

**WEST DUNBARTONSHIRE COUNCIL**  
**Council Offices, Garshake Road, Dumbarton G82 3PU**

13 January 2012

**SPECIAL MEETING: WEST DUNBARTONSHIRE COUNCIL**

**THURSDAY 26 JANUARY 2012  
COUNCIL CHAMBERS  
COUNCIL OFFICES  
GARSHAKE ROAD  
DUMBARTON**

Dear Member,

Please attend a special meeting of **West Dunbartonshire Council** to be held in the **Council Chambers, Council Offices, Garshake Road, Dumbarton, on Thursday, 26 January 2012 at 2.00 p.m.**

The business is as shown on the attached agenda.

Yours faithfully

**JOYCE WHITE**

Chief Executive

**Distribution:-**

All Members of West Dunbartonshire Council.

Chief Executive

Interim Executive Director of Corporate Services

Executive Director of Educational Services

Executive Director of Housing, Environmental & Economic Development

Director of West Dunbartonshire Community Health and Care Partnership

**WEST DUNBARTONSHIRE COUNCIL**

**SPECIAL MEETING**

**THURSDAY, 26 JANUARY 2012**

**AGENDA**

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on this agenda and state the reasons for such declarations.

**3. OUTCOMES OF PUBLIC CONSULTATION ON BUDGET SAVINGS  
OPTIONS 2012/13 (copy to follow)**

Submit report by the Chief Executive providing the Council with an overview of the public assessment of the budget savings options selected for 2012/13 including:

- (a) the collective results of the public's response through the budget consultation questionnaire;
- (b) a summary of the feedback and issues raised by community representatives and members of the public at the public forum meetings; and
- (c) a summary of feedback gained through the Council's website budget portal.

**4. GENERAL SERVICES REVENUE ESTIMATES AND COUNCIL TAX  
(copy to follow)**

Submit report by the Interim Executive Director of Corporate Services providing the Council with sufficient information to:-

- (a) approve the General Services Revenue Estimates for 2012/13; and
- (b) set the Council Tax level for 2012/13.

**5. HOUSING REVENUE ACCOUNT (HRA) ESTIMATES 2012/13**  
**(copy to follow)**

Submit report by the Executive Director of Housing, Environmental & Economic Development making recommendations in respect of the HRA Estimates and rent levels for 2012/13.

For information on the above agenda please contact Christine McCaffary, Senior Democratic Services Officer, Legal, Democratic and Regulatory Services, Council Offices, Garshake Road, Dumbarton, G82 3PU on Tel: (01389) 737186 or e-mail: [christine.mccaffary@west-dunbarton.gov.uk](mailto:christine.mccaffary@west-dunbarton.gov.uk)

**WEST DUNBARTONSHIRE COUNCIL**  
**Council Offices, Garshake Road, Dumbarton, G82 3PU**

20 January 2012

**SPECIAL MEETING: WEST DUNBARTONSHIRE COUNCIL**

**THURSDAY 26 JANUARY 2012 at 2.00 P.M.**  
**COUNCIL CHAMBERS**  
**COUNCIL OFFICES**  
**GARSHAKE ROAD**  
**DUMBARTON**

**ITEMS TO FOLLOW**

Dear Member

With reference to the agenda for the above **Special Meeting of West Dunbartonshire Council** which was issued on 13 January, I attach for your attention copies of the undernoted reports which were not available for issue at that time.

Yours faithfully

**JOYCE WHITE**

Chief Executive

**Note referred to:-**

**3. OUTCOMES OF PUBLIC CONSULTATION ON BUDGET SAVINGS OPTIONS 2012/13**

Submit report by the Chief Executive providing an overview of the public consultation process and feedback on the budget proposals for 2012/13.

**4./**

**4. GENERAL SERVICES REVENUE ESTIMATES AND COUNCIL TAX – FINANCIAL YEAR 2012/13**

Submit report by the Interim Executive Director of Corporate Services providing Council with sufficient information to allow them to agree (a) the General Services Revenue Estimates for 2012/13 and (b) the council tax level for 2012/13.

**5. HOUSING REVENUE ACCOUNT (HRA) ESTIMATES 2012/13**

Submit report by Executive Director of Housing, Environmental & Economic Development providing sufficient information to allow the setting of (a) the revenue budget for 2012/13 and (b) the level of weekly rent increase for 2012/13.

**Distribution:-**

All Members of West Dunbartonshire Council

Chief Executive

Interim Executive Director of Corporate Services

Executive Director of Educational Services

Executive Director of Housing, Environmental & Economic Development

Director of West Dunbartonshire Community Health and Care Partnership

For information on the agenda please contact Christine McCaffary, Senior Democratic Services Officer, Legal, Democratic and Regulatory Services, Council Offices, Garshake Road, Dumbarton, G82 3PU on tel: (01389) 737186 or e-mail: [christine.mccaffary@west-dunbarton.gov.uk](mailto:christine.mccaffary@west-dunbarton.gov.uk)

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Chief Executive**

**Special Meeting of Council: 26<sup>th</sup> January 2012**

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**Subject: Outcomes of public consultation on budget proposals for 2012/13**

### **1 Purpose**

- 1.1 This report provides Council with an overview of the public consultation process and feedback on the budget proposals for 2012/13. Members are invited to consider the public response and feedback as part of the 2012/13 budget setting process.

### **2 Background**

- 2.1 Local communities within the three central areas were invited to participate in consultation forums with the purpose of gaining the public's perspective and assessment of the Administration's budget proposals for 2012/13. Three forums were held over consecutive evenings (16<sup>th</sup> – 18<sup>th</sup> January) in Clydebank, Alexandria, and Dumbarton respectively. The consultation questionnaire could also be completed online via the Council's website.
- 2.2 The Administration presented draft budget proposals ahead of the consultation process to the Special Council on 15 December, to allow greater opportunity for the public to fully consider the proposals, provide their input and perspective, and enable public opinion to shape and influence the decision making process.
- 2.3 Each forum included presentations on the financial context and future challenges faced by the Council. The Administration also provided an overview of the key priorities they wished to address through the budget proposals and which aim to support local economic growth and continued improvement to service delivery. Each session included group discussions which allowed participants to review and discuss the proposals in more depth, record their agreement or disagreement for each option, and put forward alternative suggestions or ideas for service delivery and expenditure priorities.
- 2.4 The group discussion was followed by a facilitated question and answer session with the panel (comprising Elected Members and senior managers) allowing the public to put forward their views and ask specific questions on key proposals and issues. The panel provided direct responses to the public views and were supported with additional input from the Executive Directors on specific areas of expertise.

### **3 Main Issues**

- 3.1 Attendance across the public consultation was significantly lower than previous years with only a total of 48 people attending and the Dumbarton forum particularly continuing to attract a minimal turnout of four members of the public.
- 3.2 Consideration may need to be given within future public consultations on different ways to either attract alternative stakeholder and consultation groups or bring together key areas to ensure a wider debate and that the outcomes suitably represent the widest possible views. However it should also be acknowledged that this year's proposals identified areas for enhancement to planned expenditure rather than savings options and service cuts and this may have influenced the degree of public reaction and concern and participation levels.

#### Key results

- 3.3 47 questionnaires were completed over the three events and through the website and a summary of the collective results and feedback comments is provided in Appendix A.
- 3.4 Overall the results indicate that the public agreed strongly with the proposals presented by the administration, with only 2 of the administration's 12 proposals receiving less than 75% agreement: Proposal 7: Tourism and Commonwealth Games (59% agreed) and Proposal 9: Police Investment (64% agreed).
- 3.5 The suggestions put forward by the public on alternative options, priorities, or new initiatives are generally closely aligned to the service areas and initiatives contained within the budget proposals and do not highlight any significant deviation from the Administration's proposals. Similarly the areas identified for future investment or expenditure reduction mainly correlate with the initiatives outlined within the proposals.

#### Forum evaluation

- 3.6 Participants were also asked to evaluate the format of the consultation process to assess how this adds value in helping the community understand the Council's financial planning and equally to support improvement on the format for future events. A summary of the feedback is given in Appendix B.
- 3.7 Overall the format continues to be well received and the public generally feel well informed, consulted, and involved in the budget planning and decision making process through these consultations.



#### **4 People implications**

- 4.1 Any personnel issues will relate to the proposals taken forward and will be addressed separately through relevant development and implementation plans.

#### **5. Financial Implications**

- 5.1 Any financial implications will relate to the costs identified within each proposal.

#### **6. Risk Analysis**

- 6.1 The risks related to each proposal have been considered and the impact highlighted through further information and discussion provided to the public.
- 6.2 In relation to the process itself, consultation of this kind is very challenging considering the complexities of the budget planning process and expectations that the public are likely to have conflicting priorities on service provision and how the Council should spend its budget. Nonetheless it is important that the principles of public consultation are applied and the process is viewed as genuine and meaningful with opportunity to influence future decisions by Council.
- 6.3 It will be important for Council to demonstrate that public opinion has been considered and that the inclusion or exclusion of their views in any future decision on the budget proposals is reflected through a clear business rationale aligned with the Council's priorities.

#### **7 Equalities, Health & Human Rights Impact Assessment (EIA)**

- 7.1 All initial proposals have been equality screened and where required have been the subject of an equality impact assessment.
- 7.2 To ensure the process was accessible to the widest range of stakeholders within the communities, the consultation forums were planned as local evening events within the three main areas of West Dunbartonshire. In addition all information and questionnaires were available online ensuring maximum coverage and accessibility for residents, particularly minority groups who may have been unable to attend the discussion events. All venues were assessed for suitable access and facilities and additional support was made available to help with transport and childcare requirements.

#### **8 Strategic assessment**

- 8.1 Strong financial planning is at the forefront of enabling the Council to address many of the future complex challenges both in terms of maintaining high quality local services and equally delivering ambitious improvement plans which support local economic growth. Community support and buy-in to the

Council's proposals, plans, and initiatives will be vital to increase community cohesion and local goodwill to address future budgetary challenges.

## **9. Conclusions and officer's recommendations**

- 9.1 The forums facilitated positive discussion and debate on the proposals presented and provides elected members with an appropriate gauge of the public's assessment of the budget proposals presented for 2012/13.
- 9.2 Council is invited to:
- Consider the public assessment and feedback contained within Appendix A when making decisions in relation to the 2012/13 budget.

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Joyce White  
Chief Executive  
Date: 19<sup>th</sup> January 2012

**Person to Contact:** Angela Terry  
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**Appendices:** **Appendix A:** Collated results of budget questionnaire and public feedback

**Appendix B:** Collated evaluation feedback

**Background Papers:** **None**

**Wards Affected:** All wards

**FEEDBACK REPORT - Combined**

Session	Location	Attendance	Questionnaire's Returned
16 <sup>th</sup> January 2012	Clydebank	32	28
17 <sup>th</sup> January 2012	Alexandria	12	12
18 <sup>th</sup> January 2012	Dumbarton	4	4
Microsite	-	-	3
<b>Totals</b>		<b>48</b>	<b>47</b>

**PROPOSED EXPENDITURE PLANS**

No	BUDGET PROPOSAL DESCRIPTION	VALUE	AGREE	DISAGREE	SKIPPED
1	<b><u>JOB CREATION PROGRAMME</u></b> A new initiative to create 500 new jobs to help young people and support small businesses and the voluntary sector.	£2.5m	38	8	1
2	<b><u>CHANGE FUNDS</u></b> Further development of the Health and Social Care Change Fund and the Early Years fund to improve locally provided service for care and children.	£720k	44	2	1
3	<b><u>SHOPMOBILITY SCHEME</u></b> Establish the pilot initiative as a permanent scheme within shopping centres committed to providing continued support for the scheme.	£50k	39	7	1
4	<b><u>ROADS AND INFRASTRUCTURE</u></b> Continued improvement and maintenance of the road infrastructure, particularly to offset recent extreme weather conditions.	£300k	43	1	3
5	<b><u>FLOOD PREVENTION</u></b> Additional enhancement to support prudential borrowing of £1m to invest in major flood prevention project within the area.	£100k	39	7	1
6	<b><u>COMMUNITY CHEST GRANTS</u></b> Increase support for grants which assist community based activities which will benefit the community, through provision of additional financial assistance.	£50k	43	1	3
7	<b><u>TOURISM AND COMMONWEALTH EVENTS.</u></b> Additional support for new and existing events, linked to the commonwealth games, which support tourism and the local economy.	£100k	27	19	1
8	<b><u>RAISING ATTAINMENT STRATEGY</u></b> Further investment to increase teacher capacity and flexibility and also help improve literacy skills through developing specific support materials.	£80k	42	3	2
9	<b><u>POLICE INVESTMENT</u></b> Invest in capacity and equipment within local police divisions to deal with nuisance off-roading and trail bikers.	£12k	30	16	1

**ADDITIONAL SERVICE IMPROVEMENTS & INITIATIVES** *(no additional costs incurred)*

No	BUDGET PROPOSAL DESCRIPTION	AGREE	DISAGREE	SKIPPED
10	<b><u>COUNCIL TAX</u></b> No rise in council tax for the fifth consecutive year.	37	4	6
11	<b><u>DEVELOPING A BUSINESS SUPPORT CULTURE</u></b> Continued development of the 'Tell Me Once' scheme, with further expansion to help support new and small businesses.	35	5	7
12	<b><u>CONTACT CENTRE</u></b> Roll-out of 'One Stop Shops' within the 3 town centres to be supported with the development of a corporate customer services function.	29	9	9

## FEEDBACK COMMENTS

### 1. If you disagree with a proposal, please indicate which services, priorities, or new initiatives, this money should be allocated to instead:

**Job Creation Programme:** Need to have proof of sustainability, that is, what will be guarantee of real jobs and not just unemployment at the end of apprenticeship? This has been tried for years but when the 'training' is finished there are no permanent jobs; What will be the 500 new jobs and what will small businesses be allocated for each new job? How are you going to create the jobs after the training?

**Change Funds:** People should be consulted how the money is spent. This has been wasted over the years

**Shopmobility Scheme:** This service in Clydebank is already funded partly at Council's expense i.e. the paid officials salary; Shopmobility is worthwhile but if person responsible for overseeing it has been seconded from the Council for this year at cost of £25,000, has this post been subjected to Job Evaluation? Perhaps employee costs could be reduced? Some of the cash should be distributed between all i.e. Dumbarton and Alexandria; Homecare could benefit from some of this cash; Suitability probably restricted to Clydebank Shopping Centre

**Flood Prevention:** Small amount but not a Clydebank problem; £100k not nearly enough; Stop building houses on flood problem areas; Needs more funds for Dumbarton

**Roads and Infrastructure:** £300k is not nearly enough for Roads and Infrastructure; Instead of patching, more resurfacing whole road; Invest more and allocate time to do proper work rather than patch up jobs on roads, this will save more money in the long run

**Tourism and Commonwealth Events:** Strongly disagree. Could the Council apply to the Commonwealth committee for funds to develop sites/events that will ensure more visitors will come to the area? Where are the tourists going in Clydebank, you cannot get a coffee after 8pm; Further support for Tourism and Commonwealth games legacy; Not interested in Commonwealth Games

**Raising Attainment Strategy:** Should be directed to pre-fives and primary. It does not only have to be teachers who do this, teachers cost more than others; Is it enough?

**Police Investment:** Police should not keep asking for extra - budget should be enough; Money could be used to open somewhere for people with bikes to access locally; Rather than prevention, develop a designated area for the activity

**Contact Centre:** This money would be better spent on either creation of jobs or investment in older people's services; The CAB and Welfare Rights can give this information; Contact Centre's must be properly staffed

### 2. What benefits and/or improvements will the above deliver to the community and residents of West Dunbartonshire?

- The money should be diverted to the illiterate and support more assistant teachers rather than materials - children who can read, write and spell and use English grammar properly
- £112k can be used to fund other projects
- Would give residents of each area chance to participate in the service
- The Change fund is certainly going to help Social Work and Health centres to provide extra services
- Health and fitness and social inclusion improvement; Improvement in Mental Health and self worth
- Safe environment

<ul style="list-style-type: none"> <li>▪ I believe this money would be better spent making all WDC housing damp proof. We, in Rosshead, have been fighting for this for a number of years</li> <li>▪ Public toilet at Balloch and bus to Lomond Shores</li> </ul>
<b>a) Invest more in?</b>
<ul style="list-style-type: none"> <li>▪ Community Chest Grants: more money as voluntary organisations do a lot of work</li> <li>▪ Roads and Infrastructure: Keep drains clear to help prevent flooding; Dredge the Leven and the Clyde; Requires more than amount allocated. Many roads damaged by frost in 2010/2011 have never been touched and are full of ruts; Roads re-surfacing; Invest more in the short-term in our roads; Pothole repairs; Instead of patching, more re-surfacing on roads, pavements need work too</li> <li>▪ Raising Attainment Strategy: Invest more than specified amount (£80k)</li> <li>▪ Education: Children are our future</li> <li>▪ Library Services: Re-open Parkhall, Faifley and Gavinburn Libraries as a matter of extreme urgency</li> <li>▪ Elderly: As an ageing population, more money for elderly would be good</li> <li>▪ Voluntary groups: Funding has been cut over the last few years, they do a lot for carers and disabled people all over West Dunbartonshire</li> <li>▪ Home care; Looking after vulnerable people must remain a priority</li> <li>▪ Reduce shop rents to encourage small retailers; Improve the shopping centres</li> <li>▪ Pest control</li> <li>▪ Police Services</li> <li>▪ Good bus service and a decent bus terminal; The bus station should be more organised, this has been ongoing for ages</li> <li>▪ Charging for waste causes more fly tipping; Litter removal</li> <li>▪ Community Education Centres and Cafes</li> <li>▪ Investment to bring brownfield sites back into economic use</li> <li>▪ Secure, permanent jobs; 500 jobs must be long term jobs and sustainable</li> </ul>
<b>b) Invest less, reduce, or stop providing?</b>
<ul style="list-style-type: none"> <li>▪ Reduce Shopmobility Scheme to £30k; Reduce investment in Shopmobility Scheme to £20k; Reduce Shopmobility Scheme to £40k; Reduce Community Chest grant to £40k; Reduce Community Chest Grants to £25k; Reduce Tourism and Commonwealth Events to £80k; Reduce Tourism and Commonwealth Events to £50k to enhance 2014 events; Reduce Attainment Strategy to £70k</li> <li>▪ West Dunbartonshire Carers Service: give the money directly to voluntary carers groups, so that carers can receive respite, support and well-being which not many receive through the centre. Money is wasted on staff and building costs</li> <li>▪ Reduce the number of people accessing Christmas bonus, increase age limit to 70, re-allocate money to Social Care</li> </ul>
<b>Further comments:</b>
<ul style="list-style-type: none"> <li>▪ Renton Road is a huge problem, the trees are hanging over the road, it needs to be cleared right back. Always floods when it rains</li> <li>▪ Don't waste time, the latter can be costly, in many aspects</li> <li>▪ I think more money should be given to voluntary groups as we have had funding cut over the last few years. I'm involved in West Dunbartonshire Carers Forum and we do loads of work for the support and well-being of our carers, we should feel more appreciated</li> <li>▪ When is West Dunbartonshire Council going to address dampness in its properties</li> <li>▪ Poverty is bringing West Dunbartonshire down, something has to be done</li> <li>▪ Clear hedges and charge people; Stop/fine people who park on pavements, this will reduce damage to pavements</li> </ul>

**PUBLIC CONSULTATION 2012/13**

FEEDBACK QUESTIONNAIRE

Session	Location	Attendance	Questionnaire's Returned
16 <sup>th</sup> January 2012	Clydebank	32	27
17 <sup>th</sup> January 2012	Alexandria	12	9
18 <sup>th</sup> January 2012	Dumbarton	4	2

**1. PRESENTATIONS**

***Did tonight's presentation....***

Strongly Agree      Tend to agree      Neither agree or disagree      Disagree      Don't know

Provide enough information to residents?	4	18	11	4	0
Improved your knowledge of the Council's priorities for the local area?	9	21	7	0	1
Help you understand more about the Council's finances?	8	19	9	1	0
Help you understand the difficulty of making decisions about future Council spending?	10	20	4	1	0

**2. GROUP DISCUSSION**

***Did you find the discussions within your group....***

Strongly Agree      Tend to agree      Neither agree or disagree      Disagree      Don't know

Informative?	9	20	5	2	0
Useful to hear other points of view?	14	20	1	0	0
Interesting to hear other ideas and suggestions?	13	20	1	0	0
Worthwhile?	10	14	6	1	0
A waste of time?	0	2	5	22	1
Tedious?	1	3	3	21	1
Too complicated to get involved in the discussion?	2	4	4	21	1

**3. FORUM OVERALL**

Strongly Agree      Tend to agree      Neither agree or disagree      Disagree      Don't know

The event was easy to understand and follow	13	22	2	0	0
There was opportunity to be involved and put forward your views	18	18	1	0	0
The venue was comfortable	18	17	2	0	0
The refreshments provided were sufficient	22	11	1	1	2

***Further comments that you think would be important for us to take into account when organising future events of this kind:***

- If anyone on a panel wants to be heard, then please use a mic
- Copy of slides were not provided
- Good to have background music

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by Interim Executive Director of Corporate Services**

**Special Council: 26 January 2012**

---

**Subject : General Services Revenue Estimates and Council Tax – Financial Year 2012/13**

### **1. Purpose**

**1.1** The purpose of this report is to provide Council with sufficient information to allow them to agree:

- the General Services Revenue Estimates for 2012/13; and
- the council tax level for 2012/13.

### **2. Background**

**2.1** Members received a copy of the draft revenue estimates for 2012/13 along with a report providing details of the financial settlement, received from the Scottish Government, at the Special Council meeting held on 15 December 2011. The report identified a balance of £37.604m to be met from council tax, savings and reserves.

**2.2** The report also detailed funding included within the settlement of £1.190m on the assumption that West Dunbartonshire Council would agree to freeze its council tax level for 2012/13. It was reported that a standstill council tax based on a Band D product of 34,245 would generate £38.731m, resulting in a surplus balance for 2012/13, at that time, of £1.127m.

**2.3** Since the report was provided to the Special Council on 15 December a number of adjustments to the draft budget position have been identified by the Corporate Management Team (CMT) and are listed in Appendix 1 to this report. These adjustments total an additional net cost in 2012/13 of £0.826m and reduce the funding surplus to £0.302m. These adjustments can be summarized as follows:

- Change to funding from Scottish Government following a correction of the settlement allocation calculation - £0.063m less funding;
- Change to basis of calculation of the Band D Council Tax product as the number of residences has increased providing a Band D product of 34,361 - £0.132m additional income; and
- A number of budget adjustments - £0.895m.

**2.4** Following these adjustments the new estimated total net expenditure for 2012/13 is now £239.411m (was £238.516m), the Scottish Government funding is now £200.850m (was £200.913m) and expected Council Tax funding increased to £38.863m (was £38.731m). The figures generate the budgeted surplus of £0.302m as follows:

Total Net Expenditure	£239.411m
Funded by:	
Scottish Government	£200.850m
Council Tax	£ 38.863m
	<u>£239.713m</u>
<b>Surplus</b>	<b><u>£ 0.302m</u></b>

- 2.5** The Special Council meeting on 15 December agreed that the Council Leader should accept, in principle, the additional funding that is available to West Dunbartonshire Council in 2012/13 on condition of the delivery of a number of commitments as detailed in paragraph 2.9 of that report. The letter of acceptance is attached as Appendix 2 to this report.
- 2.6** The above figures are based on the provisional allocations announced in the Scottish Government Finance Circular No. 11/2011 (issued on 8 December 2011) but which will not be formally confirmed until the Local Government Finance (Scotland) Order 2012 is approved by the Scottish Government in early February.
- 2.7** Committed budgets for capital and the HRA have also been considered to ensure that the full impact of the Prudential Code for Capital Investment and the interrelationship between the General Fund and the HRA are fully reflected in the draft general services budget. A report on the HRA Revenue Estimates 2012/13 appears later on this agenda and reports on both the General Services capital plan 2012/13 and the HRA capital plan 2012/13 will be presented to Council at a later date.

### **3. Main Issues**

#### Revenue Estimates 2012/13

- 3.1** A motion detailing proposals for consultation with stakeholders in order to finalise the Council's General Services budget for 2012/13 was approved by Council on 15 December 2011. These proposals, along with the draft budget, were presented to a series of public consultation meetings held on 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> January 2012.
- 3.2** A report on the outcome of the public consultation process is presented for Members' consideration earlier within this agenda.
- 3.3** The additional funding of £1.190m available to the Council should it choose to freeze its council tax level for 2012/13 is based on the current band D product and is equivalent to a 3% council tax increase.
- 3.4** In addition to the 'in principle' grant acceptance submitted to the Scottish Government following the Special Council meeting of 15 December 2011, in order to access the additional funding included within the position outlined in this report, Council will be required no later than 11 March 2012 to write to the Cabinet Secretary for Finance, Employment & Sustainable Growth to confirm that the budget approved by Council includes provision to deliver across all the specified commitments in the November offer.



- 3.5** In July 2011 budget guidance was issued to departments to prepare the budget on the basis of current policies. This means that the budget is based on the approved activity levels of 2011/12, except where growth has been specifically approved by the Council or included in the funding to be received from the Scottish Government.
- 3.6** Members will wish to consider options around the use of the draft surplus budget of £0.302m. Options available include:
- Identifying additional revenue expenditure (growth) to plan to spend the value of the surplus to bring about a balanced budget; or
  - Retaining all or part of the budget surplus to increase unearmarked reserves in order to plan for the draft deficit projected for 2013/14; or
  - Using the funding to boost the Council's capital budget for 2012/13 as Capital Funded from Current Revenue.
- 3.7** Members may wish to consider options to add further growth expenditure to the budget beyond the current budget surplus of £0.302m, however in order to do so Member will require to either identify savings to be applied to the draft budget or agree the use of unearmarked reserves. Members may also wish to consider priorities in relation to currently earmarked reserves.
- 3.8** The Corporate Management Team (CMT) identified a number of savings options in the report to Special Council on 15 December. Following further consideration, this list of options has been revised and an updated list is attached as Appendix 3. The CMT has also identified a number of potential growth items for Members consideration and this is attached as Appendix 4.
- 3.9** In considering this issue Members will wish to consider the longer term effects on future years' budgets should any of such additional growth options result in a recurring expenditure commitment.
- 3.10** In addition, should Members identify additional growth options to be funded from reserves, then the Prudential Reserve level of £4.2m should be considered. This level of free reserves is considered to be the free reserve level which the Council should not plan to be below.
- 3.11** The budgeted level of council tax funding equates to £1,163 per house within the Council area (Band D equivalent). This excludes water and sewerage charges. The Council has no control over these charges although they are collected along with council tax. For 2012/13, the combined annual charge for water and sewerage for a band D property will remain at £393.57.
- 3.12** Based on current performance it is recommended that the budgeted council tax collection rate is retained at 97.25% for 2012/13.

### Costs relating to recent adverse weather

- 3.13** The costs in connection with the clear up operation following the recent adverse weather are still being confirmed. An element of the costs will be recoverable through insurance and the Scottish Government has also confirmed that they have activated the Bellwin scheme to provide councils with emergency financial assistance for any *eligible* costs resulting from the severe level of storm damage. Following the appropriate formula, this Council has to absorb £0.479m of eligible costs before reclaiming from the scheme. The absorption of these costs will affect the level of overall un-earmarked reserves the Council has available to it at 31 March 2012.

### Revenue Estimates 2013/15

- 3.14** In order to meet the Council's desire to identify and plan for medium term budgets and issues, indicative budgets for the following two years have been prepared which assume the same level of service as implicit within the 2012/13 budget.
- 3.15** It should be noted that 2012/13 is the first year of a three year funding settlement and that the known settlement figures have been incorporated into the indicative budgets for 2013/14 and 2014/15.
- 3.16** Taking into account the above, the indicative budget forecasts a substantial funding gap of £6.066m is estimated in the 2013/14 budget and (assuming appropriate action is taken to balance the 2013/14 budget, through a combination of efficiencies, balances and council tax) a budget surplus of £1.561m in the 2014/15 budget. It is recommended that this forecast continues to be remitted to the Strategic Finance Working Group to consider options to address the position.

## **4. People Implications**

- 4.1** The potential staffing implications relate to:
- the management adjustments which were reported to Council on 15 December 2011; and
  - the savings options package per Appendix 3.
- 4.2** Any staffing implications as a result of the implementation of the management adjustments and any savings options agreed will be subject to a full consultation process in line with the Organisational Change Policy.

## **5. Financial Implications**

- 5.1** As detailed within the report.

## **6. Risk Analysis**

- 6.1** The Council, in setting this budget, is required to give due regard to the significant financial pressures facing the Council in the medium term.

## **7. Equalities Impact Assessment**

- 7.1** An equality impact assessment of each savings option within the package has been carried out within the relevant department.

## **8. Strategic Assessment**

- 8.1** The Council has identified four main strategic priorities to date, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.
- 8.2** At a service by service level, the General Services revenue budget contributes to these strategic priorities of the Council as well as providing statutory services to its service users.

## **9. Conclusions and Recommendations**

- 9.1** The draft budget figures for 2012/13 to 2014/15 assume no additional borrowing costs due to prudential investment in General Services capital spend projects.
- 9.2** Following consideration of the budget pressures facing the Council, together with the savings options identified whilst also maintaining the Council's commitment to keep council tax levels as low as possible, it is recommended that the Council accepts the additional funding of £1.190m available from the Scottish Government and agrees to a standstill council tax level.
- 9.3** The Council is committed to medium term budgeting and options to address the indicative funding gaps for 2013/14 and 2014/15 will be considered at an early date by the Strategic Finance Working Group and reported to all elected members.
- 9.4** Following consideration of budget information provided, Council is recommended to:
- Set the band D council tax level for 2012/13 at £1,163 which represents a 0% increase and assumes a collection rate of 97.25% thereby generating £38.863m;
  - Agree any growth projects or savings options to be incorporated into the budget for 2012/13 which produces a balanced budget and does not breach the Council's Prudential Reserve level of £4.2m;
  - Remit consideration of the forecast funding position for financial years 2013/14 and 2014/15 to the Strategic Finance Working Group and report to all elected members; and
  - To write to the Cabinet Secretary for Finance, Employment & Sustainable Growth no later than 11 March 2012, to confirm that the budget approved by Council includes provision to deliver across all the specified commitments in the November offer.

.....  
David Amos  
Interim Executive Director of Corporate Services  
Date: 19 January 2012

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**Person to Contact:** Stephen West, Head of Finance & Resources  
Council Offices, Garshake Road, Dumbarton  
Tel: (01389) 737191. E-mail [stephen.west@west-dunbarton.gov.uk](mailto:stephen.west@west-dunbarton.gov.uk)

**Appendices:** Appendix 1: Summary of budget adjustments  
Appendix 2: Letter to the Scottish Government  
Appendix 3: Amended Savings Options list  
Appendix 4: CMT list of Growth Options

**Background Papers:** Report to Special Council: 15 December 2011.  
Draft Revenue Estimates 2012/13 & Savings Options – 13  
December 2011

**Wards Affected:** All

## Draft general Services Revenue Budget 2012/13

## List of changes to Draft Budget Book

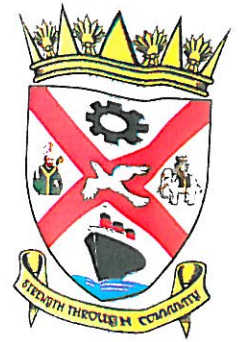
		2012/13 £	2013/14 £	2014/15 £
<b>Current Draft Budget Book position (surplus)/deficit</b>		<b>(1,127,400)</b>	<b>3,488,590</b>	<b>224,960</b>
1.	Reduction in Scottish Government settlement provision advised after drafting of Draft Budget	63,000	63,000	63,000
2.	Implementation of Scottish Living Wage from £7.15 to £7.20 (includes error identified in HEED where a small number of posts had not been properly costed at Living Wage level)	77,880	77,880	77,880
3.	Reduction in value of Education Management Adjustment regarding review of Administrative and Clerical support in schools following development of detailed plans to implement (this reduces the overall number of posts affected by 6, to 37)	86,625	139,000	139,000
4.	Change in Council Tax base due to revision of existing residences	(132,190)	(190,190)	(190,190)
5.	Error identified in Corporate Services Employee costs budget - 3 posts missed from Draft Budget	63,000	63,000	63,000
6.	Delay in tendering process in relation to work currently undertaken by HEED in local Police Offices, therefore additional net income. Expect to change from 1 January 2013.	(18,750)	0	0
7.	Management Adjustment in CHCP in relation to market-testing removed from Management Adjustments as Member decision required to proceed. This added to Savings Options.	225,000	225,000	225,000
8.	Increase in Fostering Costs following national negotiations	28,700	28,700	28,700
9.	Increase in costs budgeted for Requisitions. Draft budget assumed 3% reduction for these (except Police). West of Scotland Councils have agreed to pass on flat cash settlement to requisitioning bodies, therefore additional cost to be budgeted	303,000	606,000	909,000
10.	Increase in Older people Care Home costs following outcome of national negotiations	117,500	117,500	117,500
11.	Leasing Winter Vehicles (per HEED Committee January 2012)	25,000	75,000	75,000
12.	Revision on saving from Leisure Trust (per HEED Committee December 2011)	(13,000)	(13,000)	(13,000)
13.	Assume 1% pay uplift for 2013/14 and 2014/15	0	1,386,000	2,786,000
	<b>Revised Budget Position 2012/13 (surplus)</b>	<b>(301,635)</b>		
	<b>Revised Budget Position 2013/14 - deficit</b>		<b>6,066,480</b>	
	<b>Revised Budget Position 2014/15 - deficit</b>			<b>4,505,850</b>
	Savings Required 2013/14 and applied in 2014/15		6,066,480	(6,066,480)
	<b>Revised Budget Position 2014/15</b>			<b>(1,560,630)</b>

# West Dunbartonshire Council

Councillor Ronnie McColl

Leader of the Council

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RM/FD

20 December 2011

John Swinney MSP  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

Dear Mr Swinney

## Financial Settlement 2012/13

West Dunbartonshire Council at a full Council meeting held on 15 December 2011, considered the terms of the settlement offer as outlined in your letter of 21 September, and agreed to confirm our agreement *in principle* to the delivery of the undernoted commitments.

- To remain committed to working in partnership with the Scottish Government in pursuit of our Joint Priorities, including delivery of the Government's programme, set out in 'Renewing Scotland: the Government's Programme for Scotland 2011-12' and 'the Government Economic Strategy';
- To maintain a council tax freeze in each of the three years of the Spending Review;
- To maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teachers induction scheme, as agreed through on-going discussions on the effective delivery of school education; and
- To pass of our full share of funding to the Police Board, in line with the existing agreed level for 2011/12 as a contribution to maintain the number of police officers at least at 17,234 throughout the Spending Review 2012/15.

20 December 2011 (continued)

However, our agreement *in principle* is made on the basis of the following conditions being met (as noted in your letter, as referenced above):

1. The settlement for local government in each year of the spending review will be at the level of revenue funding maintained at that of 2011/12, inclusive of resources being provided to fund the maintenance of the council tax freeze (£70m);
2. Revenue funding will be provided in line with that provided in 2011/12, to support the maintenance of teacher employment;
3. Local government's share of capital funding represents a continued share of 28% of the total capital resource in the Scottish budget profiled between 2012/13 to 2015/16; and
4. Further resources are provided each year to deliver the Scottish Government's commitment that no individual council should receive less than 85% of the average level of distributed funding to each local authority

West Dunbartonshire Council will meet to formally approve our budget for 2012/13 on the 26 January 2012 and, following that meeting, I will write to you to confirm whether or not appropriate budgetary provision for the delivery of those commitments has been included within the agreed budget.

Yours sincerely



**Councillor Ronnie McColl**  
**Leader of the Council**

West Dunbartonshire Council  
Savings Options

Reference	Issue/Option	Approx. Value £	2012/13 savings £	More Detail 2013/14 savings £	Staffing implications	Identification of any likely impact on the 4 Strategic Priorities	Comments	Equalities Information
ED03	Restructure of Early years	250,000	156,250	93,750	Various options have been put forward. FTE will depend on options chosen	Redesign of service and efficiencies through Service Improvement. Service would continue to meet statutory provision	Draft paper has been prepared. Work is ongoing. Full year saving £250k approx.	Almost all workers in the early years service are female. Reductions in staffing would be achieved through voluntary severance or early retiral. The council's policy of no compulsory redundancies protects female workers in this sector
EDUCATION	TOTALS	250,000	156,250	93,750				
CHCP01	Test market prices through programme of negotiation with care providers around models of care and level of charges. Potentially leading to tendering exercises for care provision should savings targets not be achieved. CHCP03 10/11	450,000	225,000	225,000	External provision	Favourable impact -Fit for Purpose > continuous improvement.	Initially it is likely that these savings can be obtained through negotiations with current providers around hourly rates, care structures and delivery mechanisms. If this failed to be effective and in the longer term, it would be possible to undertake a series of tendering processes to test competitiveness of existing internal and external services.	Initial screening has not identified any discriminatory consequences of the savings option. Officers will work to minimise any detrimental impact that this option has on the delivery of services.
CHCP07	Charging for Care Home Placements - remove subsidy to clients in care homes who currently pay only a proportion of the full cost of their care home placement but who have the means to pay in full. Practice varies in other local authorities with some providing a similar subsidy, others a reduced subsidy and some charging full cost.	286,500	286,500	0	None	None	Current subsidised rate is £541.36 per week. Lowest full weekly cost in a care home is currently £816.84. Saving is based on full cost recovery i.e. Increase of £275 per week for approx 20 affected clients. Increases of a lesser degree could be considered with each £10 reduction in the subsidy generating £10,400 per annum additional income. Risk that the affected clients move to a cheaper non-WDC home and replacement clients cannot be found. Also the clients capital would diminish more quickly thereby accelerating their qualification for Free Personal Care.	Initial screening has not identified any discriminatory consequences of the savings option. Officers will work to minimise any detrimental impact that this option has on the delivery of services.
CHCP23	Neighbourhood Network Services - Review pilot and extend introduction of this alternative approach to providing service for Learning Disability clients	50,000	50,000	0	+ 1 FTE	Favourable impact - Fit for Purpose > Improving service delivery models.	Saving of £72,000 offset by reinvestment of £22,000 to provide alternative service.	Initial screening has not identified any discriminatory consequences of the savings option. Officers will work to minimise any detrimental impact that this option has on the delivery of services.
CHCP	TOTALS	786,500	561,500	225,000				
HEED29	Reduce Clydebank Rebuilt contribution	80,000	80,000	0	none	Potential adverse impact - Social & Economic Regeneration	Council commitment ends March 2012. Minimum £40k saving , maximum £130k but Council may wish to utilise a percentage of the budget to support regeneration activities in line with Strategic Priorities.	Initial screening has not identified any discriminatory consequences of the savings option.
HEED38	Review operation of Mobile CCTV	75,000	45,000	30,000	4 reduction	Favourable impact -Fit for Purpose > continuous improvement.	An alternative delivery model would enable the council and the Police to make efficiencies in operation, achieve improved outcomes associated with national objectives relating to safe, strong and involved communities. This alternative model would also discontinue the need for physical resources including current fleet transport and people costs.	Initial screening has not identified any discriminatory consequences of the savings option.
HEED	TOTALS	155,000	125,000	30,000				
TOTAL			842,750	348,750				



**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK)**

Reference	Department	Service Area	Detail	2012/13 £	2013/14 £	2014/15 £
	CHIEF EXECUTIVES	NIL	NIL	0	0	0
1	CORPORATE SERVICES	Rent Rebates and Allowances	Increase to provision for discretionary housing payments due to changes to Benefits regime	100,524	100,524	100,524
2	EDUCATION	Libraries and Museums	Early Intervention - additional employee for 3 year project	27,000	27,000	27,000
3	CHCP	Learning Disability	Provision of funding to maintain and develop appropriate employment support for adults with learning disability, mental health issues and addiction issues. Funding was reduced following reduction in CPP funding in 2011/12, level of provision maintained in 2011/12 within the CHCP (Social Work) budget from project resources which had slipped, now depleted.	152,000	152,000	152,000
4	HEED	Roads & Transportation	Structural maintenance programmed works	50,000	50,000	50,000
5	HEED	Roads & Transportation	Street lighting asset condition works	60,000	60,000	60,000
6	HEED	Asset Management	Condition Surveys	100,000	100,000	100,000

**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 1**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Payments to Clients – Discretionary Housing Payments	£167,540	£167,540	£167,540	The DWP currently provides the Council with funds to award Discretionary Housing Benefit payments to claimants who are experiencing either personal or financial hardship. Changes to DWP regulations have resulted in reduced payments of Housing Benefit to certain categories of claimants. The Council will receive £67,016 from the DWP to fund Discretionary Housing Payments and the Council is allowed to enhance this budget by a maximum of a further £167,540.
Gross Expenditure	£167,540	£167,540	£167,540	<b>Links:</b> The impact of the additional funding would be to assist families faced with addition financial burdens as a result of changes to their Housing Benefit entitlement. The budget would assist directly with the objectives of improving and sustaining income levels, preventing people from becoming homeless and improve service efficiency and competitiveness through the prevention of arrears.
Income	£67,016	£67,016	£67,016	
Net Expenditure	£100,524	£100,524	£100,524	

**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 2**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Early Intervention 0-4yrs	£27,000	£27,000	£27,000	Developed in light of the recent 'Joining Up the Dots' and success of WDC's early intervention team and children's library provision Bookbug through which books starts packs were delivered to 95% of all 0-4yrs olds. We propose the employment of a temporary Early Year Liaison Officer for a period of 3yrs. This post will coordinate activities aimed at 0-4yrs liaising with libraries, museums and nurseries using reading, music and play to support learning and foster nurturing and family learning. To ensure sustainability the officer will provide extensive training for libraries, museums and nursery staff and families ensuring a skills base is established on completion of the project. We believe this project will provide savings through reducing the need for assisted learning, and demand /pressure on psychological services by working with children at the earliest opportunity. Cost = 1 x Grade 5 officer @ £27,000 p/a (inc emp costs)
Gross Expenditure	£27,000	£27,000	£27,000	Links:
Income	£0	£0	£0	
Net Expenditure	£27,000	£27,000	£27,000	

**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 3**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Learning Disability	£350,000	£350,000	£350,000	Provision of funding to maintain and develop appropriate employment support for adults with learning disability, mental health issues and addiction issues. Funding was reduced following reduction in CPP funding in 2011/12. Between 1 August 2008 and 31 March 2011 Work connect engaged with 440 client, assisted 145 into employment and training, supported 70 in paid employment and supported 22 in volunteer placements. The funding would allow for the current level of staff to be maintained.
Gross Expenditure	£350,000	£350,000	£350,000	Links:
Income	£198,000	£198,000	£198,000	
Net Expenditure	£152,000	£152,000	£152,000	

**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 4**

<b>Budget Heading</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)</b>
Structural Maintenance programmed works	<b>£50,000</b>	<b>£50,000</b>	<b>£50,000</b>	The Roads related structures Life Cycle Asset Management Plan has identified that there is a requirement for additional funding to facilitate early small scale interventions to ensure that the WDC Structural Asset is maintained in a safe condition. This includes coastal defences that have been damaged recently.
<b>Gross Expenditure</b>	<b>£50,000</b>	<b>£50,000</b>	<b>£50,000</b>	<b>Links: An Improving Council</b>
<b>Income</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
<b>Net Expenditure</b>	<b>£50,000</b>	<b>£50,000</b>	<b>£50,000</b>	

**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 5**

<b>Budget Heading</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)</b>
Street Lighting Asset Condition	£60,000	£60,000	£60,000	The current condition of the street lighting asset as identified in our asset management plan is very poor following years of under investment. To assist in life cycle planning and planned maintenance it is necessary to further develop our understanding and knowledge of the existing assets. Detailed structural and electrical testing is required to inform our future life cycle planning for this service.
Gross Expenditure	£60,000	£60,000	£60,000	Links: Asset Management Strategy and An Improving Council
Income	£0	£0	£0	
Net Expenditure	£60,000	£60,000	£60,000	

**WEST DUNBARTONSHIRE COUNCIL**

**DRAFT ESTIMATES 2012/13**

**GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 6**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Undertake Condition Surveys	£100,000	£100,000	£100,000	Undertake rolling programme of condition surveys to inform the decision making process and prioritise capital spend in line with the Asset Management Strategy. Would need to be prioritised within Capital Programme if removed as growth bid.
Gross Expenditure	£100,000	£100,000	£100,000	<b>Links:</b> Links to good practice within overall Financial Strategy, Asset Management Strategy and Fit for Purpose Services.
Income	£0	£0	£0	
Net Expenditure	£100,000	£100,000	£100,000	

**WEST DUNBARTONSHIRE COUNCIL**

**DRAFT ESTIMATES 2012/13**

**GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 7**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Employee costs – Manual workers - overtime	£96,000	£96,000	£96,000	The present budget has proved inadequate given the winter weather experienced since 2008/09 . Additional resources would bring the 2012/13 budget to the average level incurred since 2008/09.
Gross Expenditure	£96,000	£96,000	£96,000	Links: An Improving Council and Fit for Purpose Services
Income	£0	£0	£0	
Net Expenditure	£96,000	£96,000	£96,000	



**WEST DUNBARTONSHIRE COUNCIL****DRAFT ESTIMATES 2012/13****GROWTH ITEMS (BIDS NOT CURRENTLY INCLUDED IN DRAFT BUDGET BOOK): DETAIL 8**

Budget Heading	2012/13	2013/14	2014/15	Business Case/Rationale for Funding New Item (growth/ burden/ under-stated)
Supplies & Services and Admin. Costs - Legal expenses	£17,000	£17,000	£17,000	The present budget has proved inadequate given the level of planning appeals in recent years. Additional resources would bring the 2012/13 budget to the average level incurred since 2008/09.
Gross Expenditure	£17,000	£17,000	£17,000	Links: An Improving Council and Fit for Purpose Services
Income	£0	£0	£0	
Net Expenditure	£17,000	£17,000	£17,000	

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Executive Director of Housing, Environmental and Economic Development**

**Council: 26 January 2012**

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**Subject:     Housing Revenue Account (HRA) Estimates 2012/2013**

### **1.     Purpose**

- 1.1**     The purpose of this report is to provide Members with sufficient information to allow them to agree:
- the revenue budget for 2012/13;
  - the level of weekly rent increase for 2012/2013 which is sufficient to fund the revenue budget for 2012/13.

### **2.     Background**

- 2.1**     Since November 2011 discussions have been ongoing with tenant and resident groups in relation to the Housing Revenue Account Estimates for 2012/2013. The invitation issued to the tenant groups in November 2011 intimated an average weekly rent increase of 4.5%, which is in line with the Council's approved 30 year Business Plan.
- 2.2**     In preparing these estimates, which result in a proposed rent increase of 4.5%, the following factors have been taken into account:
- Nil inflation has been assumed on all non-protected budget lines; and
  - A 1% turnover saving has been applied to employee costs.
- 2.3**     For the financial year 2011/12 West Dunbartonshire's average weekly rent ranked eighteenth from top out of Scotland's 28 housing authorities.

### **3.     Main Issues**

#### **3.1     Standard Delivery Plan/Delivery of the Scottish Housing Quality Standard (SHQS) by April 2015**

- 3.1.1**   A critical factor for setting rents for 2012/2013 and future years is to ensure that the Council has the resources available to meet the SHQS by 1 April 2015 and that it maintains this standard beyond that date.

- 3.1.2** The Council's updated Business Plan (which assumes partial stock transfer) recommends a minimum of 4.5% weekly rent increase for 2012/2013 and that this level of rent increase is recommended up to and including 2016/2017. Thereafter, the required rent increase would be 3.5%.
- 3.1.3** It should be noted that the 30 year business plan for reaching and maintaining the SHQS has been prepared on the basis that there will be fluctuations in inflation over the period of the plan. These increases would need to be revised in the event of long-term inflation forecasts being above target.

### **3.2 Rent Re-modelling**

- 3.2.1** At its meeting on 6 January 2010 the Housing, Environment and Economic Development Committee approved the introduction of the new rent model based on property size, property type and general quality.
- 3.2.2** The Committee also agreed the new rent model be implemented with effect from 1 June 2010, and that, in order to facilitate the transition to the new model, a £3 cap would be applied to ensure that no tenant would require to pay more than £3 per week as a consequence of the introduction of the new rent model and that this £3 cap would apply for a maximum period of 3 years.
- 3.2.3** All tenants who were due a rent reduction as a consequence of the new rent model had the reduction applied in full with effect from the date of implementation, i.e. 1 June 2010.
- 3.2.4** The new rent model adopted by the Council has 25 standard rents compared to the previous rent structure which had over 299 standard rents.
- 3.2.5** The third and final year of the capping arrangements commences from Monday 28 May 2012 (the closest Monday to 1 June 2012) and at this date a total of 78 tenants will still require the £3 cap which will smooth the transition for these tenants towards paying the full re-modelled rent.
- 3.2.6** Members will note that the annual rent increase will be introduced as from Monday 2 April 2012 (the Monday closest to 1 April 2012) and the rent increases due to rent re-modelling will be introduced as from Monday 28 May 2011 (the Monday closest to 1 June 2012).

### **3.3 Comparison of 2012/2013 with 2011/2012 Estimates**

There are a number of important comparisons which require to be drawn to the attention of Members.

### **3.3.1 Employee Costs**

Employee costs have increased by £104,880. The ongoing financial benefit of the restructuring of the housing service implemented in 2010/11 has been more than offset by the successful regrading appeal by Housing caretakers. This appeal was decided after the 2011/12 budget had been set and is now reflected in the budget for the first time. The budget also allows for a temporary increase in the number of housing officers by 3 posts with a full year cost of £76,000 (this will be reviewed once the result of the stock transfer ballot is known). Two posts will provide additional housing officers to support the current work of the area teams in estate and tenancy management. A further temporary front-line post will be involved with pre-tenancy assessments and early support for new tenants to ensure that they are fully aware of their rights and responsibilities. In addition provision has been made for 6 modern apprentices (up from 2 in 2011/12) reflecting the Council's commitment to creating job and training opportunities for young people in West Dunbartonshire.

### **3.3.2 Property Costs**

There has been no overall change in Property costs with increases in utility costs and property insurance offset by a reduction in the budget for property costs allocated to the HRA for use of council buildings at Rosebery, Garshake and the Repair Centres.

### **3.3.3 Supplies Services and Admin Costs**

There is a small reduction of £24,000. This is primarily due to reductions in printing and stationery and general supplies.

### **3.3.4 Support Services**

The recharge to the HRA for central support costs has increased by £100,000. This reflects the impact of restructuring within the central services including the transfer of a number of finance-related posts previously charged directly to the HRA.

### **3.3.5 Other Expenditure**

Other expenditure has decreased by £32,200. This is due to a decrease in the budget for Strategy expenditure and reduced expenditure on legal fees and bank charges.

### **3.3.6 Reallocated Salaries**

The amount of employee costs reallocated from the HRA to other General Services and Capital accounts has been reviewed following the restructure of the Housing service. A reduction in the proportion of work undertaken by HRA staff on General Services and Capital account functions and fewer staff overall has reduced this transfer from the HRA by £416,770.

### **3.3.7 Repairs and Maintenance**

There has been an increase in the Repairs and Maintenance budget of £430,690. The main reasons for this increase are as follows:

#### **a) Jobbing Repairs/Transfer to HRA Capital**

Jobbing repairs have increased by £208,690. This increase allows for an inflationary uplift for private contractor repairs which the HMTA cannot undertake (£36,500) and slightly more void house security (£3,500). The remainder of the increase represents an increase in the revenue sum budgeted for the in-house contractor. There is, however, a decrease in the element of capital work of £260,000.

At the Council meeting in August 2011 it was agreed that an operating surplus target for the Housing Maintenance Trading Operation be established at 5% of turnover for 2012/13. This followed representations from tenants' groups over a number of years concerning the level of surplus being generated by the Housing Maintenance Trading Account and, more specifically, the fact that this surplus was returned to the General Services Account rather than the Housing Revenue Account. For the 5% target to be achieved there will need to be an increase in the percentage discount offered on the National Schedule of Rates.

Within the appended estimate, the benefit to the HRA of this change in practice has been retained within the jobbing repairs budget. The estimated value of this benefit is about £700,000 per year.

The Housing Service has consulted extensively with WDTR0 about the use of this additional resource and the preference from the groups is that the financial benefit is used to introduce a programme of cyclical planned maintenance work.

b) Other Maintenance - Gas, Lifts, CCTV etc.

This budget has decreased by £23,550. This mainly due to projected savings within the ventilation contract.

c) Other Repairs

This budget has increased by £102,050. Although there are several increases and decreases within this budget head the main reason for the increase is the inclusion in the budget of an environmental improvement service. This budget will be used to set up four environmental improvement teams to carry out Grounds Maintenance works at locations owned by Housing Services and which have been identified as requiring additional attention and maintenance. These works include hedge reduction, grass cutting on steep bankings and deep cleaning of service lanes. This programme is an enhancement to the work currently carried out by Greenspace and reflects the demands of both tenants and elected members.

d) Close Cleaning

The 2011/12 budget contained a budget of £100,000 for close cleaning. In late 2010/11 there was an evaluation of this service both in terms of its scope and the standards expected from the service. Tenants and Residents Groups were informed of the outcome of this evaluation and their comments were sought on our proposals. In November 2011 approval was granted to go out to tender with expected variations to the specifications within the contract. The tender is now prepared with a view to release shortly. As a result of tenant consultation, it is anticipated that the costs will be greater than at present. For this reason provision of £130,000 has been included in the budget for 2012/13

e) Insurance Works

Insurance-related works (e.g. fire damage reinstatements) can be difficult to forecast. However, the budget has been increased by £33,500 to £256,250. This brings it in line with the annual average since 2008/09.

f) Recoveries

This budget has been reduced by £80,000 resulting in an increased cost to the budget. While recoveries from rechargeable repairs have been held constant it is felt prudent to reduce the expected recoveries from insurance recoveries given the inherent uncertainty surrounding this area of activity.

### **3.3.8 Bad Debt Provision**

Given the level of outstanding HRA debtors it is felt prudent to provide for a greater top-up to the bad debt provision. The budgeted top-up in previous years was £350,000. However, the actual required top-up in the past two years has been £559,000 in 2010/11 and £461,000 in 2009/10. A provision of £520,000 has been set aside for 2012/13. This is £170,000 greater than in 2011/12.

### **3.3.9 Rents - Un-let Period (Houses)**

The budget has increased by £225,480. The average number of voids per week to mid-October 2011 was 388 (65% or 254 of which are no or low demand voids) and has continued to increase: the average per week for the year to mid-January is 403 void houses per week (65% or 262 of which are no or low demand voids). The weekly average to mid-October has been used in setting the budget for 2012/13. The previous year's budget was based on an average of 329 per week (60% or 197 of which were no or low demand voids). The issue of void performance is currently being addressed. The programme of structural repair work in South Drumry is due to restart in January 2012 and lettings plans are being put in place for all long term voids with a view to generating demand and reducing the weekly void count from its current level.

### **3.3.10 Council Tax on Voids**

The budget has increased by £56,290 to £250,000. Void performance has been less than anticipated in 2011/12 as outlined in 3.3.9 above. In 2010/11 the outturn on void council tax was £246,000.

### **3.3.11 Loan Charges**

Loan charges have reduced by £343,920. The principal determinants of loan charges are the average pool interest rate and the level of borrowing. Net capital expenditure planned to support the delivery of the Scottish Housing Quality Standard has been less than budgeted in the past two years. While increased capital expenditure is planned for 2012/13 - as part of the Council's obligation to meet the Scottish Housing Quality Standard by 2015 it is planned to spend in excess of £25m - this will have little effect on the level of loan charges in 2012/13. This explains why 2012/13 loan charges have decreased. In addition to the £25m planned to be invested in our existing housing stock in 2012/13 the Council will also spend £7.695m within the HRA Capital Programme on building 75 new houses across the three sub-areas of the authority. While the majority of these new houses ought to be completed within 2012/13 the loan charges on this expenditure will not become relevant until 2013/14. The borrowing will be accommodated within the authorised prudential limits that will be presented to Council for approval within the Annual Treasury Strategy.

### **3.3.12 House Rent**

The budgeted rental income from houses has reduced by £211,430. This reflects the continuing reduction in the number of council houses as a result of council house sales (55 per annum) and the ongoing removal from the letting pool of those properties agreed at the Housing, Environment and Economic Development Committee in September 2009 and November 2011.

### **3.3.13 Revenue Interest**

This budget has been reduced by £12,000 as interest accruing to the HRA is anticipated to be lower as a result of the prolonged period of low interest rates.

### **3.3.14 Other Income**

This budget has been reduced by £55,000. Within "Other Income" there is a subsidiary budget line reflecting the transfer of property costs to General Services accounts from the HRA. There will, however, be a lower reallocation of property costs from the HRA in 2012/13 following the transfer of Homeless Persons staff from Dumbarton Area Housing Office.

### **3.3.15 Balance Brought Forward**

The budget as presented at Appendix 1 does not utilise any of the HRA Reserve. The 2012/13 budget is accordingly presented as a breakeven budget.

## **3.4 Consultation**

- 3.4.1** The Council is committed to tenant consultation. A Tenants' Information Day was held on 26 November 2011, which covered all housing services including the proposed rent increase, and this was followed by a rent consultation meeting on 1 December, 2011. The December meeting was attended by three tenant/federation groups with apologies received from a further three. In addition the winter edition of Housing News issued to all tenants contained details of the proposed rent increase along with information on how to register any comments.



**3.4.2** In accordance with tenants' wishes expressed last year the format of the rents consultation meeting was changed. In previous years Housing and Community Safety had given a presentation about how the Council is performing and asked for feedback about tenant priorities. However this format was rejected last year and the view was that people simply wanted a copy of the proposed HRA for the next financial year and to understand how the money was being spent.

**3.4.3** The WDTRO and tenant and resident associations across West Dunbartonshire have been fully appraised about the proposed rent increase which is included in the current HRA business plan. Residents have fully participated in the consultation process. Tenants have asked a comprehensive range of questions regarding the rent increase and the activities which will be funded from it. All comments received have been supportive of the Council's position.

#### **4. People Implications**

**4.1** There are no personnel issues.

#### **5. Financial Implications**

**5.1** To fund the budget and support the investment requirements of the Scottish Housing Quality Standard an average weekly rent increase of 4.5% is required. (£2.47 on a 52 week basis and £2.73 on a 47 week basis). This is supported by the 30 year business plan.

#### **6. Risk Analysis**

**6.1** The key driver for determining rents for Council properties must be the Standard Delivery Plan approved in principle in October 2008. Failure to set rents consistent with the plan will result in insufficient funding being available to facilitate delivery of the plan and will result in the Council failing in its duty to deliver the Scottish Housing Quality Standard (SHQS) by 2015. Use of reserves to reduce rent increases in the short term is likely to undermine the Council's ability to support delivery of the SHQS.

**6.2** The risk to the Council is if the HRA spends significantly more than is included within this budget or recovers significantly less in the way of income especially rental income. However, based on the recommendations at the end of this report, there is nothing at the time of writing this report that would suggest that this is likely to happen.

#### **7. Equalities Impact Assessment (EIA)**

**7.1** No issues were identified for potential equality impact of this report

## **8. Strategic Assessment**

- 8.1** This report identifies resources available to the Council to deliver the Strategic Priorities, principally Social and Economic Regeneration. The attached budget is a means to delivering better employment opportunities, improving the quality of council housing, promoting the physical area regeneration across the authority and improving the estate management of our council estates. This budget augments resources in key areas to support the delivery of fit for purpose and sustainable services.

## **9. Conclusions and Recommendations**

- 9.1** The Council is required to consider the level of weekly rent increase for the financial year 2012/2013 and agree an appropriate rent rate which meets the estimated costs of providing the Housing Service in 2012/13 as identified in the attached Appendix.
- 9.2** In determining the level of weekly rent increase due cognisance must be taken of the requirements for investment as detailed in the Standard Delivery Plan and the need for robust financial planning and management to ensure that the Council delivers on the SHQS by the year 2015.
- 9.3** In formulating the attached estimate, officers have assumed a nil inflation uplift on all non-protected budget lines.
- 9.4** At March 2011 the HRA reserve, after allowing for the 2011/12 cost of the rent capping arrangement was £2.629m. Members will recall that Audit Scotland have recommended the Council maintains an HRA Prudential Reserve of 2% of gross expenditure, which for the 2012/2013 financial year equates to £695,000. The remainder of the reserve has been earmarked for stock transfer costs. It is therefore considered prudent to recommend that the budget for 2012/13 does not utilise any of this existing earmarked reserve and that the prudential reserve of £695,000 should be retained.
- 9.5** It is currently forecast (per the probable outturn) that there will be an in-year surplus on the HRA at the end of March 2012 of some £936,000 , principally because of the impact on loan charges of lower net capital expenditure in recent years. However, this was before the recent bad weather in December and January and this will have an effect on the forecast surplus for 2011/12 depending on the outcomes of insurance claims and any non-insurable costs - information on these is not available at present and therefore it is considered prudent to recommend that the budget for 2012/13 does not utilise any funding from the current favourable probable outturn position.

- 9.6** The required weekly percentage rent increase contained within the attached HRA estimate is £2.47 on a 52 week basis (£2.73 on a 47 week basis) which equates to 4.5%.
- 9.7** The attached budget as recommended below sets a rent level that satisfies best practice in maintaining a Prudential balance and of ensuring that all reasonable contingencies are taken into account.
- 9.8** It is recommended that Council:
- i) agree a weekly rent increase of not less than £2.47 on a 52 week basis (£2.73 on a 47 week basis), equating to 4.5% in order to meet the planned net revenue HRA budget as detailed in Appendix 1; and
  - ii) agree to maintain the existing level of lock up rent levels at the same levels as for 2011/12.

**Elaine Melrose**  
**Executive Director of Housing, Environmental and Economic Development**  
**Date: 16 January 2012**

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**Appendix:** 2012/2013 Housing Revenue Account  
Estimate

**Background Papers:** None

**Wards Affected:** All

## **HOUSING REVENUE ACCOUNT**

**APPENDIX 1**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>2011/2012</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>Total</b>
	<b>Estimate</b>	<b>Prob. Outturn</b>	<b>Estimate</b>	<b>Movement</b>
				<b>(Fav)/Adv</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>(1-3)</b>
				<b>£</b>
<b>EMPLOYEE COSTS</b>				
<b>Employee Costs</b>	<b>4,251,200</b>	<b>4,170,908</b>	<b>4,356,080</b>	<b>104,880</b>
APT & C Staff - Salaries	2,607,200	2,418,000	2,559,620	(47,580)
APT & C Staff - Overtime	23,000	32,000	23,000	0
APT & C Staff - Superannuation	403,950	360,800	355,410	(48,540)
APT & C Staff - National Insurance	180,130	162,117	169,520	(10,610)
Manual Workers - Wages	763,510	858,042	889,240	125,730
Manual Workers - Overtime	26,480	46,927	51,000	24,520
Manual Workers - Superannuation	52,660	68,422	71,790	19,130
Manual Workers - National Insurance	111,270	116,601	123,500	12,230
Training Fees	10,000	5,000	10,000	0
Strain on the Fund/Early Retiral Costs	70,000	100,000	100,000	30,000
Other Employee Costs (skillseekers etc.)	3,000	3,000	3,000	0
<b>PROPERTY COSTS</b>	<b>1,615,540</b>	<b>1,560,055</b>	<b>1,614,809</b>	<b>(731)</b>
Contract Cleaning	106,000	106,000	106,000	0
Electricity - Offices	120,820	126,745	125,870	5,050
Electricity & Gas	1,500	1,500	1,500	0
Energy - Sheltered Housing	37,000	37,000	40,000	3,000
Furniture & fittings	40,000	40,000	45,200	5,200
Other Property Costs (Garshake, Rosebery,Cochno & Overburn)	43,000	43,000	49,708	6,708
Property Insurance	290,000	270,000	305,100	15,100
Rates	712,120	751,331	751,331	39,211
Rent	40,000	42,450	45,000	5,000
Repairs to Offices	200,000	120,000	120,000	(80,000)
Free Lets	25,100	22,029	25,100	0
<b>TRANSPORT COSTS</b>	<b>189,280</b>	<b>78,000</b>	<b>189,280</b>	<b>0</b>
Car Allowances & Vehicle Charges	189,280	78,000	189,280	0

	1 2011/2012 Estimate	2 2011/2012 Prob. Outturn	3 2012/2013 Estimate	4 Total Movement (Fav)/Adv (1-3)
	£	£	£	£
<b>SUPPLIES SERVICES AND ADMIN COSTS</b>	<b>411,110</b>	<b>375,100</b>	<b>387,110</b>	<b>(24,000)</b>
Clothing & Uniforms	5,000	5,000	5,000	0
Computer Supplies/ Equipment	120,000	120,000	120,000	0
Other Supplies & Services (medicals etc.)	16,410	18,000	16,410	0
Security Services (cash uplifts)	50,000	49,000	48,000	(2,000)
Advertising	0	100	0	0
Postages	36,000	28,000	30,000	(6,000)
Printing & Stationery/Photocopiers	51,000	35,000	35,000	(16,000)
Telephones - Offices / Mobiles	70,000	70,000	70,000	0
Tenant Participation	62,700	50,000	62,700	0
<b>SUPPORT SERVICES</b>	<b>1,877,180</b>	<b>1,977,180</b>	<b>1,977,180</b>	<b>100,000</b>
Allocation of Central Support Costs	1,877,180	1,977,180	1,977,180	100,000
<b>OTHER EXPENDITURE</b>	<b>185,000</b>	<b>151,000</b>	<b>152,800</b>	<b>(32,200)</b>
Other Agencies (shop commission, Girobank etc.)	115,000	106,000	102,800	(12,200)
Strategy & Support	70,000	45,000	50,000	(20,000)
<b>GROSS SUPERVISION &amp; MANAGEMENT</b>	<b>8,529,310</b>	<b>8,312,244</b>	<b>8,677,259</b>	<b>147,949</b>
<b>LESS RECOVERIES</b>	<b>(1,458,550)</b>	<b>(1,218,327)</b>	<b>(1,041,780)</b>	<b>416,770</b>
Reallocated Salaries	(1,458,550)	(1,218,327)	(1,041,780)	416,770
<b>NET SUPERVISION &amp; MANAGEMENT</b>	<b>7,070,760</b>	<b>7,093,917</b>	<b>7,635,479</b>	<b>564,719</b>
<b>REPAIRS &amp; MAINTENANCE</b>	<b>10,316,510</b>	<b>10,058,447</b>	<b>10,747,200</b>	<b>430,690</b>
Jobbing Repairs	9,407,730	9,436,281	9,356,420	(51,310)
Less : transferred to HRA Capital	(1,790,000)	(1,718,527)	(1,530,000)	260,000
Adaptations for Disabled	491,250	491,250	491,250	0
Less : transferred to Social Work	(235,000)	(235,000)	(235,000)	0
Garden Tidy Scheme	168,100	168,100	168,100	0
Other Maintenance - gas, lifts, CCTV etc.	2,011,440	1,742,677	1,987,890	(23,550)
Other Repairs - grants, decants, alarms, pest control etc	390,240	302,292	492,290	102,050
Close Cleaning Pilot	100,000	67,000	130,000	30,000
Insurance Works - fires, storms etc.	222,750	250,000	256,250	33,500
Recoveries - insurance & rechargeables	(450,000)	(445,626)	(370,000)	80,000

	1 2011/2012 Estimate	2 2011/2012 Prob. Outturn	3 2012/2013 Estimate	4 Total Movement (Fav)/Adv (1-3)
	£	£	£	£
<b>MISCELLANEOUS</b>	<b>1,595,360</b>	<b>1,980,325</b>	<b>2,039,860</b>	<b>444,500</b>
Bad Debt Provision	350,000	500,000	520,000	170,000
Rents - Unlet Period (Houses)	944,380	1,138,275	1,169,860	225,480
Rents - Unlet Period (Lock Ups)	107,000	102,050	100,000	(7,000)
Miscellaneous (Council tax on void houses)	193,980	240,000	250,000	56,020
<b>LOAN CHARGES</b>	<b>13,654,710</b>	<b>12,659,000</b>	<b>13,310,790</b>	<b>(343,920)</b>
Principal	7,561,710	6,913,000	6,908,790	(652,920)
Interest	6,025,000	5,697,000	6,350,000	325,000
Expenses	68,000	49,000	52,000	(16,000)
<b>GROSS EXPENDITURE</b>	<b>32,637,340</b>	<b>31,791,689</b>	<b>33,733,329</b>	<b>1,095,989</b>
<b>INCOME</b>	<b>32,637,340</b>	<b>32,728,000</b>	<b>32,360,910</b>	<b>276,430</b>
House Rents	31,084,660	31,213,000	30,873,470	211,190
Lock Up Rents	227,000	233,000	227,000	0
Other Rents - Shops, sites etc.	57,440	64,000	57,440	0
Factoring / Insurance Charge	992,240	994,000	994,000	(1,760)
Revenue Interest	36,000	24,000	24,000	12,000
Other Income (commissions, interest on home loans, etc.)	240,000	200,000	185,000	55,000
Balance B/F	0	0	0	0
<b>NET EXPENDITURE (Surplus/(Deficit))</b>	<b>0</b>	<b>(936,311)</b>	<b>1,372,419</b>	<b>1,372,419</b>
<b>Weekly rent increase required</b>			£2.47	
<b>Average housing stock</b>			10,696	
<b>Average Weekly Rent for 2011/2012</b>			£54.48	
<b>increase as %</b>			4.5%	
<b>Rent increase product (£2.47 per week increase x 52 weeks x 10,696 rentable properties)</b>			<b>£ 1,372,419</b>	