

CLLR FRASER MACPHERSON
DUNDEE CITY COUNCIL CONVENER OF FINANCE
BUDGET SPEECH 2006/07

It gives me great pleasure to present my first budget speech as Finance Convener.

Council Tax stability is a key strategic priority for the Administration and we are committed to keeping increases to a minimum without compromising essential Council services.

Over the 5 years to 2005/06, Dundee's Council Tax increased by just 11.7% compared to a national average of 23.5%. This meant that we had the 3rd lowest increase in Scotland over this period. This is a major achievement given the continuing problem of population decline being experienced by the City.

Turning now to the Revenue Budget for 2006/07, Members will be aware that 2006/07 is the second year of the 3 year Local Government Finance Settlement, following the 2004 Spending Review.

The 2006/07 Finance Settlement is the first to reflect the impact of Dundee's declining population as 2005/06 was based on the previous population statistics. This has resulted in Dundee's annual increase in Aggregate External Finance being well below the national average at 2% and 1.7% for 2006/07 and 2007/08 respectively.

Pay awards are currently being settled at between 2.5% and 3%. While general inflation is running at about 2%, there have been significant increases in energy costs of over 40%. In addition the City Council has to make provision for the likely costs of implementing the Single Status Agreement.

All of these factors mean that the Council has faced its toughest budget challenge yet and it is in this light that the administration believed it was crucial to postpone the budget setting meeting from last Thursday so that work already in progress for next year could be accelerated to bring forward further savings now, meaning we will be able to reduce the Council Tax even more for the year ahead.

While the preparation of the 2006/07 Revenue Budget has been challenging, the Administration has been successful in delivering a number of local and national priorities and I would now like to highlight some of our successes.

The Audit of Best Value highlighted that the Council is committed to providing good services and has an ambitious vision for our City. Achievements recognised included commitment to social and economic regeneration and an Improvement Plan has been agreed.

The Council has maintained its position as one of the top ten performing local authorities in Scotland as measured by the Accounts Commission Statutory Performance Indicators. Steps are being taken to increase the frequency of performance reporting to raise this standard even higher.

In-year Council Tax collection continues to improve and it is anticipated that this will increase to an all-time high of over 90% in the current financial year. The new Debt Recovery system has introduced a more focussed approach to customers with outstanding debt.

The Council has improved its performance in benefits administration and 92% of new benefit applications are now being processed within 14 days.

Council Tax payment cards have been a huge success since they replaced the old style payment books. Around £6 million of payments have been made at outlets other than Council offices, with around 13,000 transactions per month at shops and post offices.

The Council continues to seek innovative ways of delivering services which deliver Best Value. Nearly £3 million is sponsored to a total of 168 organisations to provide services to taxpayers. A recent audit of all local authorities by Audit Scotland to ensure compliance with the Code on Funding External Bodies and Following the Public Pound, rated Dundee City Council in the highest overall banding with only 8 other authorities.

In Education we are embarking on an £85 million project to build new schools and improve our existing schools. This is due to be completed by Summer 2008.

Efforts are being made to increase levels of physical activity among the city's young people, and Baldragon Academy has benefited from a £360,000 investment to develop sports facilities for the whole community.

In Housing, the Dundee Families Project won the United Kingdom Care Accolade Award and the initiative that the city pioneered is to be copied throughout the country.

A Delivery Plan has been developed for achieving the Scottish Housing Quality Standard through the investment of £141 million in the City's housing stock over the next 10 years.

The Housing Repairs Service won "Outstanding Achievement in Social Housing" in the UK Housing Awards. This innovative partnership is delivering savings of £300,000 per year.

70% of the worst footpaths in Dundee's housing estates have been upgraded and all of the most defective paths will have been dealt with by the end of next month.

In Social Work, new residential and day care facilities have been provided and there has been a 26% increase in home-care provision.

In Planning & Transportation, over half of the streetlights have been upgraded to brighter white lights to improve public safety and more than £11 million invested in bus travel improvements to

encourage more people to use public transport – that has earned Dundee the title of Scottish Transport Local Authority of the Year.

In Leisure & Communities, library visitor figures for the last full year were 1.4 million, an increase of 4% on the previous year and the highest recorded annual number of visitors since 1996.

Broughty Ferry beach now has the prestigious Blue Flag Award and achieved designation as an Identified Bathing Water.

The Community Regeneration Fund was launched in April 2005 bringing £17.4 million to the City's most deprived areas over 3 years. Local communities have worked with the Council to ensure this expenditure is directed at local community priorities.

The Working for Families initiative has provided support to over 390 families this year, with over 70 parents progressing into employment.

Over 45,000 payments are now being collected annually through the Council's online payment facility. The website offers this popular facility for 19 different types of payment, such as Council Tax, Council House Rent, Invoice and Parking Fines, with Council Tax being the most frequently used.

The Employment Disability Unit had a particularly successful year in 2005. The Unit won the award for the Best Practice In Partnership in Scotland by the European Social Fund. 102 disabled people

were supported into employment and a further 98 were given support in the workplace.

Dundee City Council takes a leading role in sustainability issues and funding has been obtained for the Sustainable Demonstration House at Whitfield from a number of sources.

In Waste Management, this year saw further investment through the Strategic Waste Fund and this allowed the department to invest heavily in expanding existing recycling initiatives, including brown and blue bins and a trial box scheme for recycling glass, paper, plastic and alu-cans.

The City Council recently approved a Capital Plan for the next three years, which will see the investment of nearly £150 million in new and improved assets within the City. The planned expenditure maximises investment under the new Prudential Borrowing regime within affordable, sustainable limits.

Work on the Central Waterfront is well under way and a further £8.5 million from the Cities Growth Fund has been awarded for the next two years. This ambitious project will, over the next decade, involve an investment of £270 million from the public and private sector. It will extend the City Centre down to the waterfront, creating a new grid street pattern and improved facilities for walking, cycling and buses.

A £9 million project to refurbish the McManus Galleries is underway and will be completed by 2007.

Construction started last September on the new Charleston Centre, to be completed in June at a cost of £820,000.

Following the investment of over £250,000 in the Wildlife Centre at Camperdown, attendances have risen by over 9% from the previous year.

£2.6 million of infrastructure works to service further industrial land at Claverhouse Industrial Park East were progressed.

A £4 million project to redevelop Gardyne's Land was launched.

The Council has embraced the challenge of the Scottish Executive Efficient Government Initiative and has developed a programme to initiate reviews, projects and programmes to identify and deliver efficiency savings.

A report will be brought to the Best Value Sub Committee later this year, but I can tell you that the Council is on target to achieve over £13 million in efficiency savings over the 3 years 2005 to 2008.

The Council has become an associate member of the Authorities Buying Consortium and now has access to online catalogues of nationally tendered contracts for a wide variety of goods and services which are estimated to deliver nearly half a million pounds of savings.

In light of the uncertainty surrounding the 2007/08 Settlement, COSLA members have agreed that Councils would not set indicative Council Tax levels for 2007/08.

In recommending approval of the 2006/07 Revenue Budget, I would express my thanks to all Elected Members who have participated in the budget process.

I would also like to thank my fellow conveners and officers, particularly the Chief Executive and senior Finance officers for their support and advice in putting together the Revenue Budget and Council Tax for 2006/07.

Last but not least, I would like to thank our employees, whose individual and combined efforts enable us to deliver first class services to the people of Dundee.

I now submit for your consideration, the Administration's 2006/07 Revenue Budget to set a Council Tax Band D of £1,211 an increase of £31 or 2.63%.

Despite a relatively low grant increase of 2%, the Administration has been able to restrict the Council Tax increase to below 3%. This is below the average increase of the 29 councils that have already set their Council Tax. No one should be under any illusion about what a considerable achievement this is.