

City Chambers  
DUNDEE  
DD1 3BY

13th September, 2024

Dear Colleague

You are requested to attend a MEETING of the **CITY GOVERNANCE COMMITTEE** to be held in the Council Chamber, City Chambers, City Square, Dundee and also to be held remotely on Monday, 23rd September, 2024 following the meetings of the City Council, Climate, Environment and Biodiversity and Fair Work, Infrastructure and Economic Growth Committees called for 5.00pm.

The meeting will also be livestreamed to YouTube. Members of the Press or Public wishing to join the meeting as observers should follow this link [www.dundee.gov.uk/live](http://www.dundee.gov.uk/live) or alternatively they may attend in person.

Should you require any further information please contact Committee Services on telephone (01382) 434228 or by email at [committee.services@dundee.gov.uk](mailto:committee.services@dundee.gov.uk).

Yours faithfully

GREGORY COLGAN

Chief Executive

## **AGENDA OF BUSINESS**

### **1 DECLARATION OF INTEREST**

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

### **2 CAPITAL EXPENDITURE MONITORING 2024/2025 - Page 1**

(Report No 239-2024 by the Executive Director of Corporate Services, copy attached).

### **3 REVENUE MONITORING 2024/2025 - Page 21**

(Report No 223-2024 by the Executive Director of Corporate Services, copy attached).

### **4 CORPORATE SERVICES SERVICE PLAN 2022/2024 – PROGRESS REPORT - Page 31**

(Report No 211-2024 by the Executive Director of Corporate Services, copy attached).

**5 VEHICLE SALARY SACRIFICE EMPLOYEE BENEFIT SCHEME - Page 45**

(Report No 234-2024 by the Executive Director of Corporate Services, copy attached).

**6 LEISURE MANAGEMENT SOFTWARE - Page 49**

(Report No 233-2024 by the Executive Director of Corporate Services, copy attached).

**ITEM No ...2.....**

**REPORT TO:** CITY GOVERNANCE COMMITTEE – 23 SEPTEMBER 2024  
**REPORT ON:** CAPITAL EXPENDITURE MONITORING 2024/25  
**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES  
**REPORT NO:** 239–2024

**1 PURPOSE OF REPORT**

1.1 To appraise Elected Members of the latest position regarding the Council's Capital Plan 2024-29.

**2 RECOMMENDATION**

2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Plan 2024-29.

**3 FINANCIAL IMPLICATIONS**

3.1 This report shows the latest projections for 2024/25 expenditure and total cost as at 31st July 2024.

Appendix 1, which details the General Services position to the end of July 2024, shows a revised projected outturn for 2024/25 of £121.311m, a decrease of £0.260m since the last capital monitoring report was approved at City Governance Committee on 19<sup>th</sup> August 2024 (Report 207-2024, Article III refers). The net movements that have contributed to this decrease are summarised in paragraph 5.1 of the report. The net movement in budget of £0.260m will be required in 2025/26 and will be funded from borrowing.

Appendix 3, which details the Housing HRA position to the end of July 2024, shows a projected outturn for 2024/25 of £19.032m. There are no variations since the last capital monitoring report was approved at City Governance Committee on 19<sup>th</sup> August 2024 (Report 207-2024, Article III refers).

An explanation of the major variance is shown in Section 5 of the report.

**4 BACKGROUND**

4.1 The Capital Plan 2024-29 was approved at City Governance Committee on 18 February 2024 (Report 18-2024, Article VII refers).

In addition to monitoring the in-year budget (i.e. 2024/25) the total projected cost of each project will be monitored against the cost when the tender acceptance was approved at Committee. Furthermore, the projected completion date for each project will be monitored against the completion date as anticipated when the tender report was approved. The capital programme is being monitored in conjunction with the Council's asset managers.

The Housing HRA Capital Programme 2024/25 was approved as part of the Capital Plan 2024-29 at the City Governance Committee on 18 February 2024 (Report 18-2024, Article VII refers). Details of the current position are set out in section 6 of the report and officers are presently reviewing the Housing Capital Plan and will bring back further recommendations once this review is complete.

4.2 Local Authorities from 1 April 2004 are required, by Regulation, to comply with the Prudential Code under Part 7 of the Local Government Act 2003. The Capital Budget for 2024/25 is being monitored within the framework of the updated Prudential Code 2021.

4.3 The Capital Monitoring report provides detailed information on major projects and programmes contained within the Capital Budget and the impact of expenditure movements on future financial years.

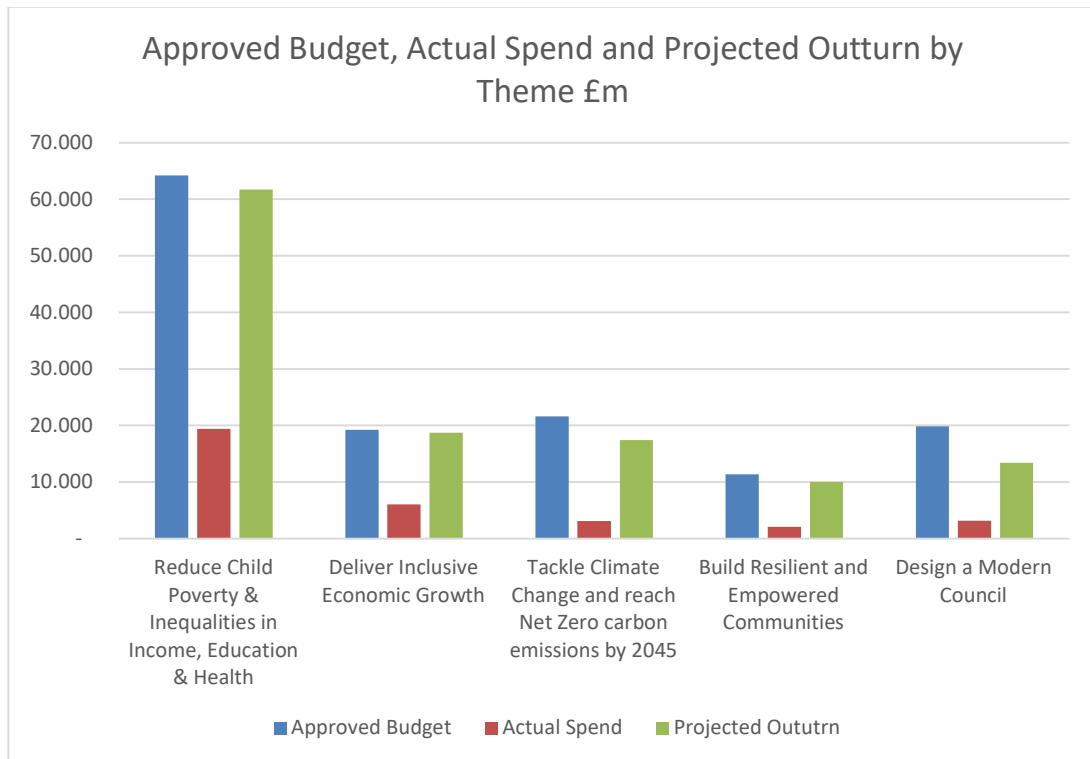
5 GENERAL SERVICES CURRENT POSITION

5.1 Appendix 2 details the latest projected outturn for major projects and programmes, both for 2024/25 and for the whole project life-span. In addition, the Appendix monitors project timescales, with approved completion dates taken from tender approval reports. In some instances, it is not possible to provide approved or projected total project costs and timescales due to the project being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals. The projected completion date is assumed to be the end of the financial year. In addition, Procurement Strategy reports are being approved at committee which gives the Executive Directors delegated authority to award a contract to the successful bidder, without having to come back to committee, thus the approved total cost and timescales are not readily available for monitoring (previously taken from approved committee tender report). In these cases, reliance is on Service Officers updating the monitoring spreadsheet.

Appendix 1 summarises the total gross expenditure for 2024/25 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 31 July is £33.704m, 28% of the Revised Budget 2024/25 compared to 14% for the same period last year.

The above actual spend figure excludes any Architectural Services fee recharges for 2024/25, as Officers within City Development are currently reviewing, and it is anticipated that they will be incorporated into future reports.

The table below shows a comparison of approved budget, actual spend and projected outturn for 2024/25, broken down by Council Theme



The overall net decrease in the projected outturn for 2024/25 reflects project/programmes budgets being reprofiled. Key variations are as follows and details are provided in subsequent paragraphs.

Reduction in planned expenditure:

- Community Regeneration Fund/Climate Capital Fund – (£0.308m)

## 5.2 2024/25 Expenditure Variations

Appendix 1, which details the General Services position to the end of July 2024, shows a revised projected outturn for 2024/25 of £121.311m, a decrease of £0.260m since the last capital monitoring report was approved at City Governance Committee on 19<sup>th</sup> August 2024 (Report 207-2024, Article III refers). The main reason for the movement is detailed in point 5.2.1 below:

- 5.2.1 Community Regeneration Fund/Climate Capital Fund (Build Resilient & Empowered Communities – Other Projects) – Reduction in projected expenditure of £0.308m in 2024/25. The processes and procedures for the awarding of these monies will be considered at City Governance Committee in due course. Due to the timescales in finalising procedures and then inviting bids for the monies, and the subsequent public voting, the 2024/25 allocation will be carried forward into 2025/26 and added to the 2025/26 allocation. This budgeted expenditure will be funded from borrowing. There will be a reduction in borrowing in 2024/25 and a corresponding increase in 2025/26.

- 5.3 The table below shows the latest position regarding the capital resources for funding of the 2024/25 programme: -

	<b>Approved Budget £m</b>	<b>Adjustments £m</b>	<b>Revised Budget £m</b>	<b>Projected Outturn £m</b>	<b>Variance £m</b>
Borrowing	99.115	(6.999)	92.116	92.116	-
General Capital Grant	11.551	0.123	11.674	11.674	-
Capital Grants & Contributions	17.212	(2.117)	15.095	15.095	-
Capital Receipts – Sale of Assets	2.000	-	2.000	2.000	-
Capital Fund	<u>0.426</u>	<u>-</u>	<u>0.426</u>	<u>0.426</u>	
	<u>130.304</u>	<u>(8.993)</u>	<u>121.311</u>	<u>121.311</u>	<u>-</u>

- 5.3.1 Over the last 5 years the actual outturns achieved have been: -

	<b>£m</b>
2020/21	39.537
2021/22	45.038
2022/23	44.086
2023/24	73.454
2024/25 (Projected)	121.311

## 5.4 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

## 5.5 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

- 5.5.1 There are no completion date variations to report since the previous capital monitoring report went to committee.

Officers are constantly reviewing the capital programme to ascertain the impact of global supply chain issues on the timescales for delivering projects. Officers will report any further revisions to estimated completion dates in future capital monitoring reports.

6 HOUSING HRA - CURRENT POSITION

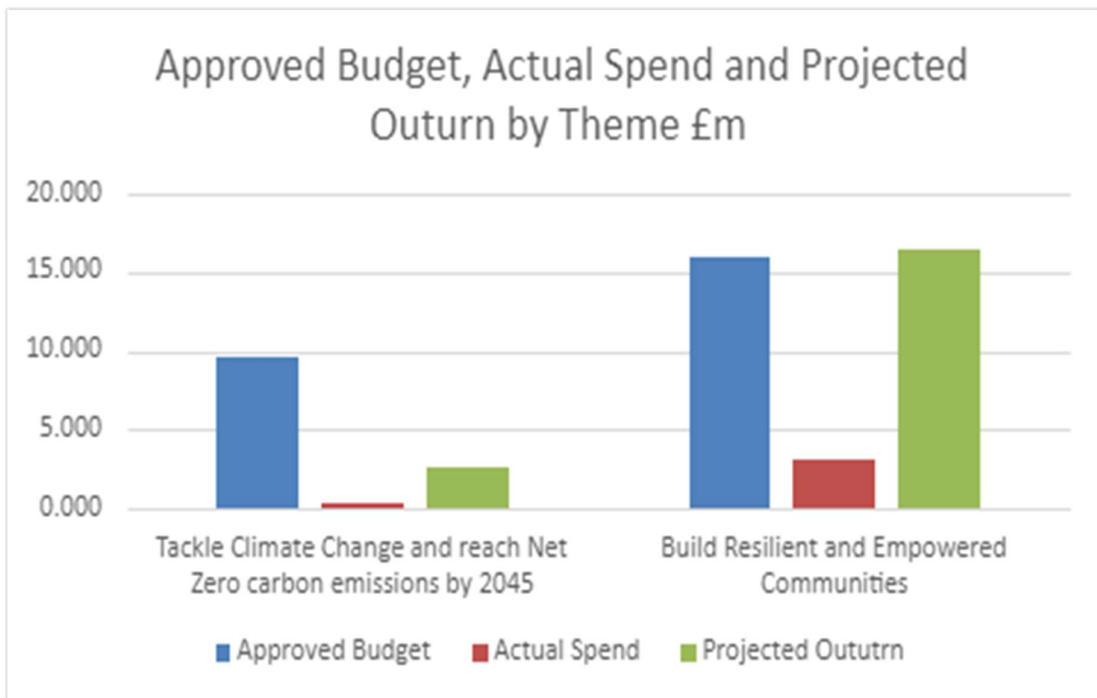
6.1 2024/25 Expenditure Variations

Appendix 2 details the latest projected outturn for each project, both for 2024/25 and for the whole project lifespan. In addition, the Appendix monitors project timescales. In some instances, it is not possible to provide approved or projected total project costs and timescales due to the project being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals. The projected completion date is assumed to be the end of the financial year. In addition, Procurement Strategy reports are being approved at committee which gives the Executive Directors delegated authority to award a contract to the successful bidder, without having to come back to committee, thus the approved total cost and timescales are not readily available for monitoring (previously taken from approved committee tender report). In these cases, reliance is on Service Officers updating the monitoring spreadsheet.

Appendix 3 summarises the total gross expenditure for 2024/25 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 31st July 2024 is £3.420m, 18% of the Revised Budget 2024/25 compared to 11% for the same period last year.

The above actual spend figure excludes any Architectural Services fee recharges for 2024/25, as Officers within City Development are currently reviewing, and it is anticipated that they will be incorporated into future reports.

The table below shows a comparison of approved budget, actual spend and projected outturn for 2024/25, broken down by Council Theme.



6.2 Appendix 3, which details the Housing HRA position to the end of July 2024, shows a projected outturn for 2024/25 of £19.032m. There are no variations since the last capital monitoring report was approved at City Governance Committee on 19<sup>th</sup> August 2024 (Report 207-2024, Article III refers).

6.3 The table below shows the latest position regarding the funding of the 2024/25 programme: -

	<b>Approved Budget £m</b>	<b>Adjustments £m</b>	<b>Revised Budget £m</b>	<b>Projected Outturn £m</b>	<b>Variance £m</b>
Borrowing	22.864	(6.158)	16.706	16.706	-
Capital Grants & Contributions	1.209	(514)	695	695	-
CFCR	450	-	450	450	-
Capital Receipts – Sale of Assets	731	-	731	731	-
Receipts from Owners	<u>450</u>	<u>-</u>	<u>450</u>	<u>450</u>	<u>-</u>
	<u>25.704</u>	<u>(6.672)</u>	<u>19.032</u>	<u>19.032</u>	<u>-</u>

6.3.2 Over the last 5 years the actual outturns achieved have been: -

	<b>£m</b>
2020/21	7.316
2021/22	12.338
2022/23	9.232
2023/24	12.175
2024/25 (Projected)	19.032

#### 6.4 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

#### 6.5 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

There are no completion date variations to report since the previous capital monitoring report went to committee.

As indicated above, officers are presently reviewing the Housing Capital Plan for 2024/25 and will report back to Committee with any recommended changes.

## 7 **RISK ASSESSMENT**

7.1 There are a number of risks which may have an impact on the Capital Expenditure programme. The main areas of risk are identified in Appendix 4 to this report. along with the impact. consequences and controls in place to mitigate the risk together with the mechanisms in place to help mitigate these risks.

## 8 **POLICY IMPLICATIONS**

8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## 9 **CONSULTATION**

9.1 The Council Leadership Team have been consulted and are in agreement with the content of this report.

10 **BACKGROUND PAPERS**

10.1 None.

**ROBERT EMMOTT  
EXECUTIVE DIRECTOR OF CORPORATE SERVICES  
2024**

**12 SEPTEMBER**



**2024/25 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 31st JULY 2024**

	<u>Approved Capital Budget 2024/25 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2024/25 £000</u>	<u>Actual Spend 2024/25 £000</u>	<u>Projected Outturn 2024/25 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.07.24 as a % of Revised Budget</u>
<b>GENERAL SERVICES</b>							
<b><u>Capital Expenditure</u></b>							
Reduce Child Poverty & Inequalities in Income, Education & Health	64,217	(2,491)	61,726	19,434	61,726	0	31%
Deliver Inclusive Economic Growth	19,232	(490)	18,742	6,019	18,742	0	32%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	21,584	(4,174)	17,410	3,075	17,410	0	18%
Build Resilient and Empowered Communities	11,402	(1,408)	9,994	2,069	9,994	0	21%
Design a Modern Council	19,869	(6,430)	13,439	3,107	13,439	0	23%
<b>Capital Expenditure 2024/25</b>	<b>136,304</b>	<b>(14,993)</b>	<b>121,311</b>	<b>33,704</b>	<b>121,311</b>	<b>0</b>	<b>28%</b>
<b><u>Capital Resources</u></b>							
Expenditure Funded from Borrowing	99,115	(6,999)	92,116	26,580	92,116		
General Capital Grant	11,551	123	11,674	4,230	11,674		
Capital Grants & Contributions - project specific	17,212	(2,117)	15,095	1,505	15,095		
Capital Receipts - Sale of Assets	2,000		2,000	963	2,000		
Capital Fund	426		426	426	426		
<b>Capital Resources 2024/25</b>	<b>130,304</b>	<b>(8,993)</b>	<b>121,311</b>	<b>33,704</b>	<b>121,311</b>		
<b>Capital Expenditure as % of Capital Resources</b>	<b>105%</b>		<b>100%</b>		<b>100%</b>		

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## REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2024/25 £000	Adjusts £000	2024/25 £000	31/7/24 £'000	2024/25 £000	Actual Project Cost to 31/7/24 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
<b>MAJOR PROJECTS - Reduce Child Poverty and Inequalities</b>										
Harris Academy Extension	200	(5)	195		195	4,629	5,174	4,824	Dec-23	Aug-24
(Less External Funding)	(200)	5	(195)		(195)	(4,629)	(5,174)	(4,824)		
School Estate Investment-East End Community Campus	63,657	(2,557)	61,100	19,434	61,100	49,553	100,800	100,800	Jul-25	Jul-25
<b>OTHER PROJECTS - Reduce Child Poverty and Inequalities</b>	360	71	431		431	3,559	4,571	4,492		
<b>Net Expenditure</b>	<b>64,017</b>	<b>(2,486)</b>	<b>61,531</b>	<b>19,434</b>	<b>61,531</b>	<b>53,112</b>	<b>105,371</b>	<b>105,292</b>		
<b>Receipts</b>	<b>(200)</b>	<b>5</b>	<b>(195)</b>		<b>(195)</b>	<b>(4,629)</b>	<b>(5,174)</b>	<b>(4,824)</b>		
<b>Gross Expenditure</b>	<b>64,217</b>	<b>(2,491)</b>	<b>61,726</b>	<b>19,434</b>	<b>61,726</b>	<b>57,741</b>	<b>110,545</b>	<b>110,116</b>		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29

## DELIVER INCLUSIVE ECONOMIC GROWTH

Note 1

Project/Nature of Expenditure	Approved Budget 2024/25 £000	Total Adjusts £000	Revised Budget 2024/25 £000	Expenditure to 31/7/24 £'000	Projected Outturn 2024/25 £000	Actual Project Cost to 31/7/24 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
<b>MAJOR PROJECTS - Deliver Inclusive Economic Growth</b>										
Site 6 South Development - Offices	18,620	(162)	18,458	5,987	18,458	12,411	26,202	26,202	Feb-25	Apr-25
<b>OTHER PROJECTS - Deliver Inclusive Economic Growth</b>	612	(328)	284	32	284	1,945	2,652	2,568		
<b>(Less External Funding)</b>	(351)	321	(30)		(30)	(64)	(425)	(425)		
<b>Net Expenditure</b>	<b>18,881</b>	<b>(169)</b>	<b>18,712</b>	<b>6,019</b>	<b>18,712</b>	<b>14,292</b>	<b>28,429</b>	<b>28,345</b>		
<b>Netted Off Receipts</b>	<b>(351)</b>	<b>321</b>	<b>(30)</b>		<b>(30)</b>	<b>(64)</b>	<b>(425)</b>	<b>(425)</b>		
<b>Gross Expenditure</b>	<b>19,232</b>	<b>(490)</b>	<b>18,742</b>	<b>6,019</b>	<b>18,742</b>	<b>14,356</b>	<b>28,854</b>	<b>28,770</b>		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29

## TACKLE CLIMATE CHANGE AND REACH NET ZERO CARBON EMISSIONS BY 2045

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2024/25 £000	Adjusts £000	2024/25 £000	31/7/24 £'000	2024/25 £000	Actual Project Cost to 31/7/24 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
<b>MAJOR PROJECTS - Tackle Climate Change and Reach Net Zero Emissions by 2045</b>										
Broughty Ferry to Monifieth Active Travel Improvements	2,580	(61)	2,519	336	2,519	15,795	9,067	18,031	Sep-24	Sep-24
(Less External Funding)	(1,830)	61	(1,769)	30	(1,769)	(15,429)	(9,067)	(17,172)	Sep-24	Sep-24
Tier 1 Active Travel Infrastructure Fund (formerly known as Cycling, Walking & Safer Routes)	652	353	1,005	156	1,005	1,026	1,875	1,875	Mar-25	Mar-25
(Less External Funding)	(652)	(353)	(1,005)	(156)	(1,005)	(156)	(1,005)	(1,005)	Mar-25	Mar-25
DCA Lifecycle plant replacement programme	500	(250)	250		250	66	4,550	4,550	Tender not yet approved	
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	12,170	(2,125)	10,045	1,261	10,045	2,129	16,000	16,000	Main Tender not yet approved	
(Less External Funding)	(11,870)	1,825	(10,045)	(1,261)	(10,045)	(2,109)	(14,400)	(14,400)		
Vehicle Fleet & Infrastructure	2,828	(1,517)	1,311	1,047	1,311	2,172	2,436	2,436	Mar-25	Mar-25
(Less Sale of Vehicles & Equipment)		(48)	(48)	(23)	(48)	(213)	(238)	(238)	Mar-25	Mar-25
<b>OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045</b>	2,854	(574)	2,280	275	2,280	21,239	24,199	24,259		
(Less External Funding)		(592)	(592)	(48)	(592)	(2,135)	(2,674)	(2,676)		
<b>Net Expenditure</b>	<b>7,232</b>	<b>(3,281)</b>	<b>3,951</b>	<b>1,617</b>	<b>3,951</b>	<b>22,385</b>	<b>30,743</b>	<b>31,660</b>		
<b>Receipts</b>	<b>(14,352)</b>	<b>893</b>	<b>(13,459)</b>	<b>(1,458)</b>	<b>(13,459)</b>	<b>(20,042)</b>	<b>(27,384)</b>	<b>(35,491)</b>		
<b>Gross Expenditure</b>	<b>21,584</b>	<b>(4,174)</b>	<b>17,410</b>	<b>3,075</b>	<b>17,410</b>	<b>42,427</b>	<b>58,127</b>	<b>67,151</b>		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29

## BUILD RESILIENT AND EMPOWERED COMMUNITIES

Project/Nature of Expenditure	Approved Budget 2024/25 £000	Total Adjusts £000	Revised Budget 2024/25 £000	Expenditure to 31/7/24 £'000	Projected Outturn 2024/25 £000
<b>MAJOR PROJECTS - Build Resilient and Empowered Communities</b>					
Road Maintenance Partnership	3,460	(94)	3,366	1,116	3,366
Street Lighting Renewal	1,117	(1)	1,116	266	1,116
City Improvement/Investment Fund	1,365	(1,183)	182	28	182
(Less External Funding)	(1,115)	1,115	0	0	0
Parks & Open Spaces	2,408	(267)	2,141	174	2,141
(Less External Funding)	(365)		(365)		(365)
<b>OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities</b>	3,052	137	3,189	485	3,189
(Less External Funding)	(829)	(216)	(1,045)	(47)	(1,045)
<b>Net Expenditure</b>	<b>9,093</b>	<b>(509)</b>	<b>8,584</b>	<b>2,022</b>	<b>8,584</b>
<b>Receipts</b>	<b>(2,309)</b>	<b>899</b>	<b>(1,410)</b>	<b>(47)</b>	<b>(1,410)</b>
<b>Gross Expenditure</b>	<b>11,402</b>	<b>(1,408)</b>	<b>9,994</b>	<b>2,069</b>	<b>9,994</b>

Note 1				
Actual Project Cost to 31/7/24 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/Actual Completion Date
1,116	3,366	3,366	Mar-25	Mar-25
266	1,116	1,116	Mar-25	Mar-25
2	2,717	2,717	Mar-25	Mar-25
(693)	(693)	(693)	Mar-25	Mar-25
1,210	3,190	3,190	Mar-25	Mar-25
(275)	(640)	(640)	Mar-25	Mar-25
6,304	9,209	8,237		
(849)	(1,473)	(1,473)		
<b>7,081</b>	<b>16,792</b>	<b>15,820</b>		
<b>(1,817)</b>	<b>(2,806)</b>	<b>(2,806)</b>		
<b>8,898</b>	<b>19,598</b>	<b>18,626</b>		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29

DESIGN A MODERN COUNCIL

Project/Nature of Expenditure	Approved Budget 2024/25 £000	Total Adjusts £000	Revised Budget 2024/25 £000	Expenditure to 31/7/24 £'000	Projected Outturn 2024/25 £000
<b>MAJOR PROJECTS/PROGRAMMES - Design a Modern Council</b>					
Baldovie Depot Redevelopment	3,071	(2,071)	1,000	33	1,000
Depot Rationalisation Programme	2,092	(1,592)	500	6	500
Dundee Ice Arena Plant & Upgrade	577	(227)	350	(16)	350
Olympia Refurbishment Works		197	197	82	197
Property Lifecycle Development Programme	6,285	(211)	6,074	73	6,074
Purchase Computer Equipment	1,258	43	1,301	699	1,301
(Less External Funding)		(1)	(1)		(1)
Desktop Management Software	1,500	(1,235)	265		265
Schools Connectivity	1,100	474	1,574	1,432	1,574
<b>OTHER PROJECTS/PROGRAMMES - Design a Modern Council</b>					
	3,986	(1,808)	2,178	798	2,178
<b>Net Expenditure</b>	<b>19,869</b>	<b>(6,431)</b>	<b>13,438</b>	<b>3,107</b>	<b>13,438</b>
<b>Netted Off Receipts</b>		<b>(1)</b>	<b>(1)</b>		<b>(1)</b>
<b>Gross Expenditure</b>	<b>19,869</b>	<b>(6,430)</b>	<b>13,439</b>	<b>3,107</b>	<b>13,439</b>

Note 1

Actual Project Cost to 31/7/24 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
208	5,200	5,200	Tender not yet approved	
367	3,063	3,063	Tender not yet approved	
1,035	9,100	9,100	Main Tender not yet approved	
6,149	6,163	6,264	Oct-23	Dec-23
3,204	9,205	9,205	Mar-25	Mar-25
3,445	4,047	4,047	Mar-25	Mar-25
(648)	(650)	(648)	Mar-23	Mar-23
1,458	2,600	2,600		
4,390	6,461	8,406		
<b>19,608</b>	<b>45,189</b>	<b>47,237</b>		
<b>(648)</b>	<b>(650)</b>	<b>(648)</b>		
<b>20,256</b>	<b>45,839</b>	<b>47,885</b>		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29

## TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045 - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2024/25 £000	Total Adjusts £000	Revised Budget 2024/25 £000	Expenditure to 31/07/2024	Projected Outturn 2024/25 £000
Energy Efficient	9,683	(7,100)	2,583	281	2,583
<b>Net Expenditure</b>	<b>9,683</b>	<b>(7,100)</b>	<b>2,583</b>	<b>281</b>	<b>2,583</b>
<b>Receipts</b>					
<b>Gross Expenditure</b>	<b>9,683</b>	<b>(7,100)</b>	<b>2,583</b>	<b>281</b>	<b>2,583</b>

Note 1				
Actual Project Cost to 31/07/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
416	2,718	2,718	Mar-25	Mar-25
<b>416</b>	<b>2,718</b>	<b>2,718</b>		
<b>416</b>	<b>2,718</b>	<b>2,718</b>		

## BUILD RESILIENT AND EMPOWERED COMMUNITIES - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2024/25 £000	Total Adjusts £000	Revised Budget 2024/25 £000	Expenditure to 31/07/2024	Projected Outturn 2024/25 £000
Free from Serious Disrepair	4,550	1,850	6,400	955	6,400
Modern Facilities & Services	1,000	500	1,500		1,500
Healthy, Safe and Secure	2,710	804	3,514	238	3,514
Miscellaneous	1,437	686	2,123	480	2,123
Increased Supply of Council Housing	6,114	(4,312)	1,802	1,435	1,802
(Less External Funding)	(1,209)	514	(695)		(695)
Demolitions	10		10	6	10
Sheltered Lounge Upgrades	200		200	25	200
Improvement Plan		900	900		900
<b>Net Expenditure</b>	<b>14,812</b>	<b>942</b>	<b>15,754</b>	<b>3,139</b>	<b>15,754</b>
<b>Receipts</b>	<b>(1,209)</b>	<b>514</b>	<b>(695)</b>		<b>(695)</b>
<b>Gross Expenditure</b>	<b>16,021</b>	<b>428</b>	<b>16,449</b>	<b>3,139</b>	<b>16,449</b>

Note 1				
Actual Project Cost to 31/07/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,273	7,184	7,634	Mar-25	Mar-25
17	1,050	1,517	Mar-25	Mar-25
6,785	9,298	9,298	Mar-25	Mar-25
1,531	3,174	3,174	Mar-25	Mar-25
2,834	3,201	3,201	Mar-25	Mar-25
	(1,824)	(1,824)	Mar-25	Mar-25
31	35	35	Mar-25	Mar-25
42	200	217	Mar-25	Mar-25
	900	900	Mar-25	Mar-25
<b>13,513</b>	<b>23,218</b>	<b>24,152</b>		
	<b>(1,824)</b>	<b>(1,824)</b>	<b>45,747</b>	<b>45,747</b>
<b>13,513</b>	<b>25,042</b>	<b>25,976</b>	<b>(45,747)</b>	<b>(45,747)</b>

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2024-29



## DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING 31 JULY 2024

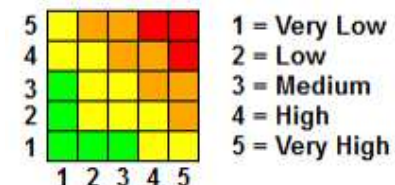
Appendix 3

	<u>Approved Capital Budget 2024/25 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2024/25 £000</u>	<u>Actual Spend to 31 Jul 2024 £000</u>	<u>Projected Outturn 2024/25 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.7.2024 as a % of Revised Budget</u>
<b>Capital Expenditure 2024/25</b>							
<b><u>Tackle Climate Change and reach Net Zero carbon emissions by 2045</u></b>							
Energy Efficiency	9,683	(7,100)	2,583	281	2,583	-	11%
<b><u>Build Resilient and Empowered Communities</u></b>							
Free from Serious Disrepair	4,550	1,850	6,400	955	6,400	-	15%
Modern Facilities and Services	1,000	500	1,500		1,500	-	0%
Healthy, Safe & Secure	2,710	804	3,514	238	3,514	-	7%
Miscellaneous	1,437	686	2,123	480	2,123	-	23%
Increase Supply of Council Housing	6,114	(4,312)	1,802	1,435	1,802	-	80%
Demolitions	10		10	6	10	-	60%
Sheltered Lounge Upgrades	200		200	25	200	-	13%
Improvement Plan		900	900		900	-	0%
<b>Capital Expenditure 2024/25</b>	<b>25,704</b>	<b>(6,672)</b>	<b>19,032</b>	<b>3,420</b>	<b>19,032</b>	-	18%
<b><u>Capital Resources 2024/25</u></b>							
<b>Expenditure Funded from Borrowing</b>	22,864	(6,158)	16,706	3,420	16,706	-	
<b>Capital Receipts, Grants &amp; Contributions - project specific</b>							
Scottish Government Grants	1,209	(514)	695		695	-	
<b>Capital Funded from Current Revenue</b>							
Council Tax discount reductions used to fund affordable housing	450		450		450	-	
<b>Capital Receipts, Grants &amp; Contributions</b>							
Receipts from Owners	450		450		450	-	
<b>Capital Receipts:-</b>							
Sale of Assets - Land	731		731		731	-	
<b>Capital Expenditure as % of Capital Resources</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>		

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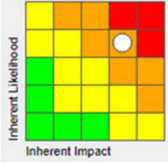
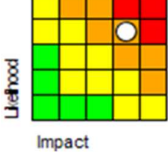
APPENDIX 4

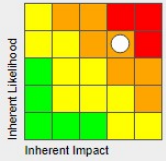
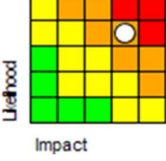
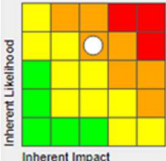

Pentana Risk Matrix



**Risk Report**  
**Report Type: Capital Monitoring 2024/25**  
**Report Author: Executive Director of Corporate Services**

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
1.General Price inflation may be greater than contingencies already built into figures in capital monitoring/plan.	<ul style="list-style-type: none"> <li>The invasion of Ukraine</li> <li>Labour shortages pushing up labour costs.</li> <li>Economic uncertainty due to political factors</li> </ul>	<ul style="list-style-type: none"> <li>Increased financial cost of projects.</li> <li>Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost.</li> </ul>	<ul style="list-style-type: none"> <li>Changes to the scope of projects to accommodate additional costs.</li> <li>Delays to project progressing due to rescoping of project.</li> <li>Changes to Capital Plan to accommodate the additional costs by reallocation of resources from other projects</li> </ul>		<ul style="list-style-type: none"> <li>Robust Capital Monitoring processes in place to enable any potential issues to be highlighted as soon as they arise, and any necessary action taken.</li> </ul>	
2.Additional Costs once Project has started and works on-going	<ul style="list-style-type: none"> <li>Unforeseen circumstances such as ground conditions leading to delay and /or additional cost.</li> <li>Under performance in the materials supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Increased financial cost of projects.</li> <li>Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost.</li> </ul>	<ul style="list-style-type: none"> <li>The estimated completion of the project is delayed</li> <li>Changes to the scope of the ongoing project, if possible, to accommodate the increased costs.</li> <li>Changes to Capital Plan to accommodate the</li> </ul>		<ul style="list-style-type: none"> <li>Robust monitoring of the project by professional Project Managers means potential issues are highlighted and remedial action taken to resolve as soon as possible.</li> <li>Specific Risk registers exist for major capital</li> </ul>	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
			<p>additional costs by reallocation of resources from other projects</p>		<p>projects contained within the capital monitoring, and they are continually reviewed as the project progresses, and corrective action taken where necessary.</p> <ul style="list-style-type: none"> <li>Capital monitoring processes ensure overspends are highlighted as soon as known and corrective action taken.</li> </ul>	
<p>3.Estimated Completion date for the Project</p>	<ul style="list-style-type: none"> <li>Extreme weather conditions can delay progress</li> <li>Unforeseen issues can arise once project starts e.g. ground conditions</li> <li>Under performance in the materials supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Delay in the asset becoming operational.</li> <li>Negative press coverage for Council</li> <li>Service delivery impacted due to delays in completing works.</li> </ul>	<ul style="list-style-type: none"> <li>Potential additional revenue costs as asset not operational and ready to be used,</li> <li>Delay In achieving revenue savings from the project.</li> <li>Knock on effect of not being able to progress subsequent projects, as staff engaged on delivery of current project.</li> <li>Potential additional capital costs where equipment has been hired.</li> <li>Potential claim from contractors for extension of time.</li> </ul>		<ul style="list-style-type: none"> <li>Robust monitoring of the project by professional Project Managers means when potential delays to the project are highlighted and remedial action taken to resolve as soon as possible to minimise any delays to the completion date.</li> </ul>	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
<p>4.Capital Receipts from Sale of Assets not achieved</p>	<ul style="list-style-type: none"> <li>Uncertain market conditions, e.g. level of interest rates and inflation, means housing developers are not purchasing sites for development.</li> <li>Abnormals can reduce the value of the site being marketed.</li> <li>Brownfield sites have higher level of abnormals due to contamination etc.</li> <li>Uncertain economic/world means businesses are not expanding.</li> </ul>	<ul style="list-style-type: none"> <li>Less funding available to fund current capital programme</li> </ul>	<ul style="list-style-type: none"> <li>Alternate capital resources identified to compensate for the shortfall, if possible.</li> <li>Capital programme is reprioritised to take account of the funding shortfall</li> </ul>		<ul style="list-style-type: none"> <li>Robust monitoring of the projected capital receipts by officers from City Development and Support services, means any shortfalls are identified and remedial action taken.</li> </ul>	
<p>5.Delays in Capital Receipts being Received</p>	<ul style="list-style-type: none"> <li>Uncertain market conditions, e.g. level of interest rates, inflation and uncertainties in the economy due to political climate means housing developers are delaying purchasing sites for development, in anticipation that interest rates and rate of inflation will come down</li> </ul>	<ul style="list-style-type: none"> <li>Less funding available to fund current capital programme in the short term</li> </ul>	<ul style="list-style-type: none"> <li>Capital programme is slipped to take account of the delays in receiving the capital receipts</li> </ul>		<ul style="list-style-type: none"> <li>Robust monitoring of the projected capital receipts by officers from City Development and Support services, means any short-term delays are identified and remedial action taken.</li> <li>The capital expenditure programme naturally slips due to external factors, so any delays in</li> </ul>	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
	<ul style="list-style-type: none"><li>Businesses are delaying applying for business loans for expanding etc in anticipation that interest rates will come down further.</li></ul>				receiving receipts can be matched against the expenditure slippage.	

**REPORT TO: CITY GOVERNANCE COMMITTEE – 23 SEPTEMBER 2024**  
**REPORT ON: REVENUE MONITORING 2024/2025**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 223-2024**

**1 PURPOSE OF REPORT**

1.1 To provide Elected Members with an analysis of the 2024/25 projected revenue outturn as at 30 June 2024 and the impact on the Council’s overall balances position.

**2 RECOMMENDATIONS**

2.1 It is recommended that the Committee:

- (a) note that as at 30 June 2024 the General Fund is projecting an overall overspend of £4.773m against the adjusted 2024/2025 Revenue Budget and the impact this has on the projected Council’s General Fund Balances;
- (b) note the budget adjustments totalling £3.049m and detailed in second column of Appendix A as virements to the previously approved Revenue Budget;
- (c) note that as at 30 June 2024 the Housing Revenue Account (HRA) is projecting an overspend of £0.400m against the adjusted HRA 2024/25 Revenue Budget and the impact this has on the element of the projected Renewal & Repair Fund balance earmarked to HRA;
- (d) note the key strategic, operational and financial risks being faced by the Council outlined in Appendix B;
- (e) note that the Chief Executive and Executive Directors are developing financial recovery plans to bring expenditure within budget in the current financial year and these will be reported back to the Committee. In addition, officers will continue to take appropriate steps to manage current and recurring revenue expenditure, including reviewing vacancies and any new recurring commitments, reducing expenditure and reviewing service provision; and
- (f) notes the current position on Leisure and Culture Dundee (LACD), as set out in paragraph 7.1.

**3 FINANCIAL IMPLICATIONS**

3.1 The unallocated portion of the General Fund as at 30 June 2024 is projecting an overspend of £4.773m against the adjusted 2024/25 Revenue Budget. The impact this would have on the Council’s General Fund Balances is outlined below:

General Fund	Opening Balance 1 April 2024 £000	(Surplus) / Deficit for the Year £000	Projected Balance 31 March 2025 £000
Earmarked Carry-forwards*	4,124		4,124
Organisational Change Fund	2,388		2,388
Covid cost related pressures*	2,750	700	2,050
Covid recovery measures	405		405
Service change initiatives	5,000		5,000
Roof Remedial Works	2,702	1,906	796
Cost of Living Pressures	200		200

Contribution to 2024/25 budget	6,640	6,640	0
Other Earmarked Funds	3,934		3,934
Service concessions flexibility	39,773		39,773
<b>Total earmarked funds</b>	<b>67,916</b>	<b>9,246</b>	<b>58,670</b>
Unallocated Balance	9,815	4,773	5,042
<b>Total General Fund</b>	<b>77,731</b>	<b>14,019</b>	<b>63,712</b>

\* These balances will be drawn down as required during the year.

- 3.2 The approved budget included an allowance of 3% for the 2024/25 pay awards for both LGE and teachers. Provision for this is included within contingencies and has not yet been allocated to service budgets. It should be noted that CoSLA's latest pay offer is either 3.6 % or an uplift of £0.67 per hour where this would be higher. It should be noted that in overall terms, the pay offer has been estimated to be an average increase of 4.27%. Also to be noted is the receipt from Scottish Government of an additional £0.601m relating to last year's pay awards that have already been paid. This funding has been included in this report, with the assumption that this will cover any pay award in excess of 3%. Officers will reflect in future reports the actual increase once pay negotiations are concluded.
- 3.3 Based on the financial information available as at 30 June 2024 the HRA outturn position for 2024/25 is projecting an overspend of £0.400m. Further details are provided in section 8 of this report.

#### 4 BACKGROUND

- 4.1 Following approval of the Council's 2024/25 Revenue Budget by the City Governance Committee on 29 February 2024, this report provides the projected revenue outturn position as at 30 June 2024, against the adjusted 2024/25 Revenue Budget.
- 4.2 The total 2024/25 Revenue Budget is £468.789m. For revenue monitoring purposes, the Council Tax Reduction Scheme budget of £13.772m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £455.017m for revenue monitoring purposes, as set out in Appendix A.
- 4.3 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a significant (underspend) or overspend against adjusted budget, additional details have been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.
- 4.4 The forecast position is shown in more detail in the appendices to this report, as follows:

**Appendix A** shows the variances between budget and projected outturn for each service of the Council.

**Appendix B** lists the key strategic, operational and financial risks being faced by the Council.

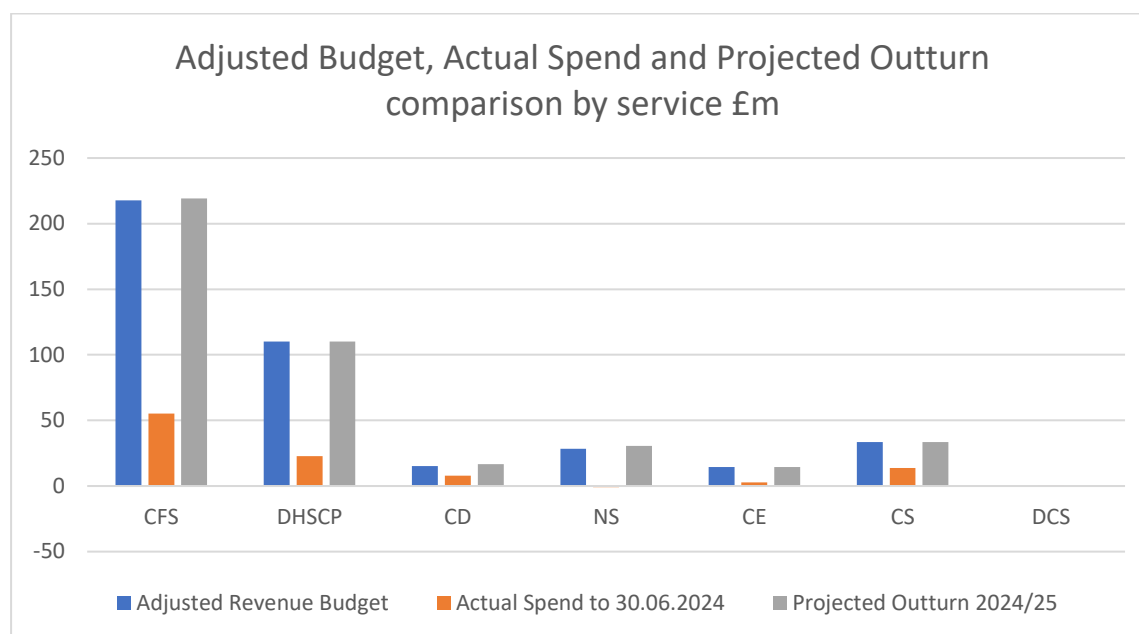
#### 5 GENERAL FUND SERVICES - MONITORING POSITION AS AT 30 JUNE 2024

- 5.1 The forecast position as at 30 June 2024 for General Fund services is summarised below.

	(Under)/Over Spend as at 30 June £m	(Under)/Over Spend as at 31 May £m	Movement (from previous month) £m
Net Expenditure	4.923	5.227	(0.304)
Sources of Income	(0.150)	(0.143)	(0.007)
<b>Net projected reduction uncommitted balances</b>	<b>4.773</b>	<b>5.084</b>	<b>(0.311)</b>



The graph below details the comparison between each service's actual spend and projected outturn.



5.2 The table below details the key factors which contributed to the movement from previous month.

	£m
Reduction in expected income from old waste plant within Neighbourhood Services due to operational issues and lower than expected electricity revenues due to ongoing market conditions	0.750
Additional income within Children and Families relating to funding for unaccompanied asylum-seeking children	(0.618)
Projected savings in staff costs within City Development due to vacancies	(0.136)
Additional income from rental of Floor 3 in Dundee House	(0.144)
Estimated fleet savings	(0.090)

## 6 DETAILED ANALYSIS

The following paragraphs summarise the main areas of variance by service along with appropriate explanations. These figures reflect movements for the full year to date.

6.1 Children & Families Services: £1.550m overspend

	£m
Projected overspend in LGE mainly as result of demand for Additional Support Needs staff	1.360
Projected increase in Non-Domestic Rates payable due to the increase in poundage rate for properties with Intermediate and Higher rateable values	0.544
Additional income relating to funding for unaccompanied asylum-seeking children	(0.618)

Please note that a detailed review of teacher numbers and costs is currently underway, the results of which will be reflected in a future Revenue Monitoring report. In the meantime, the working assumption contained within this report is the teacher's budget will break even.

## 6.2 Dundee Health & Social Care Partnership (DHSCP)

The latest Financial monitoring report presented to Dundee IJB projects an overspend of £6.197m for 2024/25 (utilising actual info for first 3 months to end June), with this information presented to Dundee IJB at its meeting on 21st August 2024. This projected overspend exceeds 2024/25 IJB Financial Plan where up to £4m has been identified and set aside in IJB Reserves to cover the planned in-year shortfall. While sufficient general Reserves are held to fund this additional overspend if required, a Financial Recovery Plan is being progressed to minimise the unplanned overspend and also return the IJB to a sustainable annual financial position.

DHSCP is continuing to respond to significant operational challenges in demand and demographics (notably the growth in Care at Home provision as a result of shift in care to help mitigate against hospital delayed discharges, unnecessary hospital admissions, reduce social care unmet need and reduce Care Home beds), and in particular staffing challenges (both recruitment and retention, sickness absence and premium cost of back-fill cover), complexity of needs in community settings, and the wider impact of deferred treatments on health and wellbeing following the pandemic period, all of which continue to impact on the projected financial position. Operational managers and finance team continue work to explore ways of mitigating the overspend through efficiencies, cost reduction, transformation and savings opportunities and any impact of these actions will be reported in due course.

Under the risk sharing arrangement reflected in the Integration Scheme, the Integration Joint Board (IJB) retains any underspend within its reserve balances for investment in integrated health and social care services in future years. Sufficient Reserves are held by Dundee IJB to cover the projected 2024/25 shortfall therefore there is no anticipated additional contribution requirement or financial risk forecast in 2024/25 for Dundee City Council.

## 6.3 City Development: £1.417m overspend

	<b>£m</b>
Projected overspend in property mainly due to costs of unplanned and health and safety related repairs	1.370
Forecasted reduction in income relating to the decrease in off-street parking income	0.700
Funded by earmarked Covid reserve to meet associated loss of income	(0.700)
Reflects projected increased provision for bad debts mainly as a result of commercial rents	0.327
Projected underspend in staff costs due to vacancies	(0.136)
Additional rental income from Floor 3 within Dundee House	(0.144)

The Executive Director of City Development is reviewing whether further staff slippage may offset some of the additional costs by the end of the year.

Dundee's Low Emissions Zone (LEZ) scheme was launched on 31 May 2024. It is noted that the Transport (Scotland) Act 2019 states that all income from the Low Emission Zone must be first used to facilitate the scheme. It is forecast that income from the LEZ will decline over time and revenue received in the first year will be set aside to contribute to future years costs of operating and maintaining the LEZ infrastructure. The total value of fines issued up to 25 August 2024 was £454,320, relating to 5,599 contraventions. However, the value of payments received to the same date was £95,550. This compares with an estimated cost of £230k for operating the LEZ in 2024/25.

Fines are issued at values ranging from £60 for first offence rising to £960 for fifth offence. There is a 50% reduction in the value if the fine is paid within 14 days. The gross value of £454,320 does not include write-offs for exemptions or reductions due to early payment, or provisions for unrecoverable fines.

Following a government review in 2022 the level of planning fees has been increased. Officers are considering the impact of this and will report this in future reports. It is also noted the above position excludes any variance relating to Winter Maintenance which may occur if weather conditions are similar to previous years.

#### 6.4 Neighbourhood Services: £2.028m overspend

	<b>£m</b>
Projected underspend in staff costs due to vacancies	(0.446)
Projected overspend in waste management third party payments, mainly relating to increased MEB Gates Fees, increased tonnage and forecasted lower electricity income expected to be gained from the excess revenue share for the waste to energy contract	0.953
Projected shortfall in income generated from trade waste and recyclables	0.246
Streetscene & Land Management: income mainly from projects, interment fees and ground maintenance activities are forecasted to be lower than budgeted	0.516
Reduction in expected income from old waste plant due operational issues and lower than expected electricity revenues due to ongoing market conditions	0.750

#### 6.5 Council Tax: (£0.150m) underspend

	<b>£m</b>
There is a projected underspend on Council Tax Reduction if uptake continues at current levels. There has been a gradual reduction in caseload since April 2024.	(0.150)

#### 6.6 New Monies: (£1.790m) underspend

Reflects the share of additional £62.7m monies announced by Scottish Government after the budget was agreed that will now be used to replenish any balances used. In addition, the Council will receive a share of an additional £21.0m (£0.601m) which will go towards pay awards in excess of what has been budgeted.

#### 6.7 Corporate Fleet: £1.910m overspend

Reflects the projected net overspend associated with the corporate fleet. The cost of the Council's fleet remains a budget pressure due to rising expenditure in relation to the external hire of vehicles used by services together with the cost of parts and materials for vehicle repairs. A review is underway to ensure the overall fleet utilised by services is in line with the budget provision available and that the true cost of fleet managed on behalf of external bodies is recovered accordingly. The review is ongoing and the outcome will be reported to members as part of future monitoring reports.

## 7 EXTERNAL ORGANISATIONS

- 7.1 Leisure and Culture Dundee (LACD) suffered considerable income shortfalls during the Covid-19 pandemic, due to the effects of lockdowns and operating restrictions once facilities re-opened. It is recognised that, whilst facilities are now fully operational, income levels will take some time to be restored to pre-pandemic levels. To provide certainty, stability and time for Leisure and Culture Dundee to develop a balanced budget from 2024/25 onwards Dundee City Council confirmed its continuing financial support to cover the deficit position for a period until 31 March 2024. In December 2023, it was further agreed that the Chief Executive be authorised to extend the support to Leisure and Culture Dundee to 30 June 2024 should this be necessary. The Council will also continue to undertake cash flow management support to LACD to allow it to remain in credit at all times, and therefore have sufficient cash to continue to operate, thus allowing it to proceed as a going concern and meet its everyday cash liabilities. Any additional financial support provided will be met from reserves.
- 7.2 Our budget includes the assumption that Tayside Contracts will return a surplus in 2024/25, our share of which will be £0.343m. It is too early in the year to assess the likelihood or otherwise of this particular assumption and we will update likely outturns when we can. Please note we have set aside an allowance for Tayside Contracts pay awards within our pay contingency and will track the cost of Tayside Contracts services against service and central budgets.

## 8 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 30 JUNE 2024

- 8.1 The forecast position as at 30 June 2024 for the HRA is summarised below:

	<b>(Under)/ Over Spend as at 30 June £m</b>
Net Expenditure	0.500
Sources of Income	(0.100)
<b>Net over/ (underspend)</b>	<b>0.400</b>

Please note that the forecast position is compared to the HRA budget as recast in report 139-2024 submitted to and approved by the Neighbourhood Regeneration, Housing and Estate Management Committee on 13 May 2024.

- 8.2 The key variances that make up the June position are shown in the table below. These figures reflect movements for the full year to date.

	<b>£m</b>
Additional void costs due to empty properties being let for longer than budgeted	0.500
Additional rental income	(0.100)

In terms of voids when the HRA Budget was agreed in October 2023 this was over 500 properties and it was assumed the level would reduce to an average 310 properties during this year. Whilst good progress has been made this reduction has not fully materialised as expected yet and this will continue to be monitored and the impact on the budget reflected in future monitoring reports.

- 8.3 Any final variance will be adjusted against the Renewal & Repair Fund and any final overspend will be offset against the Renewal & Repair Fund, the housing element of which amounted to £7.317m as at 31 March 2024. A system of ongoing monitoring will continue to take place up to 31 March 2025 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2024/25 HRA Revenue Budget.

**9 RISK ASSESSMENT**

- 9.1 In preparing the Council's 2024/25 Revenue Budget, the key strategic, operational and financial risks faced by the Council over this period were considered. To alleviate the impact these risks may have if they occur, a number of general risk mitigation factors are utilised by the Council.
- 9.2 The key risks in 2024/25 have been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment are included in Appendix B to this report. Any changes to the assessment from the previous reporting period, together with any additional comments included, are highlighted in bold type.

**10 POLICY IMPLICATIONS**

- 10.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

**11 CONSULTATIONS**

- 11.1 The Council Leadership Team were consulted in the preparation of this report.

**12 BACKGROUND PAPERS**

- 12.1 None

**ROBERT EMMOTT**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

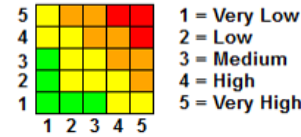
**12 SEPTEMBER 2024**

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DUNDEE CITY COUNCIL									
2024/2025 REVENUE OUTFURN MONITORING									
PERIOD 1 APRIL 2024 - 30 JUNE 2024									
	Approved		Adjusted			Projected	Previous	Movement	Actual
	Revenue	Total	Revenue	Actual	Projected	Variance	Months	since	30.06.2024
	Budget	Budget	Budget	Spend to	Outturn	Over/(under)	Projected	Previous	as a % of
	2024/25	Adjustments	2024/25	30.06.2024	2024/25	spend	Variance	Month	Adjusted
	£m	£m	£m	£m	£m	£m	£000	£000	Budget
<b>General Fund Services</b>									
Children & Families	213.996	3.658	217.654	55.318	219.204	1.550	2.039	(0.490)	25%
Dundee Health & Social Care Partnership	110.180		110.180	22.838	110.180	0.000	0.000		21%
City Development	15.258		15.258	7.789	16.675	1.417	1.697	(0.280)	51%
Neighbourhood Services	28.439		28.439	(0.830)	30.467	2.028	1.302	0.726	-3%
Chief Executive	13.835	0.620	14.455	2.858	14.455	0.000	0.000		20%
Corporate Services	33.568		33.568	13.757	33.568	0.000	0.169	(0.169)	41%
Construction Services	0.000		0.000	0.377	0.000	0.000	0.000		
	415.276	4.278	419.554	102.107	424.549	4.995	5.207	(0.214)	24%
Capital Financing Costs / Interest on Revenue Balances	22.429		22.429	0.000	22.429	0.000			
Contingencies:									
- General	0.500		0.500		0.500				
- Budget growth/Cost Pressures	13.278	(3.019)	10.259		10.259				
- New monies	0.599	1.790	2.389		0.599	(1.790)	(1.790)		
Tayside Contracts surplus	(0.343)		(0.343)		(0.343)				
Corporate Fleet	0.000		0.000		1.910	1.910	2.000	(0.090)	
Miscellaneous Items	(2.044)		(2.044)	(0.511)	(2.044)				25%
Discretionary Non Domestic Rates (NDR) Relief	0.392		0.392	0.484	0.392	0.000	0.000		123%
Supplementary Superannuation Costs	2.938		2.938	0.676	2.746	(0.192)	(0.192)		23%
Tayside Valuation Joint Board	0.945		0.945	0.233	0.945				25%
Empty Property Relief Devolution	1.048		1.048	0.262	1.048				25%
<b>Total Expenditure</b>	<b>455.017</b>	<b>3.049</b>	<b>458.066</b>	<b>103.251</b>	<b>462.990</b>	<b>4.923</b>	<b>5.227</b>	<b>(0.304)</b>	<b>23%</b>
<b>Sources of Income</b>									
General Revenue Funding	(304.241)	(3.049)	(307.290)	(130.843)	(307.290)				43%
Contribution from National Non Domestic Rates (NDR) Pool	(73.695)		(73.695)	(18.424)	(73.695)				25%
Council Tax	(63.906)		(63.906)	(13.622)	(64.056)	(0.150)	(0.143)	(0.007)	21%
Assumed SPPA Teachers Superannuation Contrib	(2.280)		(2.280)	(0.570)	(2.280)	0.000	0.000		25%
Use of Capital Grant to fund pay award			0.000		0.000				
Use of Balances -									
Balance on Covid Recovery Fund	(6.640)		(6.640)		(6.640)				0%
Committed Balances c/f	0.000		0.000		0.000				
Service concessions	(4.255)		(4.255)		(4.255)				0%
Change Fund	0.000		0.000		0.000				
<b>(Surplus)/Deficit for the year</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(60.207)</b>	<b>4.773</b>	<b>4.773</b>	<b>5.084</b>	<b>(0.311)</b>	
<b>(Surplus)/Deficit for Housing Revenue Acct</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.967)</b>	<b>0.400</b>	<b>0.400</b>	<b>0.400</b>	<b>0.000</b>	

Risks - Revenue Assessment

Corporate Risk Matrix



Risk Title	Causes	Impact	Inherent Risk	Controls	Residual Risk (Previous Month)	Residual Risk (Current Month)
1. General price inflation may be greater than anticipated.	<ul style="list-style-type: none"> <li>Government policies and regulations</li> <li>Poor economic conditions</li> <li>Impact of rising price rises e.g. energy</li> </ul>	<ul style="list-style-type: none"> <li>Increased financial cost / rising prices</li> <li>Potential budget overspends</li> <li>Potential for interest rate rises through intervention measures</li> </ul>		<ul style="list-style-type: none"> <li>Corporate Procurement strategy in place, including access to nationally tendered contracts for goods and services</li> <li>Fixed price contracts agreed for major commodities i.e. gas and electricity.</li> <li>Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements.</li> </ul>	n/a	
2. Capital Financing Costs - level of interest rates paid will be greater than anticipated.	<ul style="list-style-type: none"> <li>Substantial decline of global financial market</li> <li>Economic factors impacting on interest rates</li> </ul>	<ul style="list-style-type: none"> <li>Increased borrowing costs</li> <li>Greater return on investments / cash balances</li> </ul>		<ul style="list-style-type: none"> <li>Treasury Management Strategy. Limited exposure to variable rate funding.</li> <li>Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible.</li> </ul>	n/a	
3. Unforeseen new cost pressures arising during the course of the financial year.	<ul style="list-style-type: none"> <li>Financial constraints</li> <li>Demand pressures</li> <li>Cost of Living</li> </ul>	<ul style="list-style-type: none"> <li>Potential overspends</li> </ul>		<ul style="list-style-type: none"> <li>Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements.</li> </ul>	n/a	
4. Chargeable income budget not achieved.	<ul style="list-style-type: none"> <li>Reduced demand for chargeable services, for example due to cost of living crisis</li> <li>Market competition</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income</li> <li>Revision of budgeted income collection levels required</li> </ul>		<ul style="list-style-type: none"> <li>Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements.</li> </ul>	n/a	



ITEM No ...4.....
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**REPORT TO:** CITY GOVERNANCE COMMITTEE - 23 SEPTEMBER 2024

**REPORT ON:** CORPORATE SERVICES SERVICE PLAN 2022-24 PROGRESS REPORT

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 211-2024

## **1 PURPOSE OF REPORT**

1.1 To provide a progress report on the first year of the 2023-27 Corporate Services Service Plan.

## **2 RECOMMENDATIONS**

2.1 It is recommended that the Committee note the Service Plan update appended to the Report.

## **3 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications arising from this report.

## **4 BACKGROUND**

4.1 Report No 234-2023 presenting the Service Plan for Corporate Services for the period 2023/2027 was approved at the City Governance Committee on 20 November 2023 (article VI refers). The Service Plan outlines the strategic direction for Corporate Services for the three years period covering financial years 2023/24 to 2026/27 and outlines key priorities and improvements which the service intends to deliver, based on the financial and employee resources which are expected to be available. It also provides details of the service's key responsibilities and identifies the key actions to be undertaken to meet these priorities, as well as the performance indicators which will be used to monitor progress.

4.2 This Report provides an update on the performance indicators and actions under each priority theme in the Corporate Services Service Plan for the period to 31 March 2024. In each theme, where required, the report identifies further improvement activity to achieve the targets and actions in the plan.

4.3 Corporate Services is responsible for Corporate Finance, Digital and Customer Services, Democratic and Legal Services and People Services.

4.4 The key priorities within the Council Plan that Corporate Services contribute to are:

- increasing the percentage of 16-19-year-olds participating in education, employment or training;
- prioritising welfare support grants to children and families;
- maximising apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice;

- delivering an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs;
- increasing the percentage of Dundee City Council procurement spent with Dundee based organisations;
- working with Scottish Government on a Local Democracy Bill to further empower councils and local communities;
- delivering options to balance the Council's budget each year;
- rolling out a digital transformation programme;
- delivering a programme of service redesign reviews to embed the digital and community empowerment changes;
- rolling out hybrid working across the Council;
- increasing digital learning, teaching of new working methods and developing the skills of our employees; and
- increasing the uptake of modern and graduate apprenticeships.

4.5 The Service Plan sets out performance measures and actions showing how the service is contributing to each of the Council's priorities. The tables include the actual and target data for last financial year to set performance baselines, where available, to transition to the new service plan. Performance in relation to these measures and actions will be monitored in accordance with the Council's Performance Management Framework and reported to Committee

## **5 POLICY IMPLICATIONS**

5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## **6 CONSULTATIONS**

6.1 The Council Leadership Team were consulted in the preparation of this report.

## **7 BACKGROUND PAPERS**

7.1 None

**ROBERT EMMOTT**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**1 SEPTEMBER 2024**

# Corporate Services

## SERVICE PLAN

2023-2027



## Corporate Services

Annual Performance Report 2023/24

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## Corporate Services Summary

During the first year of the 2023-27 service plan Corporate Services has effectively supported the delivery of core services to customers within the allocated resources.

Highlights for the year include:

- the delivery, in partnership with Dundee Advice Strategy Partners of over £15m of financial gains for citizens;
- the further development of Community Wealth Building, including community wishes;
- the updating of the IT strategy, agreed by the Council on 4 March 2024;
- the development of the 2024-27 procurement strategy;
- the completion of the annual accounts on time and unqualified;
- the preparation of the 2024/25 revenue budget, agreed by the Council on 29 February 2024;
- the development of the 2024-29 Capital Plan, agreed by the Council on 19 February 2024;
- the introduction of the Quality Conversations process to promote regular conversations with employees to promote wellbeing and identify any learning and development needs;
- the launch of the Protecting People Learning and Development Framework to provide a central access point to a whole range of multi-agency learning and development resources; and
- The introduction of the Engage process to map people processes, resulting in improvements in absence monitoring, exit questionnaires and supply teacher booking.

Underpinning this success has been the continued delivery of effective core services across an extensive range of disciplines.

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## Corporate Finance


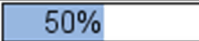

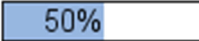


Corporate Finance comprises Accounting Strategy, Financial Services and Investment, Internal Audit, Corporate Fraud, Risk Management, and Insurance, and Procurement.

Performance against the agreed performance indicators, is shown below.

	PI Short Name	2021/22	2022/23	2023/24	Current Target	Short Term Trend	Long Term Trend	Notes & History Latest Note
		Value	Value					
	Payment of creditors - % < 30 days	95%	84%	90%	95%			
	Payment of local creditors - % < 14 days	93%	78%	90%	90%			Measures previously taken to ensure compliance with the No P/O, No Pay Policy and this period shows an overall improvement following these changes.
	Pension Fund investment performance relative to benchmark.	-5.87	-1.26	1.3	0			
	Variance between capital budget and actual expenditure	0%	-44.8%	-35.6%	5%			Reflects £48m underspend against £133m budget in 2023/24. As detailed in annual accounts the key movements reflected slippage in major capital projects.
	Cost of Pension Fund administration per member.	£34.63	£31.64	£38.60	£30.00			Additional staff and rising costs account for increase that will have largely arisen due to the additional requirements arising from McCloud and to ensure continued compliance with key statutory deadlines.

Corporate Finance has four specific actions in the Service Plan and progress against these is detailed below.

Status	Action	% Progress	Due Date	Notes & History Latest Note
	Community Wealth Building	<div style="background-color: #4f81bd; color: white; padding: 2px; display: inline-block;">50%</div>	31 <sup>st</sup> March 2027	A progress update submitted to City Governance Committee on 24 June 2024 highlighted the next steps as follows:  • develop CWB Strategy included a refreshed and simplified plan with easily to understand reporting outcomes which can be used













				<p>with a range of groups including communities</p> <ul style="list-style-type: none"> <li>• submit paper to Dundee Partnership Management Group requesting adoption of the CWB Partners Charter and tasking to the Inclusive Growth Strategic Leadership Group</li> <li>• consider any necessary alignment with NHS Anchors Strategy Reporting Requirements (recognising that this is being led by public health colleagues not those currently engaged in Dundee Partnership Structures)</li> <li>• continue to take forward DCC Specific Action plans and approve the creation of thematic CWB partnerships working groups in key areas.</li> <li>• develop draft strategy, amended action plan and submit to Committee together with any other progress updates.</li> </ul>
	Manage revenue and capital budgets in light of monitoring information		31 <sup>st</sup> March 2027	Revenue and Capital Budgets were approved by members in February. Arrangements are in place to monitor these outturns and the outcome of this is shared with budget holders and senior management on a regular basis to allow corrective action to be taken where necessary.
	Identify further areas where participatory budgeting can be used		31 <sup>st</sup> March 2024	The Council has recently undertaken a successful participatory budgeting exercise that allocated £375k for 22 local community projects aimed to tackle climate change. Consideration for further opportunities for PB is ongoing.
	The Long-Term Financial Strategy to be updated to reflect new Council Plan priorities.		31 <sup>st</sup> March 2024	Review of Long-Term Budget Forecast undertaken as part of the 2024/25 Revenue Budget exercise (report 55-2024 to City Governance Committee, 29 February 2024 refers).




## Digital and Customer Services



Digital and Customer Services (formerly Customer Services and IT) comprises Customer Services, Welfare Rights, Digital Services and IT.

Performance against the agreed performance indicators, is shown below.

	PI Short Name	2021/22	2022/23	2023/24	Current Target	Short Term Trend	Long Term Trend	Notes & History Latest Note
		Value	Value					
	Cost of collecting Council Tax per dwelling	8.18	6.92	5.62	8.32			
	Improve in year Council Tax collection rate	94.09%	95.15%	94%	95%			The collection rate in 22/23 was supported by Scottish Government cost of living funding of £150 for eligible households. The reduction in 23/24 is in the main as a result of the cost of living crisis on citizens of Dundee.
	Improve in year Non Domestic Rates collection rate (annual)	91.14%	93.33%	92.08%	96%			Collection levels are down by 1.25% compared to 22/23. The team continue to take all possible action to promote collection of outstanding balances.
	Average number of days taken to process new claims.	14	14	13	12			Average speed of processing has improved by one day from last year. Dundee continues to excel in this area with the National average for latest DWP stats indicating speed of processing is 18 days, with Scotland LAs averaging 17 days.

Digital and Customer Services have 3 specific actions in the Service Plan and progress against these is detailed below:




Status	Action	% Progress	Due Date	Notes & History Latest Note
	Evaluate changing city poverty profiles and ensure service specification meets changing needs at city and ward levels	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #e0e0e0; position: relative;"> <div style="background-color: #4f81bd; width: 65%; position: absolute; left: 0;"></div> <span style="position: absolute; left: 50%; top: -10px; transform: translate(-50%, -100%); font-weight: bold;">65%</span> </div>	31 <sup>st</sup> March 2027	Work continues to ensure service provision in different areas of Dundee is data driven. Area profiles for Linlathen and Stobswell West continue to be used. Recent links to NHS Tayside and Public Health Scotland will be used to assess health impacts for particular localities and linked to







Status	Action	% Progress	Due Date	Notes & History Latest Note
				Council anonymous data sets held in order to inform future service delivery.
	Review new models of operational front-line work in light of changes in priorities following review of Council and City plans	<div style="background-color: #4f81bd; color: white; padding: 2px; display: inline-block;">75%</div>	31 <sup>st</sup> March 2027	Service delivery continues to be reviewed in line with changing demands.
	Refresh the IT Strategy	<div style="background-color: #4f81bd; color: white; padding: 2px; display: inline-block;">100%</div>	31 <sup>st</sup> January 2024	IT Strategy (report 62/2024) approved at City Governance committee 4 March 2024

## People Services




People Services comprises Human Resources, Learning and Organisational Development, Payroll and Health and Safety, People Analytics, Corporate Business Support and Youth Employability.


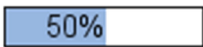

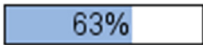

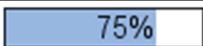

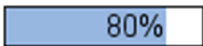


Performance against the agreed performance indicators, is shown below.

	PI Short Name	2021/22	2022/23	2023/24	Current Target	Short Term Trend	Long Term Trend	Notes & History Latest Note
		Value	Value					
	Gender pay gap	101.14	100.34	98.86	102.00			The Gender Pay Gap of – 1.15% is in favour of woman. This means that for every £1 that a female employee earns, a male employee would earn 98.85 pence. The Scottish average for Local Authorities last year was 3.2% in favour of males and it is likely Dundee will continue to be better than the Scottish average this year. Dundee City Council last year were 6th out of 32 Councils across Scotland.

	PI Short Name	2021/22	2022/23	2023/24	Current Target	Short Term Trend	Long Term Trend	Notes & History Latest Note
		Value	Value					
	Days lost per FTE for Teachers	4.8	6.18	7.89	6			Dundee City Council continue to work collaboratively with the Trade Unions on the Health and Wellbeing agenda. Supports such as the Council's health and wellbeing service, providing training courses to equip managers with the knowledge, understanding and flexibility to deal with absences, as well as providing family friendly policy which provide a good work/life balance for employees have unfortunately not resulted in a reduction in absence.
	Days Lost per FTE (LGE only)	14.69	16.27	17.55	10			Dundee City Council continue to work collaboratively with the Trade Unions on the Health and Wellbeing agenda. Supports such as the Council's health and wellbeing service, providing training courses to equip managers with the knowledge, understanding and flexibility to deal with absences, as well as providing family/friendly policy which provide a good work/life balance for employees have unfortunately not resulted in a reduction in absence.

People Services have 8 specific actions in the Service Plan and progress against these is detailed below:


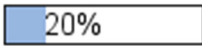

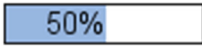
Status	Action	% Progress	Due Date	Notes & History Latest Note
	Review of terms and conditions	<div style="width: 15%;"><div style="width: 15%;"></div></div> 15%	31 <sup>st</sup> March 2025	Currently reviewing terms & conditions following information gathered
	Implement updated practices to support wellbeing and attendance	<div style="width: 20%;"><div style="width: 20%;"></div></div> 20%	31 <sup>st</sup> March 2024	Currently reviewing Health & Wellbeing action plan with actions agreed at CLT Feb 2024
	Ensure that our young people are supported with Employability	<div style="width: 38%;"><div style="width: 38%;"></div></div> 38%	31 <sup>st</sup> March 2027	Youth employability team continue to provide support to individuals

Status	Action	% Progress	Due Date	Notes & History Latest Note
	opportunities in Dundee and across the Tay Cities			
	Continue to promote learning and development to grow the organisation		31 <sup>st</sup> March 2027	Learning & development pathways to support workforce development are already established in a few service areas. The Graduate Apprenticeship programme is established and supporting existing employees to gain appropriate work based degree qualifications and leading to promoted opportunities for some of the graduates. Audit Scotland carried out a thematic review of the council's workforce planning and innovation during March and report expected May 2024. it is expected that this will highlight learning and development improvement areas.
	Review Health and Safety Policy corporately and in Services to reflect new ways of working		31 <sup>st</sup> March 2024	This is an ongoing action and does not currently have a definite end date.
	Deliver the Our People Strategy		31 <sup>st</sup> March 2027	People Strategy actions being implemented
	Implement the Corporate Services Workforce Plan		31 <sup>st</sup> March 2027	CS Workforce Plan developed in March 2024 and in process of implementation
	Review the hybrid working policy		31 <sup>st</sup> March 2024	Review currently in progress with draft paper to go to CLT in May 2024

## Democratic and Legal Services

Democratic and Legal Services comprises Committee Services, General Services, Legal Services and Tayside Scientific Services.

Democratic and Legal Services have 2 specific actions in the Service Plan and progress against these is detailed below:

Status	Action	% Progress	Due Date	Notes & History Latest Note
	Deliver the general election	 20%	31 <sup>st</sup> January 2025	The Election Team has begun to meet to prepare for the delivery of the General Election.
	Develop long term plans for Tayside Scientific Services	 50%	31 <sup>st</sup> March 2025	Discussions are ongoing at a national level involving the Provider Laboratories, SOLACE, COSLA and Food Standards Scotland regarding this matter following the election of the new Councils.

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**ITEM No ...5.....****REPORT TO: CITY GOVERNANCE- 23 SEPTEMBER 2024****REPORT ON: VEHICLE SALARY SACRIFICE EMPLOYEE BENEFIT SCHEME****REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES****REPORT NO: 234-2024****1. PURPOSE OF REPORT**

- 1.1 This report recommends the award of a contract for the delivery of a vehicle salary sacrifice employee benefit scheme.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Committee:
- (a) approves awarding a contract for a vehicle salary sacrifice employee benefit scheme as set out in this Report;
  - (b) remits the Head of People to award the contract to Tusker under the North of England Procurement Collaborative frame for an initial period of two years with options to extend twice each for an additional year; and
  - (c) delegates to the Head of People to determine whether to extend the contract for these additional years.

**3. FINANCIAL IMPLICATIONS**

- 3.1 From previous experience and market testing carried out, the total value of the contract awarded is estimated at £2.4m over the four-year period. The costs associated with these agreements are recharged accordingly to staff participating in the scheme.
- 3.2 The benefits for the employer are that savings are realised as there are no national insurance contributions payable on the portion of salary deductions. It is noted that when the scheme was introduced these savings were estimated as £140k per annum and are expected to continue following the agreement of this new contract.

**4. DETAILS OF THE PROJECT BEING COMMISSIONED**

- 4.1 The Council currently has a contract with Tusker Ltd, via the North of England Commercial Procurement Collaborative (NOECPC). The contract has been in place for 4 years and will expire on 4 October 2024. The Council previously managed all applications and associated services but moved to a Managed Service Provider model from 1 July 2024.
- 4.2 It is considered that it is in the Council's best interests to continue with this arrangement. The cost of change would be prohibitive, and it would not be beneficial to the Council to have two salary sacrifice vehicle leasing schemes running at the same time as would be the case for any existing agreements with the current supplier. Tusker Ltd is the sole provider on the NOECPC framework agreement, and a direct award would be made via this framework agreement. The new contract would run for a period of 2 years, plus 1, plus 1, with an estimated value of £2.4m over the 4 years.
- 4.3 The different elements of Community Wealth Building have been considered within this assessment and the outcomes are as follows:
- Local Contractors:** This is a single supplier framework so opportunities for local subcontract and supply would be limited. However, the contractor will be asked if it would be possible to request the use of local garages for servicing which would both support the local economy and reduce carbon impact.

**Community Benefits:** This contract will be procured through the NOECPC Framework which is an English based framework so therefore does not include specific community benefit requirements. It does however include a commitment to Social Value. It is our intention to ask this contractor to contribute to our Community Wishes programme at a suggested rate of 1 outcome per £100k of spend. It should be noted that we cannot mandate community benefits within this contract.

**Fair Work Practice:** As Tusker is an English based contractor and is unlikely to employ staff in relation to this contract in Scotland, we are unable to ask and implement the Fair Work Practice questions. However, to demonstrate our existing commitment to the promotion of Fair Work we will ask contractors to confirm if they are paying the current Living Wage to staff involved in the delivery of this contract and if they are Living Wage Accredited.

**Environmental:** Tusker website only highlights cars which have low emission standards (within their class) and promotes electric or hybrid options.

## 5. SOURCING STRATEGY SUMMARY

- 5.1 The proposed route is to award via the same Framework as was previously used.
- 5.2 The main benefit of utilising the same Framework agreement is that a managed service is provided, at no extra cost, savings will continue to be achieved, both for the employee and for the Council. Savings to the Council are expected to continue to be in the region of £140k per annum.

## 6. RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge

Description of Risk	Actions to be taken to manage Risk
<b>Commercial Risk</b> – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Salary sacrifice price is agreed and fixed for the duration of the lease. End of lease costs may arise for the employee, for example excess miles charges. However, Tusker would communicate with the employee in advance and the ability to change the plan (up the mileage allowance) may be offered. Vehicle damages may also be charged, but these would be unknown until the car is assessed after its return.  DCC recover all costs either through Payroll or by invoice.
<b>Technical Risk</b> – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	The specification is contained within the framework agreement.
<b>Performance Risk</b> – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	We already have experience of Tusker delivering the contract services, and any issues have been worked through and resolved in a timely manner.
<b>Contractual Risk</b> – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	The supplier is experienced in providing the services and cannot afford to fail.  There are regular meetings with the Account Manager.



<b>Legal Risk</b> – where a procurement is found unsound in law, through the public procurement rules	Procurement is through an existing framework.
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## 7. CONCLUSION

- 7.1 Tusker continues to deliver good service to the Council through a long-term relationship. Tusker meets the Council's requirements and allows the delivery of an employee benefit whilst generating savings for the Council
- 7.2 The Framework sourcing route provides a managed service, which relieves the Council of some of the administrative burden, and which could provide more options to the employee in the coming years – for example, Tusker is launching a program for used cars and for offering a 60-month lease, which may be considered by the Council.

## 8. POLICY IMPLICATIONS

- 8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## 9. CONSULTATION

- 9.1 The Council Leadership Team were consulted in the preparation of this report.

## 10. BACKGROUND PAPERS

- 10.1 None

**ROBERT EMMOTT**  
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**2 SEPTEMBER 2024**

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**REPORT TO: CITY GOVERNANCE COMMITTEE - 23 SEPTEMBER 2024**

**REPORT ON: LEISURE MANAGEMENT SOFTWARE**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 233-2024**

## **1.0 PURPOSE OF REPORT**

1.1 To recommend contract arrangements for the provision and licensing of Leisure Management software.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee:

- (a) agree to the renewed purchase of Leisure Management software for a one-year period; and
- (b) remit the Senior Service Manager IT, to purchase Gladstone Leisure Management software and licenses.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The total projected cost of the renewal is £73,179 for a one-year contract. Approximately £22,000 of this will be recharged to Leisure and Culture Dundee and the balance met from within existing IT revenue budgets.

## **4.0 BACKGROUND**

4.1 This report supports the Council's IT Strategy which was approved at the City Governance committee on 4 March 2024 (Article VIII of the meeting of City Governance refers). The Council's IT strategy sets out to deliver secure, robust, and affordable IT platforms. Helping to enable digital services, mobile and flexibly accessible services through a cloud first approach.

4.2 Leisure Management software is currently provided by Gladstone Software and a jointly managed and administered system is used by both Dundee City Council and Leisure and Culture Dundee. This is a specialised system that has been used for many years to meet leisure management requirements.

4.3 Use of the software is essential in the delivery of leisure facilities at 19 sites across the city. The system is also used for the booking of football pitches and facilities within schools and community centres.

4.4 Without this software both Dundee City Council and Leisure and Culture Dundee would experience significant operational difficulties in the management and delivery of leisure facilities to the citizens of Dundee. To allow continuity of service and for future strategy to be developed a one-year extension to the current contract is required.

4.5 A market review has been carried out and no alternative system has been identified that would support the service as well as the Gladstone application. Gladstone are currently renewing some of the software products that we are licensed to use. The changes are being investigated while further market evaluation is carried out.

4.6 A review of the current licensing has been carried out to minimise the license costs. The license can be extended for a minimum of 12 months. This period is required to complete the market review and further assess the requirements of Leisure and Culture Dundee. There will be an option to provide 3 months written notice to terminate any element of the contract within the 12-month extension period.

4.7 During the course of the next year a sourcing strategy will be developed for the long-term solution. A report will be brought back to committee once the long-term strategy has been completed for the leisure management system.

## 5.0 POLICY IMPLICATIONS

5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## 6.0 RISK ANALYSIS

6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge:

Key Risks			
Description of Risk	Probability (L/M/H)	Impact on DCC (L/M/H)	Actions required to manage Risk
<b>Commercial Risk</b> – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low	Low	Costs and requirements are known as the supplier is the incumbent provider.
<b>Technical Risk</b> – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	Low	Low	System is already in place and working.
<b>Performance Risk</b> – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	Low	Low	Only supply of licenses
<b>Contractual Risk</b> – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low	Low	Extension to existing contract.
<b>Procurement Risk</b> – where a procurement is found unsound in law, through the public procurement rules	Low	Low	Existing framework will be used.
Overall Contract Risk			

## 7.0 CONSULTATIONS

7.1 The Council Leadership Team were consulted in the preparation of this report.

## 8.0 BACKGROUND PAPERS

8.1 None.

**ROBERT EMMOTT**

**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**1 SEPTEMBER 2024**