

Public Document Pack

APPROVED BUDGETS



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- 2 General Fund Revenue Budget 2016/17 and Non-Housing Capital Programme 2016/17 to 2020/21 (Pages 3 - 10)
- 3 Common Good Budget 2016/17 (Pages 11 - 12)

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Administration Budget Proposals

£000 £000

Deficit per Council Report	2,403
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Appendix 1 (Cost Pressures Identified and reviewed for 2016/17 Budget Papers)

Fully Accepted

Appendix 2 (Adjustments not requiring Committee Approval)

Fully Accepted

Appendix 3 (Adjustments requiring Committee Approval)

As Below

Ref No	COMMUNITIES, HOUSING & INFRASTRUCTURE	
1	Pets Corner will receive capital investment to improve the facilities provided and with a new educational space becoming available an income target would be set to generate additional funds.	(2)
2	Extend Pilot Stay On Site Approach to S1 Lunches at two of the council's Academies and encourage healthy eating.	(50)
3	FM Contract Management Fees for NHS Grampian & NHS Highland could be increased.	(3)
4	Review Street Occupation Charges with a view to increasing the charges to utility companies.	(100)
5	As the council is currently negotiating a City Region Deal it would be possible to reduce the funding to Opportunities North East (ONE) by 50% through reviewing and re-evaluating strategies and funding levels	(70)
6	By undertaking a review of transport demands from Social Care & Education facilities it would be possible for the expansion of the in-house fleet to replace the contracts currently delivered by external providers.	(25)
7	Review All Environmental Health & Trading Standards Charges and to increase them broadly in line with inflation each year where the charges are not set by statute.	(5)
TOTAL FOR COMMUNITIES, HOUSING & INFRASTRUCTURE		(255)
EDUCATION & CHILDREN'S SERVICES		
8	This option is a reduction in funding to Sport Aberdeen. The Council would work with Sport Aberdeen to determine the proposals to manage this reduction.	(405)
9	This option is a reduction of 2% funding to Aberdeen Sports Village (ASV). The Council would work with ASV to determine the proposals to manage this reduction.	(20)
10	A review of the Service Level Agreement with NHS Grampian regarding the provision of Speech & Language Therapy services would allow a reduction in costs depending on the level of service being purchased.	(100)
11	This option extends the review of Admin and Supplies Budgets to Schools and would result in a small reduction in the level of DEM budget available for schools in 2016/17.	(280)
12	Arising from the implementation of the inclusion review, pupils with Additional Support Needs will be educated at their local schools. This will reduce the number of children requiring transport and therefore the number of escorts required over a 5 year period.	(20)
13	The secondary teaching staffing formulae is weighted to allow for S1 and S2 classes in Maths and English to be set at a maximum of 20. Since 2010/11 schools were no longer required to do this and are therefore free to divert these resources to other areas.	(440)
TOTAL FOR EDUCATION & CHILDREN'S SERVICES		(1,265)
Balance Carried Forward		883

Administration Budget Proposals

		£000	£000
Balance Brought Forward			883
INTEGRATION JOINT BOARD			
14	Saving on management and infra. costs of Bon Accord Care in line with those applied to other services for 2016/17 e.g. vacancy factor increase, reduction in energy consumption, overtime budget reduction etc.	(250)	
15	Comprehensive review of the current service delivery model through Bon Accord Care. The Council would work with Bon Accord Care to determine the proposals to manage this reduction.	(450)	
TOTAL FOR INTEGRATION JOINT BOARD			(700)
TRADING			
16	Review of apprenticeship scheme within Building Services to improve quality of training and maximise and secure future supply of 'home grown' trade qualified staff.	(150)	
17	Convert Free Car Park (Crombie Road, Torry) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(28)	
18	Convert Free Car Park (Dunmail Avenue, Cults) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(9)	
19	Convert Free Car Park (Station Road, Bucksburn) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(3)	
20	Convert Frederick Street Car Park to long stay and introduce permits for improved commercial use of Council asset.	0	
TOTAL TRADING			(190)
Balance Carried Forward			(7)

Administration Budget Proposals

	£000	£000
Balance Brought Forward		(7)
New Initiatives		
Grant to Aberdeen Care & Repair	35	
Establish post - Violence Against Women Co-Ordinator	28	
Establish post - Disability Access Officer	23	
Bus - Evening Service to Craigiebuckler/Airyhall; Weekday Daily Service to Mannofield and Airyhall and Lower Deeside	83	
Finance additional borrowing	<u>38</u>	
Total New Initiatives		207
Financed By:		
Use of General Fund Contingency		(200)
Revised (Surplus)/Deficit		0

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Administration Non-Housing Capital Budget Proposals

Non-Housing Capital Programme

	Budget 2016/17 £'000	Budget 2017/18 £'000	Budget 2018/19 £'000	Budget 2019/20 £'000	Budget 2020/21 £'000	Total £'000
Original Budget Per Appendix 6.	157,458	161,873	69,916	62,201	65,475	516,923
Add:						
Tillydrone Primary School (Note 1)	1,000	13,000	3,000			17,000
Torry Primary School and Hub (Note 2)	700	16,300	3,000			20,000
New Budget	159,158	191,173	75,916	62,201	65,475	553,923
Additional Cost	1,700	29,300	6,000	0	0	37,000
Funded By: Additional Borrowing	(1,700)	(29,300)	(6,000)	0	0	(37,000)

Note 1:

A Three Stream Primary school

Note 2:

A Two Stream Primary School and Community Hub

Please note: these costs represent a new build and exclude land acquisition, demolition and other associated costs

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**ABERDEEN CITY COUNCIL
2015/16 to 2020/21**

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

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

In setting the revenue and capital budgets, members will be aware that under the Prudential Code, the level of capital investment is determined locally. Therefore, these indicators will be reviewed on an ongoing basis to ensure that the Council does not breach the indicators it sets.

The key objectives of the Code are to ensure:-

- The Council's capital programmes are affordable, prudent and sustainable.
- Treasury management decisions are taken in accordance with good professional practice.

The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

In setting the indicators, cognisance should be paid to the level of capital investment looking ahead for a three year period, for both the housing and non-housing capital programmes that the Council wishes to embark upon. The Code also requires that the underlying requirement to finance PPP projects and finance leases be included when setting the indicators.

The Code requires the following Prudential Indicators are set for the Council:-

	Capital Expenditure						
	2014/15 £'000 Actual	2015/16 £'000 Estimate	2016/17 £'000 Estimate	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate
Non HRA	57,923	91,776	159,158	191,173	75,916	62,201	65,475
HRA	39,295	55,329	48,084	58,077	59,358	60,269	61,141

	Ratio of Financing Costs to Net Revenue Stream						
	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Non HRA	6.3%	6.3%	6.9%	7.2%	7.7%	8.1%	8.3%
HRA	15.7%	15.5%	16.8%	17.6%	18.5%	18.1%	17.5%

	Capital Financing Requirement						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000 Actual	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate
Non HRA	486,619	497,292	518,278	601,115	624,002	621,493	619,965
HRA	228,997	254,703	272,714	299,451	325,760	350,796	374,372
Total	715,616	751,995	790,992	900,566	949,762	972,289	994,337

The Prudential Code states:

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

The Head of Finance reports that the Council can meet this requirement in 2015/16, and it is expected to do so for the future years, as outlined, taking into account current commitments, existing plans, and the assumptions in this report.

	Authorised Limit for External Debt					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Operational Boundary	770,154	809,151	918,725	967,921	990,448	1,012,496
10% Margin	77,015	80,915	91,872	96,792	99,045	101,250
Total	847,169	890,066	1,010,597	1,064,713	1,098,493	1,113,746

	Operational Boundary for External Debt					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	664,091	705,566	817,751	870,169	895,693	919,535
Other Long Term Liabilities	106,063	103,585	100,974	97,752	94,755	92,961
Total	770,154	809,151	918,725	967,921	990,448	1,012,496

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

(a) for Band D Council Tax

2016/17	2017/18	2018/19	2019/20	2020/21
£0	£0	£0	£0	£0

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

2016/17	2017/18	2018/19	2019/20	2020/21
£1.01	£1.35	£0.15	£0	£0

Agenda Item 3

Administration Common Good Budget Proposals

	<u>£000</u>
Surplus per Appendix 1 of Committee Report	<u><u>(20)</u></u>

Remove/Reduce:

Entertainment for Elderly/Disabled Citizens	(165)
Business Investment Fund	(10)
	<u>(175)</u>
Revised Surplus	<u><u>(195)</u></u>

Additions:

Upkeep of March Stones	10
Contribution to Ferryhill Railway Heritage	10
Contribution to Kirk of St Nicholas	10
Contribution to Castlegate Arts (subject to Service Level Agreement)	40
Contribution to Aberdeen Street Pastors	8.5
Grant to Celebrate Aberdeen	20
ACC Asset Management - £10,000 for Common Good property repairs - Brimmond Hill - cattle grids/fencing	10
ACC Asset Management - £2,000 for Common Good property repairs - Bucksburn Farm - bollards	2
ACC Asset Management - £10,000 for Common Good property repairs - Smithfield Farm - roof repairs	10
ACC Asset Management - £3,000 for Common Good property repairs - Jessefield Farm - house doors	3
	<u>123.5</u>
Revised Surplus	<u><u>(71.5)</u></u>

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