Neighbourhood Service Delivery

I am pleased to say that even in this very tight budget round we have managed to maintain or increase both capital and revenue expenditure in these and other priority areas.

3. This year's settlement is one of the toughest for Aberdeen City Council since 1996. This should come as no surprise, as both the UK and Scottish Governments (past Administrations and present) have been warning us for more than 12 months that this would be a very tight budget round and this has proven to be correct.

It should be noted that this year's local government financial settlement is quite different from previous years due to the 'un-ring fencing' of a large number of former specific grants. These un-ring fenced monies are now part of our general revenue settlement. This is as a result of the Concordat between the Scottish Government and local government that gives local

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authorities greater flexibility and additional responsibility in determining its spending priorities. The requirement is for local authorities to determine spending priorities based on an agreed Local Outcome Agreement (LOA). The council will therefore undertake a detailed review of the outcomes achieved from expenditure funded by former ring fenced grants to evaluate whether these are still council spending priorities.

Although Aberdeen's overall increase in Scottish Government grant is 4.1%, when you deduct the funding attributed to former ring fenced monies, the real year on year increase is 2.4%. This equates to around £7 million and barely covers the annual salary/wage awards for all employees. The council, therefore, has to absorb all other cost pressures, such as significant increases in energy contracts, significant needs led pressures on health and care budgets, etc.

In relation to council tax, the Scottish Government included a national pot of £70 million as part of the overall settlement with a share being allocated to those councils who decide not to increase council tax. Assuming that Aberdeen City Council agrees to freeze council tax, we will receive a grant of £3.3 million.

Aberdeen City Council receives the lowest grant per head of population of all 32 councils in Scotland. This is due to the way that grant is distributed amongst local authorities. The grant distribution formula is very complex. Three of the main components of grant distribution are:

1. Overall population
2. School population
3. Levels of deprivation

Aberdeen has a projected falling overall population, projected falling school rolls and below average levels of deprivation (although there are some severe pockets of deprivation within the city). These factors all have a negative impact on our grant distribution. In addition, the city has a rising elderly population which puts pressures on Health and Care budgets with no commensurate increase in Scottish Government funding. We continue to lobby for a change in the grant distribution formula.

The implementation of Equal Pay and Modernisation has added £10.5 million to our annual costs to meet additional salary/wage costs. The former Scottish Executive made it clear from the outset that there would not be any additional funding to cover this. The offset savings through the revision of the terms and conditions will not be realised immediately.

4. You will be aware that the Council has been working since 2001, and at an increasing pace since 2005/06, to transform service delivery and much has been achieved.

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It is our intention to continue, accelerate and deepen the coverage of this.

This year's budget assumes that savings previously generated by the transformation processes will continue and that further to that:

- A further £11.8 million will be generated during 08/09 as an outcome of the improvements to Adult and Children's Services agreed in October 2007 and now being implemented.
- A further £10 million, plus, to be achieved through transformational change is contained in the budget proposals attached to this paper.
- Further proposals on the transformation of Environmental, Sports and Leisure Services were agreed by Council yesterday.
- Further proposals on all areas of service and in particular Housing and Central Services will be brought forward in early course.

Although the main emphasis is on productivity increases delivered through the transformation programmes we have also taken steps to reduce levels of service provision where these are in excess of those provided in other local authorities or for which we are not funded or where demand just doesn't justify the expenditure. These can no longer be supported and levels need to be brought into line with what we can afford. We would not be doing our duty in terms of our responsibility for the good stewardship of Council resources if we did not deal with these aspects of service delivery even if these will be unpopular where people have previously enjoyed these higher levels of service delivery.

#### 5. Children's Services, Adult Services, Sport, Waste Disposal

In terms of further linkages between the allocation of budget and our policy priorities we have addressed the following areas where service delivery is on average not as good as comparable councils, in spite of us making more generous provision of resources. So we need to be clear that the quality of service is not related solely to available resources – not least budget.

In Children's Services:

1. We will complete the full integration of Children's Services
2. We will increase attainment at 5/14.
3. We will reduce exclusions.
4. We will reduce the number of children with additional needs going out of the city and or into residential provision.
5. We will improve the attainment of looked after children.
6. We will close the gap in educational attainment.
7. We will reduce the incidence of violent incidents in classrooms.

To do this on a reducing grant settlement and with falling school rolls we will:

- use the potential of the Neighbourhood Networks to commence the roll out of "wrap around" provision based on personal development plans for

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each young person in Aberdeen starting with those with greatest need and completing this by school session 2010/11

- reduce the amount going to overheads, particularly building costs
- realign school and social work staffing provision and management structures to better meet children's needs and the needs of the staff who deal with them
- redirect more provision into supplies and services – e.g. per capita
- provide increased capacity for care to be provided within the city
- exercise much tighter control of transport costs
- ensure that this is all underpinned by robust performance management systems with regular reporting to Elected members and Management and to the public via our Local Outcome Agreement.

However, if all the Administration's recommendations are agreed by Council today expenditure on the Education element of Children's Services will still increase by 3.7% on the 2007/08 expenditure and that at a time when pupil numbers will drop by about 2%.

## In Adult Services:

1. We will reverse the movement in the balance of care to provide sufficiently more care in the community as opposed to residential provision.
2. We will deal once and for all with the issue of delayed discharges.
3. We will transform provision in specialised areas such as Adults with Learning Difficulties, mental health provision and substance misuse.

To do this on a reducing grant settlement and with an increasing number of people requiring an increasing level of service we will:

- use the potential of the Neighbourhood Networks to commence the roll out of personalised "wrap around" care based on personal care plans for all adults with additional needs of any kind, this to be completed by June 2010. The initial focus will be on individuals and families who suffer from the effects of substance misuse.
- more tightly control the process of constructing care packages
- reduce the expenditure on overheads such as buildings
- make greater provision of housing for varying needs
- prioritise substance misuse in terms of management focus and resources
- make more flexible use of the available staffing in conjunction with the Health Service and the Voluntary Sector
- exercise much tighter control of transport costs
- ensure that this is all underpinned by robust performance management systems with regular reporting to Elected members and Management and to the public via our Local Outcome Agreement.

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## Waste Disposal:

1. We will maximise recycling rates.
2. We will work to minimise the quantity of waste entering the waste stream.
3. We will minimise the unit cost of collecting and disposing of waste.
4. We will minimise the amount of waste going to landfill.
5. We will identify and implement environmentally friendly “energy from waste” systems. This does not imply incineration but is more likely to consider pyrolysis, gasification, etc.

The means of achieving this were agreed by Council yesterday.

I also wish to see a similar detailed improvement focus on the Housing Service and Central Services with recommendations for reductions in unit costs, increases in productivity and improvements to services. I wish to have recommendations for these processes to come to an early meeting of the Continuous Improvement Committee.

## In Sport:

1. We will achieve much better use of the very high levels of capacity in the City.
2. We will increase participation levels especially from groups who do not currently take part in sporting activity.

We will achieve this by:

- better matching supply to demand
- reducing overhead and staffing costs relative to demand and income
- maximising the Relative Recovery Rate

Council will be aware that decisions were made yesterday to move to a trust type arrangement similar to Aberdeen Performing Arts which has successfully achieved a similar transformation of the management of our venues.

## 6. Equal Pay and Modernisation

I referred earlier to the work which has been done over several years to implement the Equal Pay legislation in the context of the national agreement which envisaged that this would be done through a process of job evaluation and would be linked to Modernisation of service delivery to be achieved through modernising terms and conditions of service. I am grateful to the staff, the elected members of all parties, and trades unions for the progress which has been made to date. We still await the outcome of ballots of trades union members on the proposals before we can move to the next stage. However, we have budgeted for the full £10.5 million cost. The financial impact of this in 2008/09 is one of cost with no offsets. The offsets which we

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need to achieve through implementation of the new terms and conditions will only begin to yield efficiency savings in 2009/10 and future years.

We have also made adequate provision to allow us to meet our commitment to fully backdate Compromise Payments.

#### 7. Modernisation and Shared Services Agenda

The Council has been working on the Modernisation of services for some time now and there are particular examples, some of them large, of changes which have brought significant improvement to services and significant savings to the Council, both of which generate benefit to the community.

The overall modernisation drive has increasingly seen the Shared Services Agenda as a central strand. We are now beginning to see real benefit from such joint working with other parts of the public sector and other local authorities, primarily Aberdeenshire.

During last financial year the joint working on procurement yielded £2.6 million of savings shared fairly evenly between Aberdeenshire Council and ourselves. A joint board of elected members has been created across Aberdeenshire Council and Aberdeen City Council. The board is now driving the Agenda very hard. Their immediate priorities are to continue to derive the benefits of joint procurement and on top of the recurring £1 million plus from last year we expect at least a further £1 million in savings in the coming year. This progress has been accelerated by the appointment of a shared post of Head of Joint Procurement. Work is also progressing fairly rapidly on the further joining of our fleet management services and our environmental health and trading standards.

Beyond these Shared Services, the previous work to modernise service delivery will continue:

- continuing best value reviews supported by the citistat process
- particular focus on the full implementation of the neighbourhood networks to provide the kind of “wrap around care” packages individualised for citizens or families and, as is implied in section 5 above in relation to new approaches to children’s services and adult services.
- particular focus on maintaining the accelerated rate of delivery of big infrastructure projects such as Guild Street, the Green, Bon Accord Centre, Marischal College, North Esplanade West, Regeneration Areas, 3 R’s, Western Peripheral Route, etc. These are vital to the continued business success of the City.

## 8. General Items

In line with wider Council Policies on the environment and financial stewardship we will set and achieve challenging targets for the reduced consumption of

- fuel
- water
- paper
- waste

The Continuous Improvement Committee will approve these targets and the means of achieving them at an early meeting.

These measures do not apply solely to the Council but equally to the whole city. We are encouraged by the response to the various environmental challenges. We believe that working together we can achieve these including the 40% target for recycling.

## 9. Concordat, Council Tax and Single Outcome Agreements

The new Scottish Government has moved to reduce the degree of scrutiny of Local Government by Central Government and as a first step has committed to radically reduce the number of inspections to which we are exposed. The intent to move to a system of Single, or Local, Outcome Agreements (LOA's) where local authorities and shortly thereafter full Community Planning Partnerships (CPP's) will comment annually to the Public and to Central Government on our key areas for performance improvement as measured by the Outcomes for our citizens.

The first of these is to be in place by the beginning of the new financial year.

Because the joint working across the public sector and the wider community Planning Process is so strong in Aberdeen and the North East we intend to move to the full CPP participation from the outset and to link to the CPP's in Aberdeenshire and perhaps Moray.

Our first draft LOA has been completed and is ready for circulation within the Council and thereafter consultation with partners. Thereafter it will require approval by the Aberdeen City Alliance and each of the constituent bodies – in our case Council.

## 10. Implementation

The implementation of these changes will be integrated into the ongoing "change" process within the Council and which is led by the Council and officers with orchestration and support from the Continuous Improvement Service.

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It is important to this Administration that staff at all levels are as fully involved in these processes as possible. It is also important that the proper role of trades unions is acknowledged.

It is equally important to us that community engagement is maximised. The arrangements for the overall project management of these changes and particularly the governance arrangements are of utmost importance and I would ask that the Continuous Improvement Committee receive a detailed report on what currently is in place and what changes and additions may be necessary to deliver these changes quickly, as sensitively as possible and with the fullest reasonable involvement of citizens, staff, partner organisations and trades unions.

#### 11. Conclusion

There is no doubt that this has been a challenging budget round but I am confident that what we will achieve is a much more robust and sustainable financial and service delivery base for this and future years.

In order to balance the budget I am recommending the proposals detailed in the attached budget schedule. These cross refer where appropriate to the savings schedules proposed by officers which were circulated with the pink agenda papers.

I am proposing that there be no increase in Council Tax with a Council Tax collection rate of 97.6%.

I have also circulated the Administration's proposed additional projects to be met from the non housing capital programme.

I would also move and agree to recommendation c) and d) as set out in the City Chamberlain's report on the General Fund Revenue Budget. In relation to capital I move the items listed at Appendix 2 of my budget schedule and also approve the recommendations c) to f) as set out in the City Chamberlain's report.



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**Appendix 1**

<b>ADMINISTRATION PROPOSALS</b>				
<b><u>GENERAL FUND REVENUE</u></b>				
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>CURRENT FORECAST LEVEL OF COST PRESSURES</b>		<b>25,833</b>	<b>27,072</b>	<b>28,383</b>
<b>FURTHER OFFICER POLICY RECOMMENDATIONS</b>				
LEARNING		(7,961)	(6,425)	(6,220)
SPORTS AND CULTURE		(4,257)	(6,395)	(8,121)
HEALTH AND CARE - CHILDRENS		(6,437)	(6,634)	(6,660)
HEALTH AND CARE - ADULTS		(5,633)	(7,259)	(8,520)
ADULTS - STRATEGIC		(866)	(866)	(866)
SHELTER AND ENVIRONMENT		(5,187)	(5,849)	(5,878)
		<b>(30,341)</b>	<b>(33,428)</b>	<b>(36,265)</b>
<b>NET POSITION (per Appendix 4, page 32)</b>		<b>(4,508)</b>	<b>(6,356)</b>	<b>(7,882)</b>
<b>COST PRESSURE FUNDING PROPOSAL</b>				
<b>DEDUCT</b>				
- SCHEDULE OF SAVINGS		30,341	33,428	36,265
<b>ADD</b>				
- IDENTIFIED EFFICIENCIES/SAVINGS		(26,926)	(28,303)	(30,504)
<b>DEDUCT</b>				
- SCHOOL SUPPORT FOR ICT - GLOW (per Appendix 3, page 24)		399	399	399
- STRATEGIC LEADERSHIP - SOCIAL WORK DOUBLE COUNT		230	230	230
- CAPITAL FINANCING CHARGES		554	665	707
- CULTURAL GRANTS FUND		50	50	50
- SPORTS GRANT FUND		50	50	50
- SWIMMING POOL TRANSPORTATION		25	25	25
<b>ADD</b>				
- WARD BUDGETS		(215)	(215)	(215)
<b>REVISED NET POSITION</b>		<b>(0)</b>	<b>(28)</b>	<b>(875)</b>

**Items where further efficiency gains are to be made****Sports**

6a - 4	1c	Charge market differential (Accord)
6a - 12	16	Grounds Maintenance - Market Test
6a - 15	26	Links Outdoor Sports Centre

**Parks and Open Spaces**

6a - 19	1	Vibrant Trees
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**Libraries**

6a - 21	7	Review potential to offset reducing income
6a - 21	8	Business Service link to Business Gateway

**Museums and Galleries**

6a - 1	2	Increase Commercial Activity
6a - 3	10	Efficiency savings in Museums service

**Shelter and Environment**

6f - 12	27	Redesign collection methods
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Council Meeting, 14th February, 2008

**SUMMARY SHEET**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Items Approved</u></b>			
Sports & Culture	3,286	4,511	5,633
Learning	7,835	6,299	6,094
Social Work - Children's Services	6,163	6,316	6,339
Social Work - Adult's Services	5,314	6,818	8,080
Social Work - Supporting People	866	866	866
Shelter and Environment	3,463	3,493	3,493
	<b>26,926</b>	<b>28,303</b>	<b>30,504</b>

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**Sports and Culture - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
<b><u>Sports</u></b>					
6a - 4	1b	Increase charges 10% each year	300	700	1,100
6a - 4	2	Revise programmes at Dyce and BoD pools	40	40	40
6a - 5	3a	Remove staffing during week Hazelhead/Kincorth	70	70	70
6a - 5	4a	Increase charges for COAST members	8	16	24
6a - 5	4b	Restructure COAST squad programme	4	4	4
6a - 5	4c	Give COAST coaches key holder access	18	18	18
6a - 7	5e	Swimming lessons break even over 1 year	163	163	163
6a - 7	7	Review staffing levels at Westburn Tennis Centre	8	8	8
6a - 8	8	Close Jesmond Centre/Alex Collie weekdays	20	30	30
6a - 8	9	Close Sheddocksley Sports Centre weekdays	20	30	30
6a - 9	10a	Linx Ice Arena	600	300	0
6a - 10	11b	Reduce daytime programme at Beach Leisure	30	50	50
6a - 11	12b	Auchmill - Hand over running of starters box	40	60	60
6a - 11	14a	Tullos swimming pool locker storage system	20	27	27
6a - 12	15	Close Linksfield Pool on Sundays	12	24	24
6a - 13	18b	Management of sports to arms length in 12 months	0	400	1,150
6a - 13	19	Community Bus	28	28	29
6a - 14	20	Ruthrieston Outdoor Sports Centre	0	12	12
6a - 14	24	Skateboard Park - remove budget	24	24	24
6a - 15	25	Close Bon Accord Baths	700	842	842
6a - 15	27	Northfield swimming pool - comparable costs	54	54	54
6a - 15	28b	Northfield Outdoor Centre - pass management	10	10	10
6a - 16	29	Sheddocksley/AC sports centre - reduce costs	35	70	70
6a - 16	30	Sheddocksley sports - remove pavilion costs	20	30	30
6a - 16	31	Re-align access for Dyce swimming pool	75	105	105
6a - 17	32	Garthdee Sports - reduce trust payment	0	0	250
6a - 17	33	Open 50m pool	0	128	128
6a - 17	37	Reduce sports development officers from 6 to 3	80	80	80
6a - 18	38	Reduce Events budget	50	50	50
6a - 18	39	Private/Public Sector partnership Hazelhead Golf	375	550	550
6a - 18	40	Review sports management structures	75	75	75
6a - 18	41	Bon Accord Indoor Bowling Centre	0	60	60
6a - 19	42	Torry youth and Leisure Centre	50	60	60
			<b>2,930</b>	<b>4,118</b>	<b>5,226</b>

## Council Meeting, 14th February, 2008

**Sports and Culture - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
<b><u>Parks and Open Spaces</u></b>					
6a - 19	3	Rationalise overtime and use of agency staff	100	100	100
			<b>100</b>	<b>100</b>	<b>100</b>
<b><u>Libraries</u></b>					
6a - 20	2	Review location of libraries across the City	0	31	31
6a - 20	3	Relocate Linksfield	0	0	14
6a - 21	4	Curriculum Resource & information service review	26	26	26
6a - 22	9	Use of VOIP	0	0	0
6a - 22	11	Email and SMS alerts for overdue requests	0	6	6
			<b>26</b>	<b>63</b>	<b>77</b>
<b><u>Museums and Galleries</u></b>					
6a - 1	1	Ensure all shops & cafes break even	60	60	60
6a - 1	3	Exhibitions Savings	13	13	13
6a - 3	6	Reduce museums and galleries service	100	100	100
6a - 3	7	Reduce Gallery opening hours in winter	7	7	7
6a - 3	11	Aberdeen Performing Arts and other trusts	50	50	50
			<b>230</b>	<b>230</b>	<b>230</b>
			<b>3,286</b>	<b>4,511</b>	<b>5,633</b>

## Council Meeting, 14th February, 2008

**Learning - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6b - 1	1	PT Networks meet during non contact time	100	100	100
6b - 1	2	Provide statutory nursery service	365	365	365
6b - 1	3	Complete breakfast provision pilot study	600	0	0
6b - 1	4	Accept only allocated amount of probationers	200	200	200
6b - 2	5	Fund a review of curriculum development	145	85	25
6b - 2	6	Aberdeen Environmental Centre sponsorship	0	5	10
6b - 2	7	Phase 1 of School estate strategy	850	1,200	1,200
6b - 3	8	NPAF	2,000	1,200	1,200
6b - 3	9	Review of non statutory service Music Centre/School	144	230	230
6b - 3	10	Review of Non statutory service - TASSCC	103	103	103
6b - 3	11	Review of non statutory service SFD	180	180	180
6b - 4	12	Mid year staffing review	113	113	113
6b - 4	13	Existing vacancies in Educational Psychology	300	150	0
6b - 4	14	Kaimhill Playing Field	35	35	35
6b - 4	15	Learning Support - shire feeders	34	34	34
6b - 4	16	Berryden Warehouse - now closed	40	40	40
6b - 4	17	RCRE set up costs	11	11	11
6b - 4	18	Re-organise provision relating to Acorn/Griffen projects	250	250	250

**Adult Learning across Authority - review provision**

6b - 5	19	CL&D adult literacies	98	98	98
6b - 5	20	Partnership literacies	147	147	147
6b - 5	21	Dads Pathfinder	31	31	31
6b - 5	22	Health Pathfinder	2	2	2
6b - 5	23	Community based adult learning	46	46	46
6b - 5	24	Beacon Comm Ed CTR	4	4	4
6b - 5	25	Beechwood School	2	2	2
6b - 5	26	BofD Academy	4	4	4
6b - 5	27	Aberdeen Grammar AEC	5	5	5
6b - 6	28	Cornhill Community Centre	4	4	4
6b - 6	29	Cults CC	4	4	4
6b - 6	30	Dyce Academy	4	4	4
6b - 6	31	Harlaw Academy	1	1	1
6b - 6	32	Hazlehead AEC	1	1	1
6b - 6	33	Kaimhill CC	2	2	2
6b - 6	34	Linksfild CC	2	2	2
6b - 6	35	Loriston CC	2	2	2
6b - 6	36	Mastrict AEC	2	2	2
6b - 6	37	Mastrict Young Peoples Project	2	2	2
6b - 6	38	Northfield CC	5	5	5
6b - 6	39	Rosemount CEC	2	2	2
6b - 6	40	Ruthrieston CC	2	2	2

## Council Meeting, 14th February, 2008

**Learning - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6b - 6	41	Seaton AEC	5	5	5
6b - 6	42	Summerhill Academy	4	4	4
6b - 6	43	Sunnybank AEC	6	6	6
6b - 6	44	Portal AEC	5	5	5
6b - 6	45	Torry AEC	7	7	7
6b - 6	46	Independent projects Learning and Leisure	6	6	6
6b - 7	50	School transport	300	300	300
6b - 7	51	Primary reduction in all school budgets (cash limited)	513	700	700
6b - 7	52	Early retirement options	500	500	500
6b - 8	53	Transformation adjustment PE and/or Active Schools	304	0	0
6b - 8	54	Transformation Family Centres realignment of budget	100	100	100
6b - 8	55	Transformation adjustment - EAL formula	250	0	0
			<b>7,835</b>	<b>6,299</b>	<b>6,094</b>

## Council Meeting, 14th February, 2008

**Social Work Children's Services - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6c - 1	1	Active containment of Budget Expenditure	2,400	2,400	2,400
6c - 1	2	Transformation Change	4,300	4,300	4,300
6c - 1	3	Unallocated Budget from cash grant uplift to GAE	80	182	232
6c - 1	4	Integrated agenda -Ecare	60	60	60
6c - 2	5	SACRO Admin	8	8	9
6c - 2	6	SACRO Core Service	60	81	62
6c - 2	7	Youth Justice Information Officer	11	11	11
6c - 2	8	Aberdeen Foyer	14	14	14
6c - 3	9	Barnardos New Directions Aftercare	19	18	20
6c - 3	10	Barnardos New Directions Outreach	19	19	20
6c - 3	12	Reduction of 0.5 FTE Children's Rights	8	8	8
6c - 3	13	Reduce day care packages Children with Disabilities	50	50	50
6c - 3	14	Reduction Section 29 payments	5	5	5
6c - 3	15	Reduction Section 23 Payments	1	1	1
6c - 4	16	Reduction Section 30 Payments	1	1	1
6c - 4	17	Reduction Section 22 Payments	5	5	5
6c - 4	18	Reduction Section 17 Payments	8	8	8
6c - 4	19	Review Staffing and reduce Deeside Family Centre	61	61	61
6c - 4	20	Reduction of home Packages Children with Disability	24	24	24
6c - 4	21	Reduction of staffing in Fostering	32	32	32
6c - 4	22	Growth for External Residential School Placements	(460)	(460)	(460)
6c - 5	23	Growthfor External Fostering Placements	(451)	(462)	(474)
6c - 5	24	Reduction Section 22 Payments	7	7	7
6c - 5	25	Reduction Section 17 Payments	15	15	15
6c - 5	26	Review Staffing Williamson Family Centre	50	50	50
6c - 5	27	Review Staffing and reduce - Quarry Family Centre	50	50	50
6c - 5	28	Growth for External Residential School Placements	(247)	(247)	(247)
6c - 5	29	Revised Meal Provision Williamson	14	14	14
6c - 6	30	Revised Meal Provision Quarry	14	14	14
6c - 6	31	Reduction in Budget provision to Early Years post	5	5	5
6c - 6	32	Growth for External Residential School Placements	(230)	(230)	(230)
6c - 6	37	Co-ordinator Domestic Abuse Team citywide service	32	32	32
6c - 6	38	RACH - 0.4 social worker post	16	16	16
6c - 6	39	Team Leader for Outreach and IT Services	42	42	42
6c - 7	40	S17 payments in support of Looked After Children	8	8	8
6c - 7	41	IT Team - Craigielea	80	107	107



## Council Meeting, 14th February, 2008

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6c - 7	42	Support individuals to support children in need	10	10	10
6c - 7	43	Outreach Team	43	57	57
			<b>6,163</b>	<b>6,316</b>	<b>6,339</b>

## Council Meeting, 14th February, 2008

<b>Social Work Adult's Services - Items Approved</b>					
<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6d - 1	1	Reduce Staff in Welfare Rights Team	100	100	100
6d - 1	2	Closure of Marischall Street	200	454	466
6d - 1	3	Closure of Aye Can Facility	93	93	93
6d - 2	4	Closure of Mobile day Care Service.	98	98	98
6d - 2	5	Reduction of Day service at Burnside	100	100	100
6d - 2	6	Reduction of Residential care at Stocket Parade	50	50	50
6d - 2	7	Reduce number and capacity within Care Homes	100	250	500
6d - 3	8	Horizons Rehab Centre – Joint Service with NHS	33	44	44
6d - 3	9	Day Service for older people	112	112	112
6d - 3	10	Social Work/Care Management adults in hospital	48	64	64
6d - 3	11	Home Support (learning disabilities/mental health)	109	145	145
6d - 3	12	Choices Day Centre - learning disabilities	268	370	370
6d - 4	13	Rosehill Day Centre - learning disabilities.	94	117	117
6d - 4	14	Woodend Social Work / Care Management	24	32	32
6d - 4	16	MH user network	35	35	35
6d - 5	17	Decommission designated places at Albyn House	117	140	140
6d - 6	19	Supported Employment.	300	400	300
6d - 6	20	Impact of new provision of Rosewell facility	235	475	475
6d - 6	21	Impact of new provision of Rosewell facility	48	96	96
6d - 7	22	Recommission block funded placements	500	992	992
6d - 7	23	Adverse pressure resulting from closure of Elmwood	(750)	(750)	(750)
6d - 7	24	In Control Programme. (Additional)	1,500	1,500	2,600
6d - 7	25	Reduction in Grants to Vol.Orgs	100	100	100
6d - 7	26	Growth pressure not included in base budget.	(55)	(55)	(55)
6d - 8	27	Growth pressure not included in base budget.	(144)	(144)	(144)
6d - 8 *	28	Integrated Approach to Commissioning			
6d - 8 *	29	Specified efficiency savings Commissioned services			
6d - 8 *	30	Review models of service provision			
6d - 8 *	31	Implement new operational practices			
		Numbers 28 - 31	2,000	2,000	2,000
			<b>5,314</b>	<b>6,818</b>	<b>8,080</b>
* These items will be the subject of a separate report to Council 9 April					

## Council Meeting, 14th February, 2008

**Social Work Supporting People - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6e - 1	1	Reduction of funding for supported accommodation	60	60	60
6e - 1	2	Review of unit costs	600	600	600
6e - 2	3	Transfer housing wardens to Tenants First	86	86	86
6e - 2	4	Reduction of funding to Richmond Fellowship	120	120	120
			<b>866</b>	<b>866</b>	<b>866</b>

## Council Meeting, 14th February, 2008

**Shelter and Environment - Items Approved**

<b>Appendix &amp; Page</b>	<b>Item Number</b>	<b>Description</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
6f - 1	1b	2% Efficiency on Fleet costs	60	60	60
6f - 1	1c	Review of supply chain arrangements	50	50	50
6f - 2	2	Adopt Edinburgh Service Standards	400	400	400
6f - 3	3b	Increase taxi card fare component	120	120	120
6f - 4	4a	House Garden maintenance - increase charge	84	84	84
6f - 4	4b	House garden mntnce - and charge owner occupiers	80	80	80
6f - 4	5	Move to 2-3 year rolling prog shrub pruning	50	50	50
6f - 5	10	Discontinue grass cutting in certain areas	150	150	150
6f - 6	11b	Increase allotment charges to £50	14	14	14
6f - 7	15	Public conveniences charge for use	75	75	75
6f - 7	15	Reduction of Cleansing staff	142	142	142
6f - 8	17	Private Sector Grants - allocate staff costs	150	150	150
6f - 9	18	Car Parking - Increase by 10% on and off street	350	350	350
6f - 9	18	Car Parking - £10 increase resident permits	75	75	75
6f - 9	18	Car Parking - 10% monthly permits	60	60	60
6f - 9	18	Car Parking - Charging St Nicholas	125	125	125
6f - 9	22	Recycle Waste food	0	0	0
6f - 10	23	Introduction of paper collection at tenements	(12)	15	15
6f - 12	26	Introduce charges for special collections	300	300	300
6f - 14	32a	Doonies farm closure	100	100	100
6f - 14	33	Trading Standards structure review	30	30	30
6f - 15	34	Trading Standards give up current vacancy	35	35	35
6f - 15	35	Increase HMO licence charges	25	25	25
6f - 15	36	Environmental Health give up vacancy	35	35	35
6f - 15	37	Public Analyst - review charges	10	10	10
6f - 16	38	Vacate Ruthrieston Depot	5	8	8
6f - 16	40a	Hazelhead Pets Corner - 50p increase	10	10	10
6f - 17	42	Britain in Bloom charge actual cost to private sector	50	50	50
6f - 17	43	Britian in Bloom - reduce quality of bedding areas	25	25	25
6f - 17	44	Expand sponsorship scheme - central reserves	20	20	20
6f - 18	46	Cemetry maintenance utilise weed spraying	10	10	10
6f - 18	48	Identify under used bowling greens	100	100	100
6f - 18	49	Increase cremation costs	50	50	50
6f - 18	50	Homeless charges to HRA	200	200	200
6f - 19	51	Roads - gulley maintenance on response basis	70	70	70
6f - 19	53	Cease surface dressing programme	60	60	60
6f - 20	55	Road safety / Traffic management	80	80	80
6f - 20	57	School Meals - increase by 15p (primary/secondary)	150	150	150
6f - 20	59	Closure of Summerhill	35	35	35
6f - 21	60	Break even on catering - no subsidy	90	90	90
			<b>3,463</b>	<b>3,493</b>	<b>3,493</b>

**Appendix 2**

<b>Agenda Item 3</b>		<b><u>Non Housing Capital Programme New Bids</u></b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Page ref.</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Page 26	1	<b><u>Car Parking: Extend Pay &amp; Display - Additional Programme</u></b>	450	0	25
		Progression of controlled parking strategy in peripheral areas Zones in the West End, Extension to M & S			
Page 26	2	<b><u>Lighting, Footway and Road Improvements - Additional Programme</u></b>	2,500	0	0
		Replacement or enhancing street lighting columns			
		Reconstruction and resurfacing of roads throughout the city			
		Reconstruction and resurfacing of footways throughout the city			
Page 26	3	<b><u>Improve City Gateways/appearance of routes - Additional Programme</u></b>	15	15	15
		Physical hard and soft landscape improvements to the main access and exit points			
Page 26	4	<b><u>Hazlehead Pets Corner</u></b>	30	30	30
		Refurbishment of existing facilities and infrastructure within Hazlehead Pets Corner			
Page 26	5	<b><u>Memorial Concrete Strip Foundations in City Cemeteries</u></b>	50	50	50
		To include the permanent formation of concealed concrete foundation strips, providing a standard, stable and permanent solution to risk of unstable headstones			
Page 26	6	<b><u>Car Parking : Extend Pay &amp; Display</u></b> Zone M - Rosemount	150	180	0
Page 27	7	<b><u>Flood Prevention</u></b>	250	250	250
		Improvements to various sections of open watercourses and culverts throughout the city			
Page 27	8	<b><u>Gypsy/Traveller Short Term Halting Sites</u></b>	400	0	0
		The creation of 4 Gypsy/Traveller halting sites within Aberdeen City			
Page 27	9	<b><u>Green Burial Site</u></b>	70	50	0
		Creation of a green burial site at Hazlehead including creation of roads			
Page 28	10	<b><u>Outdoor Education Move to Kingswells</u></b>	150	300	0
		To convert the old school property to accommodate the Outdoor Education Service, this will enable the service to move out of Summerhill Centre			

## Council Meeting, 14th February, 2008

<b>Agenda Item 3</b>		<b><u>Non Housing Capital Programme New Bids</u></b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<b>Page ref.</b>			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Page 28	11	<b><u>Upgrade of Footpaths at Heathryfold</u></b>	113	15	0
		To undertake improvements to remote footpaths/car parks/drainage in part of Heathryfold to a suitable standard to allow their adoption by the Council (Net cost)			
Page 29	12	<b><u>Linx Ice Arena</u></b>	1,000	0	0
		Replacement of Linx Ice Arena Refrigeration Plant and additional upgrading works			
Page 29	13	<b><u>Replacement Programme for Pay and Display Machines</u></b>	100	100	100
		A replacement programme for pay and display machines as they reach the end of their working life			
Page 29	14	<b><u>Additional Mechanical Sweeping Equipment</u></b>	323	0	0
		Purchase of additional mechanical street sweeping equipment to improve both the standards and efficiency of maintaining the cleanliness of the city centre			
Page 32	15	<b><u>Hazlehead Golf Project</u></b>	50	100	0
		Enter into a partnership with a private sector interest to establish Hazlehead as a world class golf facility			
Page 32	16	<b><u>Council Travel Plan</u></b>	42	43	0
		Create a staff travel plan to promote sustainable and efficient travel within the Council, encourage change in the way that people travel to and from work to act as an example of best practice			
Page 32	17	<b><u>Application Processing System</u></b>	55	10	0
		Ongoing review of planning systems to meet the requirements of the Planning etc (Scotland) Act 2006 and the development of eplanning.			
Page 33	18	<b><u>Disability Discrimination Act Alterations - Additional Programme</u></b>	300	0	0
		To continue the necessary alterations to council properties which require to be carried out under the Disability Discrimination Act			
		<b><u>Sports Court</u></b>			
	19	To remove the bund from the sports court at Hutcheon Street / George Street	105	95	0
		<b>Total New Bids to be approved</b>	<b>6,153</b>	<b>1,238</b>	<b>470</b>
		<b>Additional Revenue Costs - Additional Capital Financing charges</b>	<b>554</b>	<b>111</b>	<b>42</b>

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**Appendix 3**

<b>ADMINISTRATION PROPOSALS</b>			
<b><u>ABERDEEN CITY COUNCIL</u></b>			
<b><u>BREAKDOWN OF PROPOSED COUNCIL TAX CHARGES - 2008/09</u></b>			
	<b>Council Tax</b>	<b>Water (Combined Water &amp; Waste)</b>	<b>Total</b>
<b>Band</b>	<b>£</b>	<b>£</b>	<b>£</b>
A	820.26	253.02	1,073.28
B	956.97	295.19	1,252.16
C	1,093.68	337.36	1,431.04
D	1,230.39	379.53	1,609.92
E	1,503.81	463.87	1,967.68
F	1,777.23	548.21	2,325.44
G	2,050.65	632.55	2,683.20
H	2,460.78	759.06	3,219.84
<b>Notes</b>			
<b>No increase in Council Tax</b>			
<b>Water &amp; Waste Water Charges Increase - 3.74%</b>			
<b>Council Tax &amp; Water Charges - Overall Increase 0.86%</b>			

**Appendix B****2008/09 Budget Speech****Housing Capital Programme and Housing Revenue account (HRA) Budget**

**Lord Provost and Members of Aberdeen City Council, I am pleased to present the Administration's proposals for the Housing Revenue Account (HRA) and the Housing Capital Programme.**

We are proud to have established a robust financial foundation for delivering on our housing landlord objectives. This foundation has enabled us to move forward with confidence in developing the Housing Capital Budget for financial year 2008/09 and the indicative programmes for 2009/10 and 2010/11.

I am therefore delighted to present the following budget and investment programme.

**I propose the following Housing Revenue budget.**

Since 2003 our aim has been to establish a robust and sustainable financial framework to deliver the council's commitment made in 2002 to our remaining 23,000 council houses. We have achieved this by balancing a sustainable rent policy with service improvements and investment in housing.

In setting the rent level for the financial year 2008/09 as well the provisional levels for 2009/10 and 2010/11

It is important that we look at the work underway and that planned which will improve the quality of our service and our housing stock. Only by maintaining services and the stock at an appropriate standard will we be delivering best value for our tenants.

**Determination of rent**

As part of our commitment to tenant participation, we annually consult with tenants in relation to the setting of rent levels. A questionnaire was sent to all tenants in November 2007 to gain their views of maintaining the rent policy at inflation plus 1%. In order to continue the programme of investment in our housing stock and to improve services. The number of tenants who responded and agreed with the rent proposal was 83%.

The council is required to determine the average weekly un-rebated rents for council houses to take effect from Monday 7 April 2008. This will in turn allow decisions to be taken on the level of capital investment.

The Administration therefore proposes to maintain the rent policy of inflation plus 1%. This equates to a rent increase of under £2.50 per week (£2.46) reflecting a 4.2% increase, taking the average rent to £58.75 per week (on a 48-week basis).



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Based on comparisons to other authorities this increase is below the rental levels set by Edinburgh City Council last year of £62.95.

In setting a three-year rent strategy, the council must consider the level of capital investment required to maintain and improve the overall housing conditions available and ensure that there is sufficient contribution to support the capital programme.

In order to increase these levels of revenue funding to support capital investment and ensure the long-term sustainability of the Housing Revenue Account, further efficiency savings will be made.

I am also proposing that the Miscellaneous rents and other service charges, as outlined on pages 28 to 30 and page 33 are approved.

Included within the Housing Revenue Budget are indicative outlines for 2009/10 and 2010/11 including an assumed rent increase of 4.2% for both years. Based on this, we are proposing that the budget include a revenue contribution to the capital programme for 2008/09 of £9 million and an indicative level of £6.5 million for 2009/10 and £4 million for 2010/11.

The level of income, which will be utilised to finance borrowing for the housing capital expenditure, will be £35.9 million for 2008/09 and an indicative level of £39 million for 2009/10 and £40.5 million for 2010/11.

This will allow us to have an overall programme of £52.7 million for 2008/09.

In addition we would propose that working balances should be maintained at 5% of gross expenditure with minimum balances of £3.345 million for 2008/09.

We will continue to work with the voluntary and community sector and ensure that those services provide to the council tenants continue to deliver Best Value.

**I will now outline the following areas for consideration.**

**Voids**

During 2007/08 the number of empty homes has continued to fall and the budget reflects this and assumes further reductions will be made. This excellent progress to continue the downward trend was the result of good working practices within our housing team and increased demand.

**Programme for repairs and maintenance**

By continuing to press ahead and invest in our programme of improving our repairs and maintenance, it will not only bring benefits for our current tenants but for our tenants in the future.

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The modernisation of our repairs service has seen an increase in the need for planned work to improve the quality of our housing stock and due to efficiencies in area teams, this year will see a further £5.8 million being allocated to planned maintenance work in areas.

This will improve the security, health and safety, fabric, and environment of our housing areas. These works will include continuing to install security doors, external lighting, upgrading of CCTV provision, new security system for multi-storey's and general environmental improvements.

We have continued to make headway with external joiner work repairs. I am pleased to announce that the budget proposed is to be maintained at the £2 million level in order to allow us to improve our maintenance cycles by doing work at more regular intervals.

We propose that the previous seven to eight year cycle for external paint work be reduced to a five / six year cycle and similarly the internal paint work be reduced from ten years to a eight / nine years cycle.

Gas servicing, maintenance and repair work will continue in line with our agreed contract as we move into the second year of a three-year contract.

The council will continue to ensure that all tenants have gas servicing carried out. Measures put in place in the last financial year included legally forcing entry when tenants refused access – this will continue in 2008/09.

The safety of our citizens in their homes is paramount. Therefore to further improve the safety of communal areas there will be a programme of maintenance, repair and testing of emergency lighting in 2008/09. This is a practical and visible measure which will help to reassure citizens in council houses, particularly those who are vulnerable and in our sheltered housing complexes.

Housing repairs will continue to focus on improving response times for our tenants. The percentage of orders completed within the target timescales set across all priorities from April 2007 – January 2008 is 85%.

We wish to improve on this.

This year will see the introduction of a new IT system that will schedule the workload for craft operatives and provide them with mobile IT devices linked to the new appointment system. This is a world away from the mountain of paperwork that used to hamper the maintenance of our housing stock.

**Customer focus**

As a council we are committed to ensuring that we modernise the way in which we work and bring greater customer-focus to our service delivery.

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For housing repairs the craft agreement is continuing to have a positive impact on service delivery with the service now very much designed around the needs of our tenants. Tenants can now make appointments to have repairs done, and can agree a time which fits with their personal commitments. As well as improving customer service, this new system will help to reduce response times and allow the council to focus on proactive maintenance work to keep properties in good condition.

We are committed to involving our tenants in housing related decisions as much as we can. Each of our three Neighbourhood Services Areas has at least one tenant participation officer. These officers work to support tenants' groups.

To reflect the council's focus on working closer to communities, tenant participation has moved from a city-wide focus to area teams working more locally in communities.

Goodapple homes, the brand name for council housing in Aberdeen, continues to ensure the council promotes its houses as a first choice housing option and promotes regular engagement with our tenants, including keeping them updated of the latest news through editions of the tenants newsletter – 'newsbite'.

I will now move onto our proposed Housing Capital Budget which will help us deliver:

- Our ambition to achieve Scottish Housing Quality Standard compliance on our entire housing stock.
- Our continued work with our community planning partners on the implementation of the Community Regeneration Master plans for six of the most deprived areas of our city.
- The opportunities that are outlined in the Scottish Government's Green Paper on Affordable Housing "Firm Foundations : The Future of Housing in Scotland".
- Our priorities from our policy statement "Vibrant, Dynamic and Forward Looking".
- The ways in which the housing capital budget can be more responsive to priorities within the thirty-seven neighbourhoods across the city.

**Scottish Housing Quality Standard (SHQS)**

Expenditure on the SHQS for the coming year totals £36.9 million inclusive of slippage. This includes a record commitment of £33.5 million in respect of the kitchen and bathroom modernisation programme.

Following eighteen months of hard work, the onsite phase of the Framework Contracts for the kitchen and bathroom modernisation programme will commence later this month. As these contracts are for a four-year duration, this allows us to commit substantial sums of money for this year and the remaining three years of the contract. This should allow the budget for the coming year and the following three years to be achieved.

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The Framework Agreements have allowed the council to:

- Implement standard key performance indicators, which will be used to assess the contractors' performance.
- Reduce the time taken to complete the works.
- Improve the overall specification for the works that are being offered to our customers.

It has also allowed us the opportunity to introduce improvements to the way in which we interact with tenants during the modernisation process. Tenant liaison staff will be based onsite for the duration of the work in order to provide help, assistance and support to our tenants before, during and after the work on their home. Customer satisfaction surveys will be issued no more than seven days after the modernisation work is complete. This will allow council officers and contractors to achieve continuous improvement in our approach to the modernisation of council homes.

We continue to explore low to zero carbon options for heating our high-rise buildings across the city. In the coming year, it is our intention to extend the Combined Heat and Power installation at Seaton to include Balgownie, St Ninian and Inverdon Courts. A heating system from a temporary CHP boiler is also to be installed at Denburn Court and a district heating system is due for installation at Ashgrove Court.

### **Regeneration**

To avoid the concentration of poverty and to remove any perceived stigma of council housing, it is proposed that the council seeks a strategic partner to work with on the construction of family sized housing within three of the six priority areas, where current opportunities are available.

In the financial year 2008/09, work will commence at Hayton Road in Tillydrone, Cummings Park and St Fitticks in Torry on preparing the sites for redevelopment. These sites should allow the development of 30 x 3 bed cottages & 6 family sized flats.

We have ensured that there is sufficient funding available within this year's programme to undertake this work and for funding of the eventual developments in future years.

These projects are of significant importance to the master planning process, as they demonstrate that the council and its partners are serious about regenerating the most deprived areas of our city.

The council approved in December last year the additional staffing capacity to support the delivery of the next stages of regeneration and our commitment to this is reflected in additional spend of £400,000 for these staffing resources.

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### **New-Build housing**

The council has already committed to providing a quality thirty-three-unit development at Coronation Court in Peterculter. Construction work is well underway and is due for completion later this year. The ongoing upgrading of Hillside Cottages in Peterculter and amenity cottage conversions in the Northfield area of the city also form part of our Housing for Varying Need Programme for the coming year.

With the conversion of Berry Moss Court in Dyce from bed-sit to two-apartment sheltered accommodation now essentially complete, work will start at on a similar conversion that will provide a further twenty two-apartment flats at Parkhill Court, also in Dyce, as part of our proposed capital programme for the coming year.

This ensures that we meet the growing demand for an increasingly ageing population within the city.

The Administration and I welcome the opportunities that the Scottish Government's proposals in the Green Paper "Firm Foundations: The Future of Housing in Scotland" presented to Aberdeen City Council.

The Green Paper proposes to support local authorities as social landlords by:

- Ending the right to buy for all new social housing.
- Encouraging local authorities to use prudential borrowing powers to build new affordable rented housing.
- Providing new incentives for council house building such as subsidies awarded on a competitive basis where best value can be demonstrated.

We therefore intend to take advantage of these proposals and have identified capacity within the budget for 2008/09 to commence onsite assembly work in advance of the council building new affordable council housing for rent within the term of the current Administration.

New-build housing is one of our top twenty priorities within the council's policy statement Vibrant, Dynamic and Forward Looking.

We will work with officers to build capacity within the existing HRA Business Plan. This will ensure that this can be delivered without impacting on the rent promises that were made to tenants when they voted for the enhanced stock retention option back in 2002.

### **Capital budget disaggregation**

We are committed to ensuring that the Housing Capital Expenditure Budget responds to the priorities identified within Neighbourhood Community Action Plans and Neighbourhood Networks. Arrangements are in place for approximately £6 million of this year's budget to be transferred to the Neighbourhood Services Areas. This will allow greater efficiency and effectiveness in the delivery of individual neighbourhood priorities.

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**Lord Provost and Members, this is a budget which will continue to raise the standards across the city in terms of accelerating our modernisation programme, increasing the provision of sheltered housing and delivering our vision of enhancing the environment in social housing areas.**

**Appendix C**

**ABERDEEN CITY COUNCIL  
Administration Budget 2008/09 to 2010/11**

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

The following Prudential Indicators are set for the Council:

	<b>Capital Expenditure</b>				
	<b>2006/07 £000 Actual</b>	<b>2007/08 £000 Estimate</b>	<b>2008/09 £000 Estimate</b>	<b>2009/10 £000 Estimate</b>	<b>2010/11 £000 Estimate</b>
Total non-HRA	45,545	62,869	54,991	55,576	62,971
HRA	33,682	37,000	44,988	45,712	44,556
<b>Total</b>					

	<b>Ratio of financing costs to net revenue stream</b>				
	<b>2006/07 Actual</b>	<b>2007/08 Estimate</b>	<b>2008/09 Estimate</b>	<b>2009/10 Estimate</b>	<b>2010/11 Estimate</b>
Non-HRA	7.20%	7.34%	7.70%	8.42%	9.25%
HRA	11.34%	12.56%	13.19%	16.00%	19.07%

	<b>Capital financing requirement</b>				
	<b>2006/07 £000 Actual</b>	<b>2007/08 £000 Estimate</b>	<b>2008/09 £000 Estimate</b>	<b>2009/10 £000 Estimate</b>	<b>2010/11 £000 Estimate</b>
Non-HRA	286,222	318,488	347,764	377,905	405,335
HRA	161,000	166,628	189,524	215,346	242,302

The Prudential Code states:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

The City Chamberlain reports that the authority would have had no difficulty meeting this requirement in 2007/08, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the assumptions in this report.

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	<b>Authorised limit for external debt</b>			
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	463,665	528,324	596,907	663,961
Other long term liabilities	17,427	16,849	16,390	15,992
<b>Total</b>	<b>481,092</b>	<b>545,173</b>	<b>613,297</b>	<b>679,953</b>

	<b>Operational boundary for external debt</b>			
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	462,964	527,623	596,206	663,259
Other long term liabilities	240	0	0	0
<b>Total</b>	<b>463,204</b>	<b>527,683</b>	<b>596,206</b>	<b>663,259</b>

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

- (a) for the Band D Council Tax

<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
£0	£0 (Prov.)	£0 (Prov.)

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

<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
£0.66	£0.06 (Prov.)	£0 (Prov.)