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To: Councillor Lumsden, Convener; Councillor Graham, Vice Convener; and Councillors Allard, Cameron, Councillor Donnelly, the Depute Provost, Jackie Dunbar, Flynn, Houghton, John, Laing, Macdonald, Catriona Mackenzie, Nicoll, Reynolds, Sellar, Townson and Yuill.

Town House,
ABERDEEN 31 January 2018

FINANCE, POLICY AND RESOURCES COMMITTEE

The undernoted items are circulated in connection with the meeting of the **FINANCE, POLICY AND RESOURCES COMMITTEE** to be held here in the Town House on **THURSDAY, 1 FEBRUARY 2018 at 2.00 pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

BUSINESS

- 4.1 Requests for Deputation (Pages 3 - 4)
- 9.3 Council Financial Performance - Quarter 3, 2017/18 - CG/18/010 (Pages 5 - 50)
- 10.8 Disposal of Former Victoria Road School - CHI/17/312 (Pages 51 - 80)

Should you require any further information about this agenda, please contact Mark Masson, tel. 01224 522989 or email mmasson@aberdeencity.gov.uk

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Request for Deputation

Name David Fryer, Trustee, for and on behalf of the Torry Development Trust

Committee Finance, Policy and Resources

Agenda Item 10.8 CHI 17/312

The action we wish the Council/Committee to take

To agree a period of 6 months as from 1st December 2017 for the Torry Development Trust to continue to develop feasible options for meeting community needs and aspirations involving the retention and reuse of buildings on the Victoria Road School sites

Please note that in submitting a deputation your name will be placed in the public domain and recorded in the minute.

Return by email to committeeservices@aberdeencity.gov.uk or by post to:

Head of Legal and Democratic Services
1st Floor
Town House
Broad Street
Aberdeen
AB10 1AQ

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SUBMISSION OF LATE REPORT

NAME OF COMMITTEE : Finance, Policy & Resources

DATE OF COMMITTEE : 1 February 2018

TITLE OF REPORT : Council Financial Performance -- Quarter 3, 2017/18

Please explain why this report is late.

Quarter 3 ended on 31 December 2017, with work to finalise the figures to be reported ongoing since the return to work on 3rd January after the festive break. It was initially envisaged that work wouldn't be completed in time to report to this committee. However, it recently became apparent that provided a late report was acceptable, the Q3 position could be reported to this committee allowing elected members the opportunity to consider the Council's financial position on a timely basis. It should also be noted that as part of the faster closedown and production of the Council's annual accounts, a hard close has been undertaken at Q3 which external audit are now auditing and this report is a key element of that.

Please explain:

- why this report must be submitted to the next meeting of the Council/Committee; and
- why it cannot be submitted to a meeting of the Council/Committee at a later date.

Reporting to this committee rather than delaying to a later committee cycle represents good practice in allowing timely consideration of the council's financial position. It further supports the external auditors in their audit of the Q3 hard closedown.

Director

redacted

Date

30/1/18

The following section must be completed by the Convener where a report must be submitted less than three clear days¹ before a meeting of the Council/Committee.

By law, an item of business must be open to inspection by members of the public for at least three clear days before a meeting.

An item of business not open to inspection for three clear days may be considered at a meeting only by reason of special circumstances, which shall be specified in the minutes, and where the Convener is of the opinion that the item should be considered as a matter of urgency.

Please explain why you are of the opinion that the item should be considered as a matter of urgency.

As stated above, consideration of this report at this committee represents good practice, demonstrating significant progress in the Council's move to quarterly reporting and supporting the earlier production of the annual accounts.

Convener

redacted

Date

31/1/18

¹ For example if a letter is posted on Monday advising of a meeting on Friday, it gives 3 clear days notice (i.e. Tuesday, Wednesday, Thursday). Saturday, Sunday and public holidays are included within the definition of Clear Days.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	1 February 2018
REPORT TITLE	Council Financial Performance – Quarter 3, 2017/18
REPORT NUMBER	CG/18/010
DIRECTOR	Steven Whyte, Director of Resources
REPORT AUTHOR	Lesley Fullerton

1. PURPOSE OF REPORT:-

1.1 To provide the financial position of the Council, as at Quarter 3 (October – December 2017) and the full year forecast position for the financial year 2017/18, including:

- General Fund and Housing Revenue Account (HRA) revenue and capital accounts and the associated Balance Sheet; and
- Common Good Revenue Account and Balance Sheet.

2. RECOMMENDATION(S)

2.1 It is recommended that Committee note the following:-

- a) General Fund and HRA financial performance as detailed in Appendix 1;
- b) Common Good financial performance as detailed in Appendix 3;
- c) General Fund forecast revenue position as detailed in Appendix 2;
- d) HRA forecast revenue position as detailed in Appendix 2;
- e) General Fund forecast capital position as detailed in Appendix 2;
- f) HRA forecast capital position as detailed in Appendix 2;
- g) Common Good forecast revenue position as detailed in Appendix 2;
- h) Group Entities forecast revenue position as detailed in Appendix 4; and
- i) The requirement to use an Effective Interest Rate (EIR) method to account for the Council's bond issuance in order to comply with accounting standards and the resulting impact of this as detailed in Appendix 1.

2.2 It is recommended that Committee agree the following, further details of which are provided in Appendix 1:

2.2.1 Reserves

- a) The Head of Finance review the overall financial position in the context of the Council's Balance Sheet and Reserves and take action to ensure the Council is suitably prepared for future revenue and capital investment purposes;
- b) In the context of a) above, the Head of Finance investigate the option to use capital receipts to fund the costs of the VS/ER in 2017/18 and if deemed suitable utilise this option; and

- c) The Head of Finance explore the possibility of the scheme referred to in b) above being extended beyond the current expiry date of 1 April 2018, such that this option is available for use in future financial years.

3. BACKGROUND/MAIN ISSUES

- 3.1 This is the third quarterly financial report for 2017/18, representing the next stage of a stepped change in the way the Council reports its financial position.
- 3.2 This report focuses on both the financial performance for the quarter October to December 2017 and the projected financial position for the full year for the Council's General Fund, Housing Revenue Account and Common Good.
- 3.3 Quarterly reporting has evolved throughout the year to incorporate further changes such that the ultimate aim of a faster year end closedown and the production of the unaudited annual accounts by the end of April 2018 can be achieved. This means the Council would have produced its annual accounts two months earlier than the statutory deadline.
- 3.4 The performance for the third quarter is a positive one with expenditure and income largely in line with budget for this stage of the year. Notwithstanding this there are cost and demand pressure areas which services are actively managing. Further information on this is contained within Appendices 1 and 2 to this report.
- 3.5 The financial statements contained within Appendix 1 reflect the income and expenditure for the quarter and start to reflect some of the statutory accounting adjustments required to ensure compliance with International Financial Reporting Standards (IFRS). These are detailed within the appendix and the application of such adjustments will evolve throughout the year with further adjustments being reflected in future quarterly reports.
- 3.6 The Balance Sheet figures at 31 December 2017 reflect the actual position at the balance sheet date where appropriate, the resultant figure including statutory adjustments where these have been made or where they haven't been made the figure at 31 March 2017 has been used. Reserves have been updated to reflect the impact of the performance to date such that usable reserves have increased during the period. This in part reflects that there is currently a net income position due to the timing of the receipt of income from the Scottish Government.
- 3.7 The forecast outturn position for the year reflected in Appendix 2 shows that the Housing Revenue Account is line with budget whilst General Fund revenue has a relatively small overspend of £0.36m (or 0.1% of net cost of services) resulting from a number of cost pressures which are being mitigated during the year through effective management of costs.
- 3.8 Financial re-profiling of the General Fund capital programme has continued in Quarter 3 to update project profiles. This has no impact on overall project costs.
- 3.9 The capital programme governance arrangements approved by Audit, Risk and Scrutiny committee in August have been rolled out across the Council with the

majority of training for programme sponsors, programme managers and project managers now complete.

- 3.10 The Housing capital programme is currently projected to be maintained within the funded level.
- 3.11 The Common Good as detailed in Appendix 2 is forecasting to be on budget for the financial year 2017/18.
- 3.12 The Group Entities forecast in Appendix 4 indicates that there are no material areas of concern in relation to these entities for 2017/18.

4. FINANCIAL IMPLICATIONS

- 4.1 The financial performance of the Council's main accounts, General Fund, Housing Revenue Account and Common Good for the third quarter, October – December 2017, of the financial year 2017/18 is reflected in Appendices 1 and 3 to this report.
- 4.2 The forecast full year financial position for these same accounts, both revenue and capital is provided in Appendix 2 to this report.
- 4.3 Appendix 1 also includes a Management Commentary providing:
 - Further information on the Performance in Quarter 3; and
 - Further information on the 2017/18 Projected Financial Position, including details of the items for which there are specific recommendations above.
- 4.4 Following a positive financial performance in 2016/17, the Council started the financial year 2017/18 with a strong financial platform from which to operate. It is recognised that is another financially challenging year and that strong fiscal management coupled with financial restraint is required to ensure that a balanced position against budget is achieved which in turn will continue to provide a strong balance sheet for future financial years.
- 4.5 Services continue to manage increased demand within the current service delivery model and structure within which the Council operates and this requires continuous close fiscal management. Indeed services are examining all areas of spend with a view to avoiding expenditure except where absolutely necessary.
- 4.6 A small overspend of £0.36m against budget is currently forecast for the General Fund, 0.1% of the net service budget. This is in the context of a number of identified cost and/or demand pressures on services which have required to be addressed during the remainder of the year and a number of mitigating underspends and efficiencies that have been built into the forecasts. A short life working group has reviewed spend across a range of council wide areas including procurement, workforce, technology and service specific areas where there has been historic or current budget pressures, taking into consideration trends and benchmarking data where possible to inform options going forward. Options agreed are included within the reported forecast position and controls and process improvements have been implemented

which, along with the normal year end procedures will aid in ensuring only essential expenditure is incurred for the remainder of the financial year.

5. LEGAL IMPLICATIONS

- 5.1 While there are no direct legal implications arising from the recommendations of this report, there are additional reporting requirements due to the London Stock Exchange listing and issue of bonds.

6. MANAGEMENT OF RISK

Financial

- 6.1 Every organisation has to manage the financial risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Elected Members. This report is part of that framework and has been produced to provide an overview of the current operating position and so financial risk related to this report is considered to be low.
- 6.2 The main financial risk that the Council is managing is the increased demand on services. This is being mitigated through reviewing all areas of expenditure with a view to only incurring expenditure that is absolutely essential.
- 6.3 In relation to capital projects there is a risk that following the procurement process, tendered costs will vary from that assumed at the time of project approval. This risk is mitigated through quantification and review of indicative project costs by suitably qualified staff or external body where appropriate.

Other

- 6.4 Consideration has also been given to Employee, Customer / Citizen, Environmental, Technological and Legal risks, and no risks were identified.

Reputational

- 6.5 The reputational risks to the Council are minimised by the regular review of financial information by services, CMT and Elected Members throughout the Financial Year.

7. IMPACT SECTION

Economy

- 7.1 Investment in the city will have a positive impact on the economy.

People

- 7.2 Robust management of the Council's finances will ensure that services can continue to be provided.

Place

- 7.3 Investment will enhance the place by creating a better and more vibrant city in which to live.

Technology

- 7.4 There are no direct implications on technology arising from the recommendations of this report

8. BACKGROUND PAPERS

None

9. APPENDICES

Appendix 1 – Financial Statement for the quarter 1 October to 31 December 2017

Appendix 2 – Projected Financial Position for the year 2017/18

Appendix 3 – Common Good Financial Statement for the quarter 1 October to 31 December 2017

Appendix 4 – Group Entities Projected Financial Position for the year 2017/18

10. REPORT AUTHOR DETAILS

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ABERDEEN
CITY COUNCIL

FINANCIAL STATEMENT
FOR THE QUARTER
1 OCTOBER 2017 TO 31 DECEMBER 2017

Contents

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Management Commentary

The purpose of the management commentary is to inform readers, helping them to assess how the Council is performing and understand our financial performance for the quarter to 31 December 2017.

It also provides an insight into the expected financial performance for the remainder of the financial year 2017/18, the challenges we face and how we will address these challenges to provide stability, financially, thus allowing our citizens to have confidence that we can continue to provide the diverse portfolio of services on which they rely.

Background

During 2016/17, Aberdeen City Council became the first local authority in Scotland to be awarded a credit rating and subsequently secure funding towards its capital investment programme, by issuing bonds of £370 million on the London Stock Exchange (LSE).

The credit rating must be maintained over the term of the bonds with the credit rating agency conducting a review at least once every twelve months. The first annual review of the Council's credit rating was undertaken during October 2017, with positive affirmation of the rating issued during November 2017 and reported to the Finance, Policy and Resources Committee on 1 December 2017.

The credit rating and LSE listing has brought a number of reporting and governance requirements on the Council which in turn has led to a move from monthly to quarterly financial reporting and a change in the focus and format of the reporting to provide a holistic view of the Council's financial position as would be expected by investors in an LSE listed organisation.

This is the third quarterly financial performance report for 2017/18, representing the next step in changing the way the Council reports, which not only meet the new requirements but also increases financial transparency for citizens of the City and beyond.

Our Financial Performance

• Performance in Quarter 3

In February 2017, the Council set its General Fund and Housing Revenue Account (HRA) revenue and capital budgets for the financial year 2017/18. Performance for the year is measured against these budgets with the projected full year position considered in a later section of this report. This section focuses on the actual financial results for the period 1 April to 31 December 2017, presented in the format of our Annual Accounts on pages 6 to 13.

The Expenditure and Funding Analysis provides details of the net expenditure or income position for each service based on actual transactions for the period and the statutory accounting adjustments processed to date.

1. Education and Children's Services is the largest service provider within Aberdeen City Council with responsibility for delivering key statutory and frontline services to children and young people, adults, families and communities of Aberdeen. This includes the delivery of early years, primary, secondary and special education, children's social work services and cultural services for all ages through the provision of libraries and museums.

At 76% against the full year budget, the services net expenditure for the year to date is in line with expectations. However, the Service is currently managing a number of cost pressures, including commissioning of fostering, out of authority placements for children and self directed support which may affect performance in future quarters. These are areas where decision making and control doesn't sit solely within the Service. A further pressure is the closure of the Art Gallery and Provost Skene House meaning a reduction in income received.

2. Communities, Housing and Infrastructure is responsible for a broad range of services to those who live, work, visit and invest in the City of Aberdeen, each day providing thousands of transactions such as school meals; waste collections; repairs to housing, roads, street lighting and other infrastructure; planning and building control applications; housing and homelessness applications and many more, maintaining standards within our streets and public open spaces, managing the Council's assets and providing facilities management to all of the Council's public buildings, schools and operational properties, providing protective services such as Environmental Health, Food Safety, Commercial Health and Safety, Public Analyst, Trading Standards and Community Safety and playing a major role in shaping the future of the City of Aberdeen via Planning and Sustainable Development and Economic Development services.

At 75% against the full year budget, the services net expenditure for the year to date is in line with expectations. However, the Service is currently managing pressures mainly in relation to potential income loss from the recharge of in house consultancy/design teams for work undertaken, housing support repairs, transport costs and directorate staffing costs.

3. Integration Joint Board (IJB) / Adult Social Care is responsible for the provision of health and social care services to adults, with the expenditure incurred being on services which the IJB has directed the Council to deliver on its behalf such as the provision of care to the elderly and support to adults with support needs.

At 75% against the full year budget, net expenditure on these services for the year to date is in line with expectations. However, with demand led services there are invariably cost pressures which require to be managed and in particular there are pressures in relation to commissioned services, Kingsmead Nursing Home and services for those transitioning from children's services with support needs.

4. Corporate Governance is responsible for a number of front line services such as housing benefits, council tax and non domestic rates billing and collection and customer services. In addition it supports the Council through the provision of Finance, HR, Legal and IT services.

At 76% against the full year budget, the services net expenditure for the year to date is in line with expectations and like other services must manage any cost pressures which arise during the year.

5. Office of the Chief Executive is a relatively small service which includes the head of paid service (Chief Executive) as well as the provision of communications and promotions services for the Council.

At 85% against the full year budget, the services net expenditure for the year to date is currently ahead of expectations due to election expenditure earlier in the year. There are no major cost pressures facing the service at this time.

6. Corporate and Miscellaneous includes the cost of councillors, contingencies, funding to Grampian Valuation Joint Board and the repayment of capital debt.

Against the full year budget, net expenditure for the year to date is well ahead of expectations due to full year repayment of capital debt having been charged. Whilst there are no major variances expected against budget for these areas, year end accounting entries to ensure compliance with accounting standards are generally reported against this heading.

7. Housing Revenue Account is responsible for the provision of council housing to over 20,000 households with the most significant areas of expenditure being on repairs and maintenance and the servicing of debt incurred to fund capital investment in the housing stock. This is a ring fenced account such that its costs must be met by rental income which at this stage in the year exceeds expenditure incurred. This is as expected due to the ongoing receipt of rental income each month whilst costs are incurred at a slower pace.

8. Other Income and Expenditure includes interest payable and receivable, income and expenditure from trading operations (car parking, investment property and building services) and income received through council tax, non domestic rates and government grants. At this stage net income from trading services is below the full year budget whilst income from council tax, non domestic rates and government grants is ahead of budget largely due to the phasing of income from council tax.

The Comprehensive Income and Expenditure Statement incorporates the statutory accounting adjustments to provide the cost of providing services in accordance with International Financial Reporting Standards (IFRS) details of which are provided below.

The Balance Sheet is presented on an IFRS basis and shows the value of assets and liabilities recognised by the Council which are matched by reserves held. Notes on the amounts contained within the Balance Sheet are provided below.

As we move into the final quarter of the financial year and in the context of the new quarterly reporting regime introduced and the faster closedown and production of the Council's Annual Accounts, it is important that robust procedures and timelines are in place to ensure we can produce the unaudited Annual Accounts by the end of April 2018 and the audited Annual Accounts by the end of June 2018.

To this end, the year end instructions were issued mid November 2017 through e-mail to all budget holders and thereafter with regular alerts on the zone.

To further facilitate the early production of our audited annual accounts, the external auditors are undertaking a hard close of the Quarter 3 results during January and February 2018 and thereafter will carry out a roll-forward review to year end during April and May 2018. This is three months in advance of previous years and represents a transformational change in our way of working in producing the annual accounts.

2017/18 Projected Financial Position

- **General Fund Revenue**

Appendix 2 shows that a small overspend position of £0.36m against budget is currently forecast for the year, equating to 0.1% of the total net expenditure budgets. This is in the context of a number of identified cost and/or demand pressures on services which have required to be addressed during the year. A short life working group carried out a strategic review of spend across a range of council wide areas including procurement, workforce, technology and service specific areas where there has been historic or current budget pressures, taking into consideration trends and benchmarking data where possible to inform options going forward. Options agreed by services are included in the reported forecast out-turn position. Controls and process improvements have been introduced during 2017/18 including No PO, No Pay and additional controls on Establishment spending which, with normal year end processes will aid in ensuring only essential expenditure is incurred for the remainder of the year. Further information on the pressure areas is contained within Appendix 2.

As we move towards year end and with a higher degree of certainty of the financial position for the year, as in previous years the Head of Finance will review the overall position for both revenue and capital, in the context of the Council's Balance Sheet and Reserves and take action to ensure the Council is suitably prepared for future revenue and capital investment purposes. This review will take cognisance of the impact of adjustments required to ensure compliance with accounting standards which may require the use of reserves in the short term.

- **Housing Revenue Account**

Appendix 2 shows that a balanced position against budget is forecast for the year with no major variances identified.

General Fund Capital

Appendix 2 provides an update on the capital programme for financial year 2017/18. This now includes key project indicators as well as financial details. Project managers have continued to refine projects' financial profiles throughout Quarter 3 which has resulted in a net decrease of £23.215 million in the forecast outturns for 2017/18 primarily as a result of updated cost profiles for the new AECC provided by the contractor. There is no impact on overall project costs across the approved 5 year capital programme as a result of this re-profiling, nor does this reflect any time delays.

The Audit, Risk & Scrutiny Committee on 27 June 2017 considered a report "Review of the Capital Programme Governance" which highlighted a number of changes and actions required to enhance governance which requires suitable resources to be in place including a requirement for specific project management expertise and similar resources to supplement internal resources. Training for programme sponsors, programme managers and project managers is now substantially complete.

The capital programme is funded through a number of project specific grants and contributions, general government grant, capital receipts and borrowing.

• **Housing Capital**

Appendix 2 shows that the forecast outturn is below budget due to delays in in the over cladding and fabric repairs due to owner consultation on various properties. Work is ongoing to ensure that expenditure remains within the funded programme as set by Council in February 2017.

• **Reserves**

As we move towards year end and with a higher degree of certainty of the financial position for the year, as in previous years the Head of Finance has and will continue to review the overall position for both revenue and capital, in the context of the Council's Balance Sheet and Reserves and take action to ensure the Council is suitably prepared for future revenue and capital investment purposes.

This review must take cognisance of the impact of adjustments required to ensure compliance with accounting standards, particularly in relation to the Council's bond issuance which must be accounted for using an Effective Interest Rate (EIR) method rather than purely the cash transactions during the year. As the bonds are indexed linked and have a three year repayment holiday, the use of the EIR method recognises the impact of indexation on future amounts payable, including principal repayments and in effect accounts for these in advance of the actual cash transactions. Whilst for the purposes of complying with accounting standards this is a charge to revenue, it can be viewed as the Council building up a reserve to cover future bond payment liabilities as shown below:

31 March 2017		31 March 2018
£000's		£000's
	Usable Reserves:	
(50,476)	General Fund Balance	(40,006)
(11,308)	Housing Revenue Account	(11,808)
(25,606)	Statutory and Other Reserves	(16,583)
(5,416)	Bond Accounting Reserve	(19,179)
(92,806)	Total Usable Reserves	(87,577)

The above table also reflects the anticipated balances on other usable reserves at 31 March 2018 as follows:

- General Fund Balance – takes account of the previously agreed use of earmarked reserves and the commitment to retain uncommitted reserves of £11.291m. An earmarked reserve had been approved in relation to the costs of VS/ER. However, there is statutory guidance from the Scottish Government which provides an option, subject to certain conditions, to fund such costs using capital receipts. For the purposes of the above it has been assumed we will utilise this option using capital receipts currently held within the Capital Fund. However, as this is a departure from the previously agreed use of reserves, it is recommended that Committee agree the investigation of and use of this option should the Head of Finance consider it appropriate having taken account of the Council's overall financial position. This scheme expires on 1 April 2018 and it is therefore recommended that Committee agree that the Head of Finance explore the possibility of the scheme being extended by the Scottish Government.
- Housing Revenue Account – takes account of the previously agreed commitment to increase the balance by £0.5m.
- Statutory and Other Reserves – takes account of funds received and utilised during the year including the use of capital receipts to fund VS/ER costs as detailed above and accounting entries to ensure compliance with accounting standards.

• **Common Good**

Appendix 2 provides the budget and current forecast outturn. Funding requests that have been approved to date are as follows:

- Freedom of the City for Denis Law - £56,000 for the costs of weekend celebrations
- Celebrate Aberdeen – a grant of £20,000 was made towards the costs of parades and performances
- Aberdeen Street Pastors – a contribution of £4,875 was approved for operating the Safe Space Vehicle, training and uniforms for volunteers;
- Friends of Victoria & Westburn Park – a contribution of £7,000 was approved to fund a study on works required to the Victoria Park fountain;

- Music Hall – a contribution of £75,000 was approved to fund an external deep clean of the Music Hall.

Conclusion

This is the third quarterly financial performance report being presented to Elected Members for consideration of the financial year 2017/18. This report aims to meet the new reporting requirements from this as well as enhancing financial transparency by providing more information and by providing it in a manner consistent with the Council's Annual Accounts.

Movement in Reserves Statement

This statement shows the movement on the different reserves held by the Council analysed into usable reserves (those that can be applied to fund expenditure or reduce local taxation) and other reserves.

	General Fund	Housing Revenue Account	Statutory and Other Reserves	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2017 brought forward	(50,476)	(11,308)	(25,606)	(87,391)	(1,405,585)	(1,492,976)
Movement in Reserves during 2017/18						
Total Comprehensive Income & Expenditure	(8,600)	(17,748)	0	(26,348)	205	(26,143)
Adjustments between accounting basis & funding basis under regulations	(47,739)	8,968	0	(38,771)	38,771	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(56,339)	(8,780)	0	(65,119)	38,976	(26,143)
Transfers to/from Earmarked Reserves	(5,141)	8,780	(13,522)	(9,884)	9,884	(0)
(Increase)/Decrease in Year	(61,481)	0	(13,522)	(75,003)	48,860	(26,143)
Balance at 31 December 2017	(111,957)	(11,308)	(39,129)	(162,394)	(1,356,725)	(1,519,119)

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the net expenditure or income is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Services	Quarter 3, 2017/18			Notes
	Net Expenditure chargeable to General Fund & Housing Revenue Account	Adjustments between funding & Accounting basis	Net Expenditure in the CIES £'000	
	£'000	£'000	£'000	
Education & Childrens Services	168,628	32,883	201,511	1
Communities, Housing & Infrastructure	64,986	18,039	83,025	2
Integrated Joint Board/Adult Social Care	62,516	702	63,217	3
Corporate Governance	22,492	2,192	24,684	4
Housing Benefits	335	0	335	4
Office of the Chief Executive	2,820	0	2,820	5
Corporate & Miscellaneous	5,108	(1,693)	3,414	6
Net Cost of General Fund Services	326,884	52,122	379,006	
Housing Revenue Account	(8,405)	(161)	(8,566)	7
Net Cost of Services	318,479	51,961	370,439	
Other Income and Expenditure	(372,343)	(24,445)	(396,787)	8
(Surplus) or Deficit on Provision of Services	(53,864)	27,516	(26,348)	
Opening General Fund and HRA Balance at 31 March 2017	(61,785)			
(Surplus)/deficit on General Fund and HRA Balance in Year	(53,864)			
To/From Other Statutory Reserves	(7,617)			
Closing General Fund and HRA Balance at 31 December 2017	(123,265)			

Notes

- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £32.9m accounting adjustment is made up of: £9.6m for the removal of unitary charge costs for the 3R's schools which for accounting purposes is required to be split into its component parts, payment for services; repayment of capital; and financing costs; £20.1m relates to depreciation and £22.4m relates to revaluation.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £18m accounting adjustment relates to depreciation and revaluation.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £1m accounting adjustment relates to depreciation and revaluation.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £2.2m accounting adjustment relates to depreciation and revaluation.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £1.6m accounting adjustment is the reversal of contributions from revenue to fund capital expenditure which for accounting purposes is required to be charged to the Council's capital account.

7. See page 3 for information relating to Net Expenditure chargeable to the Housing Revenue Account. The £1.7m adjustment is made up of the reversal of contributions from revenue to fund capital expenditure which for accounting purposes is required to be charged to the Council's capital account, depreciation and revaluation.
8. See page 4 for information relating to Net Expenditure chargeable to the General Fund. The £24.4m adjustment comprises two elements:
 - £6.9m is the element of reallocation of the 3R's unitary charge as per note 1 above which relates to financing costs which flows into the Financing and Investment Income and Expenditure line in the CIES below;
 - £35.9m is the allocation of capital grant income which flows into the Taxation and Non Specific Grant Income line in the CIES below; and
 - £4.6m relates to depreciation and revaluation.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards (IFRS).

Services	Quarter 3, 2017/18			Notes
	Gross Expenditure	Gross Income	Net Expenditure	
	£'000	£'000	£'000	
Education & Childrens Services	210,453	(8,942)	201,511	
Communities, Housing & Infrastructure	124,163	(41,138)	83,025	
Integrated Joint Board/Social Work	100,544	(37,326)	63,218	
Corporate Governance	32,961	(8,277)	24,684	
Housing Benefits	42,400	(42,066)	334	
Corporate & Miscellaneous	3,791	(377)	3,414	
Office of the Chief Executive	3,972	(1,152)	2,820	
Cost of General Fund Services	518,284	(139,278)	379,006	
Housing Revenue Account	64,589	(73,155)	(8,566)	
Cost of Services	582,873	(212,433)	370,440	
Other Operating Expenditure			0	1
Financing and Investment Income and Expenditure	49,000	(30,736)	18,264	2
Taxation and Non Specific Grant Income	0	(415,052)	(415,052)	
(Surplus) or Deficit on Provision of Services	631,873	(658,221)	(26,348)	
(Surplus)/deficit on revaluation of Property, Plant and Equipment assets			0	3
Impairment losses on non current assets charged to the Revaluation Reserve			0	3
(Surplus)/deficit on revaluation of available for sale financial assets			0	3
Actuarial (gains)/losses on pension losses/liabilities			0	3
Other (gains)/losses			205	3
Other Comprehensive Income and Expenditure			205	
Total Comprehensive Income and Expenditure			(26,143)	

Notes

1. This line will be used to reflect gains or losses on the disposal of assets which take place during the year.
2. This largely reflects interest payable and receivable.
3. These lines are predominantly used for statutory adjustments.

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves held by the Council.

31 March 2017		31 December	
£'000		2017	Note
£'000		£'000	
2,238,305	Property, Plant & Equipment	2,287,262	1
172,756	Heritage Assets	172,756	1
85,335	Investment Property	81,754	1
18,656	Long Term Investments	18,656	2
7,311	Long Term Debtors	7,465	3
2,522,363	Long Term Assets	2,567,893	
181,145	Cash and Cash Equivalents	135,942	4
141,227	Short Term Investments	91,862	5
78,679	Short Term Debtors	78,690	6
1,645	Inventories	8,617	7
5,382	Assets Held for Sale	5,382	8
408,078	Current Assets	320,493	
(81,351)	Short Term Borrowing	(34,386)	9
(90,364)	Short Term Creditors	(67,683)	10
(4,233)	Short Term Provisions	(3,664)	11
(2,611)	PPP Short Term Liabilities	(3,222)	12
(5,515)	Accumulated Absences Account	(5,515)	13
(473)	Grants Receipts in Advance - Revenue	(201)	14
(518)	Grants Receipts in Advance - Capital	(5,383)	14
(185,065)	Current Liabilities	(120,054)	
(900,874)	Long Term Borrowing	(901,588)	15
(108)	Long Term Creditors	(108)	16
(679)	Long Term Provisions	0	11
(100,973)	PPP Long Term Liabilities	(97,751)	12
(249,767)	Pension Liabilities	(249,767)	17
(1,252,401)	Long Term Liabilities	(1,249,214)	
1,492,975	Net Assets	1,519,118	
	Usable Reserves:		
(50,476)	General Fund Balance	(111,955)	18
(11,308)	Housing Revenue Account	(11,308)	18
(25,606)	Statutory and Other Reserves	(39,129)	18
(1,405,585)	Unusable Reserves	(1,356,726)	19
(1,492,975)	Total Reserves	(1,519,118)	

Balance Sheet Notes

1. Depreciation of £70.655m has been applied in Quarter 3 and relates to the whole financial year. Capital expenditure to the end of Quarter 3 totaling £163.811m has been applied to Property, Plant & Equipment (this includes £129.779m of general fund expenditure and £34.032m of HRA expenditure). Investment Properties and Operational assets have been revalued in Quarter 3. Disposals and transfers have not been accounted for in Quarter 3.
2. Long Term Investments comprises the council's interest in Aberdeen Sports Villiage and the Integration Joint Board. These will be revalued and updated in Quarter 4.
3. Long term debtors reflects the movement based on transactions for the period.
4. Cash and cash equivalents have been adjusted for short term investments of £123.289m (those investments classed as cash equivalents because they can be called up at short notice i.e. 0 to 30 days) and developers contributions of £16.785m. See the cash flow statement for an analysis of how this is used.
5. Short term investments have been adjusted as described in note 4.
6. Short term debtors reflects the movement based on transactions for the period.
7. Inventories are adjusted at year end for inter-related balances. This adjustment has not been made in Quarter 3 but will be included in future quarters.
8. Assets held for sale will be reviewed in Quarter 4.
9. Short term borrowing reflects the current position based on transactions for the period.
10. Short term creditors reflects the current position based on transactions for the period.
11. Short term provisions reflects the current position with no adjustment to split this total into long and short term provisions. This split will be reflected in future quarters.
12. PPP short term liabilities has been adjusted to reflect the outstanding position at March 2018.
13. The accumulated absences account is reviewed annually and will therefore be updated in Quarter 4.
14. The grants received in advance totals reflect the position at the end of Quarter 3.
15. Long term borrowing reflects the current position based on transactions for the period.
16. Long term creditors reflects the current position based on transactions for the period.
17. Pension liabilities are reviewed annually and will therefore be updated in Quarter 4.
18. Usable reserves reflects the current position based on the transactions for the period.
19. Unusable reserves have been for statutory accounting adjustments as detailed above.

Contingent Liabilities

In addition to amounts recognised on the Balance Sheet, the Council was aware of the following contingent liabilities at 31 March 2017 and formally recognised within the 2016/17 Annual Accounts:

- **Aberdeen Science Centre (formerly Satrosphere)**

The Council has agreed to provide a guarantee to the Bank of Scotland for the sum of £128,923 in support of an overdraft facility and card transactions until 31 March 2018.

○ **Transition Extreme Sports Ltd**

The Council has agreed to provide a guarantee to the Bank of Scotland in respect of a loan of £37,139 and a maximum overdraft facility of £250,000 as well as a guarantee of £237,215 to Social Investment Scotland in respect of an 11 year loan which is due to be repaid by June 2025.

○ **Landfill Sites**

The Council is responsible under environmental legislation for the ongoing monitoring, maintenance and ultimately capping and re-instatement of 3 closed landfill sites. The costs associated with two of these sites, Ness and Hill of Tramaud, have been accounted for through a mix of revenue and capital funding.

The third site at Mill of Dyce was previously operated by the Council under a lease. The Council purchased the site in 2012/13, and following an assessment of the environmental monitoring and reinstatement requirements works were carried out in 2014. The works are now complete with no further activity planned for the site.

○ **Waste Disposal**

The Council has a long term contract with an external contractor for the disposal of all relevant waste arising in the City and the operation and maintenance of waste transfer stations, recycling facilities and landfill sites. The contract commenced in September 2000 and is due to run for 25 years.

○ **Landfill Allowance Scheme (LAS)**

The Scottish Government had previously introduced a scheme under which Local Authorities were to be penalised for exceeding landfill tonnage targets. The penalties have never been imposed and it is expected that the regulations will be repealed in due course. However, until such a repeal is formalised there remains a potential liability on the Council.

○ **External Organisations - Guarantor in relation to North East Scotland Pension Fund (NESPF)**

As the administering authority, the Council may admit a body to the Pension Fund as an 'admitted body' provided (i) the organisation can confirm they have sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest; and (ii) the Scheme employer is prepared to act as guarantor in the event the admitted body should cease to exist. If this situation was to occur and staff made redundant the staff over 50 years old would become entitled to immediate payment of their pension benefits. The Council has agreed a number of such guarantees to organisations that include Aberdeen Sports Village, Sport Aberdeen, Aberdeen Performing Arts, Aberdeen International Youth Festival, Aberdeen Heat and Power, Bon Accord Support Services and Bon Accord Care Ltd. The potential values guaranteed are subject to a range of actuarial assumptions.

○ **Sport Aberdeen**

The Council agreed to provide a bank guarantee to Sport Aberdeen to a maximum of £5 million over a 5 year period for investment in Council leisure facilities, as approved at the 7 June 2016 Finance, Policy and Resources Committee. There is currently a guarantee being drawn up for an RCF facility for £1.4 million for Sport Aberdeen.

○ **SEEMIS Group LLP**

The Council has agreed to fund any additional pension liability payments arising from its membership of the SEEMIS organisation (the provider of our schools' Management Information System). To date there has been no call on the guarantee.

○ **Scottish Child Abuse Enquiry**

The Scottish Child Abuse Enquiry is a national enquiry which was set up on 1 October 2015. The Council recognises a potential liability in respect of claims from this enquiry, but is not aware of any specific claims at this time.

A review of Contingent Liabilities is currently underway. An update will be included within the budget setting report to Council prior to inclusion within the Council's unaudited annual accounts.

Cash Flow Statement

The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

	Quarter 3 2017/18 £'000
Net Surplus or (Deficit) on the provision of services	26,349
Adjust net surplus or deficit on the provision of services for non cash movements	91,754
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(35,974)
Net cash flows from Operating Activities	82,129
Net cash flows from Investing Activities	(78,471)
Net cash flows from Financing Activities	(48,861)
Net increase or decrease in cash and cash equivalents	(45,203)
Cash and cash equivalents at the beginning of the reporting period	181,145
Cash and cash equivalents at the end of the reporting period	135,942
Cash held by the Authority	47
Bank current accounts	135,895
	135,942

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ABERDEEN
CITY COUNCIL

**PROJECTED FINANCIAL POSITION
FOR THE YEAR 2017/18**

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GENERAL FUND REVENUE

As at 31 December 2017	Budget 2017/2018	Outturn 2017/2018 Quarter 3	Variance from Budget		Forecast as at Quarter 2	Variance Quarter 2 to Quarter 3	Notes
	£'000	£'000	£'000	%	£'000	£'000	
Education And Children's Services	223,587	225,302	1,715	0.8	223,250	1,009	1
Communities Housing & Infrastructure	87,087	88,661	1,574	1.8	87,581	1,158	2
Integration Joint Board	83,308	83,308	0	0.0	83,308	0	3
Corporate Governance	27,644	27,216	(428)	(1.5)	27,612	(351)	4
Housing Benefits	2,153	2,153	0	0.0	2,153	0	5
Office Of Chief Executive	3,354	3,185	(170)	(5.1)	3,305	(121)	6
Total Service Budget	427,133	429,825	2,692	0.6	427,535	2,290	
Contingencies	(21,406)	(21,406)	0	0.0	(20,654)	0	7
Council Expenses	2,860	2,527	(334)	(11.7)	2,625	(98)	8
Joint Boards	1,645	1,494	(151)	(9.2)	1,645	(151)	9
Miscellaneous Services	36,269	33,062	(3,207)	(8.8)	36,517	(3,496)	10
Trading Services	(10,404)	(9,292)	1,112	(10.7)	(10,334)	1,066	11
Total Corporate Budgets	8,965	6,385	(2,580)	(28.8)	9,350	(2,965)	
Non Domestic Rates	(205,547)	(205,547)	0	0.0	(205,547)	0	12
General Revenue Grant	(118,975)	(118,975)	0	0.0	(118,601)	(374)	13
Government Support	(324,522)	(324,522)	0	0.0	(324,148)	(374)	
Council Tax	(111,576)	(111,329)	247	(0.2)	(111,763)	434	14
Local Taxation	(111,576)	(111,329)	247	(0.2)	(111,763)	434	
General/Fund Deficit/(Surplus)	0	359	359		975	(616)	
Housing Revenue Account	(500)	(572)	(72)	14.5	(572)	(0)	

Notes

It should be noted that the full year budgets reflected above differ from those set by Council in February 2017 for a number of reasons. This is normal practice during the year as virements are identified. The main changes in services relate to the allocation of procurement and voluntary severance staff establishment budget savings which were held within contingencies at the time the budget was set.

There are a number of identified cost and/or demand pressures on services which require to be addressed during the remainder of the year. A short life working group has been set up to carry out a strategic review of spend across a range of areas including those detailed below. Initial work carried out by the group indicates that whilst there are challenges ahead, a number of options are available to address these such that a balanced position can be achieved.

1. The main areas of pressure within Education & Children's Services are:

- Foster care costs (£1.3m) have risen due to the inability to recruit within the city, a national problem, with a high number of placements now being provided by external agencies that charge higher fees as part of a national contract;
- There is pressure of rising client numbers on Self Directed Support packages (£0.5m) for children with complex support needs;
- In respect of Out of Authority placements there is continued pressure of cost increases per package, Sheriff Court, Children's Hearing and Education Tribunal placement decisions, and the need to safely manage child protection risks (£1.6m); and
- The closure of the Art Gallery and Provost Skene House means that income targets are not achievable (£0.3m).
- The cost of the annual pupil roll change was £0.6m with minimum budget provision held for this. The annual entitlement for schools was finally confirmed in January 2018.

The above cost pressures are to be mitigated by underspends and cost reductions in other areas of the service including those identified by the short life working group. In particular, the service been in receipt of monies (£1m) targeted at providing 600 hours and 1,140 hours expansion. It has been assumed that these monies will not be carried forward forward and that any reports on their use required by the Scottish Government can identify appropriate expenditure within the service.

2. The main areas of pressure within Communities, Housing & Infrastructure are:

- Construction Consultancy/Design Team income is subject to the risk of any delays in the capital programme or decisions not to under take work in house, additional costs for Henry Rae for which there is no income, and reflects the assumption that schools will be taken to the design stage (£1.2m);
- Housing Support due to the increased costs of property repairs and arrears in Private Sector Leased accommodation (£0.7m);
- Transport as a result of under recovery of income from transport projects to Capital (0.5m)
- Directorate Support additional staffing costs (£0.5m).

The above cost pressures are to be mitigated by underspends and cost reductions in other areas of the service including those identified by the short life working group.

3. The main areas of pressure within Integration Joint Board/Adult Social Care are:

- Commissioned care packages transitioning from Childrens' services due to an increase in both number and cost of packages and more clients transition with increased medical needs;
- Additional costs of running Kingsmead Nursing home and associated capital costs if it is purchased; and
- Increased demographic demand for commissioned services across all client groups and continued price inflation as anomalies in the pricing structure are fixed or providers withdraw from services and a premium has to be paid at short notice to a new provider.

The above cost pressures are to be mitigated by underspends and cost reductions in other areas of the service including those identified by the short life working group.

4. There are no material areas of pressure within Corporate Governance.

5. Housing Benefits is demand led which can lead to cost pressures which in the main are offset by additional income from the DWP.

6. There are no material areas of pressure within the Office of the Chief Executive.

7. The Contingencies budget has been adjusted from that set at Council in February due to the allocation of procurement and voluntary savings.

8. There are no material areas of pressure within Council Expenses.

9. The Joint Boards budget and outturn is based on the amount requisitioned by Grampian Valuation Joint Board.

10. The main area of pressure within Miscellaneous Services is around interest receivable due to the lower level of cash balances held, and consultancy costs (£250k). The figures reported take account of proposed accounting entries required to ensure compliance with accounting standards.

11. The main area of pressure within Trading Services relates to the supplies & services within Building Services for payments to outside contractors (£2.4m), and transport costs for hire of vehicles (£403k).

12. The Non Domestic Rates figure is set by the Scottish Government as part of its overall funding support package rather than the amount billed and receivable by the Council. Following the revaluation of rateable values, two relief schemes have been put in place – a national transitional relief scheme and a localised relief scheme. At this time there have been 426 applications to the national scheme, with a value of £3.7m which will be met by the Scottish Government. There have been 628 applications to the local scheme, with a value of £1.7m which will have to be met by the Council and thus an underspend of £2.5m against the budget for the local scheme is currently forecast.
13. The General Revenue Grant is set by the Scottish Government as part of its funding support package. This may change during the year as the government announces funding redeterminations.
14. Council Tax income is now forecast to be £250k lower than budget, based on Period 9 figures.

HOUSING REVENUE ACCOUNT

As at 31 December 2017	Full Year Budget 2017/2018	Forecast Outturn 2017/2018 Quarter 3	Variance from Budget		Quarter 2 Variance from Budget	Variance Quarter 2 to Quarter	Notes
			£'000	%			
Housing Revenue Account	(500)	(500)	0	0	(72)	72	1

Notes

The main variances in forecast outturn against budget are:

- an overspend on repairs and maintenance £1m;
- under recovery of income from housing £900k;
- an overspend in voids of £213k; and
- an underspend in capital financing costs of £1.9m.

GENERAL FUND CAPITAL PROGRAMME

The presentation of the General Fund Capital Programme has been updated to reflect the Programme Board structure approved by Audit, Risk & Scrutiny committee in June 2017. The new dashboard style incorporates key project and financial indicators with notes for those with a red status shown below.

As at Period 9 2017/18						Gross Figures for 2017/18		
AECC Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
New AECC: ACC project share	→	G	G	G	A	130,110	86,070	122,922
New AECC: Anaerobic Digestion Plant	→	G	G	A	A	4,000	0	0
						134,110	86,070	122,922
As at Period 9 2017/18						Gross Figures for 2017/18		
Asset Management Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
New Brimmond School	→	G	G	G	G	0	(43)	(43)
Orchard Brae (New ASN School - previously Raeden Centre project)	→	G	G	G	G	3,367	2,914	3,444
New Academy to the South - ICT Infrastructure	→	G	G	G	G	0	0	0
New Academy to the South - Infrastructure Improvements	→	G	G	G	G	0	69	270
New Milltimber Primary	→	A	A	G	A	0	0	0
Social Care Facilities: Len Ironside Centre	→	G	G	G	G	287	126	185
Kingsfield Childrens Home	→	A	G	G	A	1,550	0	420
TNRP - Investment in Advance Factory Units	→	A	G	G	A	1,289	0	30
Greenbrae Primary Extension and Internal Works	↗	G	A	G	G	495	(107)	495
Stoneywood Primary	→	R	A	R	G	11,933	6,620	10,461
Dyce 3G Pitch	→	G	G	G	G	31	0	10
Refurbish Throughcare Facility - 311 Clifton Road	→	G	G	G	G	42	12	42
Street Lighting LED Lanterns (PACE programme)	→	G	G	G	G	1,659	145	1,500
Flood Prevention Measures: Flood Guards Grant Scheme	→	G	G	G	G	191	2	10
Flood Prevention Measures: Riverside Drive at Bridge of Dee Court	→	G	G	G	G	500	157	300
Flood Prevention Measures: Millside & Paddock Peterculter	→	G	G	G	G	0	0	0
Tillydrone Primary School	→	A	A	G	G	2,871	12	150
Torry Primary School and Hub	→	A	A	G	G	2,983	9	150
Northfield / Cummings Park Early Learning & Childcare Provision	→	A	A	G	A	500	0	0
Kingsmead Nursing Home Acquisition	↘	A	A	G	G	tbc	0	tbc
						27,698	9,915	17,424

As at Period 9 2017/18						Gross Figures for 2017/18		
Asset Management Programme Board Rolling Programmes						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Corp Property Condition & Suitability Programme	→	A	G	A	A	10,008	3,965	7,592
Cycling Walking Safer Streets Grant	→	G	G	G	G	316	547	316
Fleet Replacement Programme (including Zero Waste Strategy Fleet)	→	G	G	G	G	3,534	108	2,979
Planned Renewal & Replacement of Road Infrastructure	→	G	A	A	A	5,601	3,512	5,115
Planned Renewal & Replacement of Road Infrastructure (Street Lighting)	→	G	A	A	A	473	445	473
						19,932	8,576	16,475

As at Period 9 2017/18						Gross Figures for 2017/18		
City Centre Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Art Gallery Redevelopment - Aberdeen Treasure Hub	→	G	G	G	G	3	0	0
Art Gallery Redevelopment - Main Contract (HLF)	→	R	R	R	G	10,983	7,284	8,983
Music Hall	→	G	G	G	G	0	770	0
City Centre Masterplan	→	A	G	G	G	8,269	1,458	2,138
Provost Skene House Refurbishment	→	R	R	R	G	1,413	138	350
Broad Street	→	A	A	A	G	2,343	1,442	2,143
Union Street - Conservation Area Regeneration Scheme	→	G	G	G	G	338	7	338
Central Library Roof & Parapets	→	G	G	G	G	820	41	820
						24,168	11,141	14,772

As at Period 9 2017/18						Gross Figures for 2017/18		
Energy Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Hydrogen Buses	→	G	G	G	G	5	0	0
Waste: Energy from Waste (EfW) Procurement & Land Acquisition	↘	A	G	G	A	5,200	554	3,944
Waste: Investment in Waste Collection	→	G	G	G	R	1,603	905	1,603
Waste: Refused Derived Fuel Plant	↗	G	G	G	G	480	474	474
Waste: Co-Mingled MRF & Depot	↗	G	A	G	G	956	255	716
Waste: Bridge of Don HWRC	→	G	A	G	A	0	0	0
Energy from Waste (EfW) Construction & Torry Heat Network	→	A	G	G	G	436	16	456
Aberdeen City Hydrogen Energy Storage (ACHES)	→	G	G	G	G	0	(52)	(52)
JIVE (Hydrogen Buses Phase 2)	→	G	G	G	G	0	0	0
						8,680	2,151	7,141

As at Period 9 2017/18						Gross Figures for 2017/18		
Housing and Communities Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Tillydrone Community Hub	↘	A	G	A	G	4,773	120	512
SIP New Build Housing Programme	→	A	G	G	A	541	357	541
Middlefield Project Relocation / Henry Rae Community Centre Extension	→	G	G	G	G	28	(148)	(95)
Station House Media Unit Extension	↘	A	G	G	G	1,064	240	650
New Cruyf Court	→	G	G	G	G	25	0	0
Community Growing Spaces	→	G	G	G	G	145	5	80
						6,576	574	1,688

As at Period 9 2017/18						Gross Figures for 2017/18		
Housing and Communities Programme Board Rolling Programmes						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Private Sector Housing Grant	→	G	G	G	G	700	0	700
						700	0	700

As at Period 9 2017/18						Gross Figures for 2017/18		
Transportation Programme Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Access From the North / 3rd Don Crossing	→	A	R	A	A	2,478	1,066	1,146
Western Peripheral Route	→	G	G	G	G	15,858	3,067	4,132
Strategic Land Acquisition	→	G	G	G	G	848	1,014	1,922
CATI: South College Street	→	G	G	G	A	382	23	50
CATI - Beryden Corridor (Combined Stages 1, 2 & 3)	↗	A	A	A	R	4,101	397	685
A96 Park & Choose / Dyce Drive Link Road	→	A	A	G	A	1,815	805	1,775
Sustrans Active Travel Infrastructure Fund	→	G	G	G	A	1,194	747	793
						26,676	7,119	10,503

As at Period 9 2017/18						Gross Figures for 2017/18		
Transportation Programme Board Rolling Programmes						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Nestrans - Capital Works	→	A	A	G	G	0	661	0
Nestrans - Capital Grant	→	G	G	G	G	2,111	283	1,000
						2,111	945	1,000

As at Period 9 2017/18						Gross Figures for 2017/18		
Strategic Asset & Capital Plan Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Data Centre Transition & Infrastructure Transformation	→	G	G	G	G	218	93	102
City Broadband (Accelerate Aberdeen)	→	G	G	G	G	360	0	360
Technology Investment Requirements & Digital Strategy	↗	A	G	G	G	1,184	753	927
City Deal	→	G	G	G	G	44	0	10
City Deal: Strategic Transport Appraisal	→	G	G	G	G	585	82	82
City Deal: Aberdeen Harbour Expansion Project	→	G	G	G	G	1,500	750	1,500
City Deal: Digital Infrastructure	→	G	G	G	G	1,750	0	0
City Deal: City Duct Network	→	A	A	G	G	2,000	0	0
City Deal: Transportation Links to Bay of Nigg	→	G	G	G	G	100	5	100
Construction Inflation (unassigned)	→	G	G	G	G	957	0	0
						8,698	1,683	3,081

As at Period 9 2017/18						Gross Figures for 2017/18		
Strategic Asset & Capital Plan Board						Approved Budget	Expenditure to Date	Forecast Expenditure
	Status	Timeline	Budget	Risk	Resource	£'000	£'000	£'000
Developers Contributions	→	A	A	A	A	0	1,555	0
Cost of Property Sales	→	G	G	G	G	0	48	0
						0	1,603	0

The presentation of the General Fund Capital Programme has been updated to reflect the Programme Board structure approved by Audit, Risk & Scrutiny committee in June 2017. The new dashboard style incorporates key project and financial indicators.

It should be noted that some projects in the 5 year programme are currently profiled for later financial years, so do not quote a budget amount for 2017/18. These projects are included to provide a complete overview of projects in the approved programme and to ensure they are not omitted from the regular programme reviews.

The Council is currently developing new reporting arrangements for the application of developer obligation funds and this will be added to future iterations of this report.

Notes on projects with Red indicators:

Projects where officers are responding to delivery challenges:

- The contractor for Stonewood Primary has formally submitted an extension of time claim, which is currently in dispute by the project manager.
- New senior management resources have been recruited to assist with the operational management of Waste Services. The service is monitoring the the final months of the Waste: Investment in Waste Collection project, and still aiming for completion by the end of March 2018, though this remains challenging.

- The Council approved the progression of the Compulsory Purchase Order for the Berryden Corridor at its Urgent Business Committee on 21 December 2017, and the project team are progressing the necessary arrangements. The departure of one of the Council's Estates Surveyors will mean a reassessment of resourcing negotiations for some voluntary property acquisitions is required.

Projects under officer assessment for potential contractual dispute:

- An extension of time claim has been received from the contractor for the Art Gallery refurbishment, and officers are considering the validity of the claim. Additional project management resources have been appointed to support the final project stages and evaluate the impact of contractor claims on final valuation. A separate report on this project was deferred until the meeting of this committee (Finance, Policy & Resources, 1 February 2018). Any changes to the project arising from this separate report will be reflected in the Council Financial Performance – Quarter 4, 2017/18 report
- Part 1 claims under the Land Compensation Claim Act 1973, and Noise Insulation (Scotland) regulations (1975) are now being received, assessed and processed for the 3rd Don Crossing project in compliance with the processes for the creation of new roads infrastructure. Information is also being gathered for the project review and consideration of any potential legal action by the Council.

Projects to be re-scoped:

- A new project manager has been appointed under delegated powers approved at full Council in August for the Provost Skene House project. The project is currently being re-scoped to ensure it delivers outcomes in line with the City Centre Masterplan and integrated cultural ambitions of the Council. A separate report on this project is also included on the agenda of this committee (Finance, Policy & Resources, 1 February 2018).

HOUSING CAPITAL PROGRAMME

Communities Housing & Infrastructure Housing Programmes Quarter 2	Approved Budget	Expenditure to date	Forecast Expenditure	Pr	Cu
	£'000	£'000	£'000		
Compliant with the tolerable standard	95	281	217	G	G
Free from Serious Disrepair	20,612	10,485	13,953	G	G
Energy Efficient	7,687	6,931	7,102	G	G
Modern Facilities & Services	3,140	1,348	1,854	G	G
Healthy, Safe & Secure	3,648	2,625	3,882	G	G
Non Scottish Housing Quality Standards	26,738	12,359	21,431	G	G
	62,154	34,030	48,439		

The approved budget shown above reflects the gross capital programme. However, it is important to note that the budget set in February 2017 assumes that a level of slippage will occur across projects. Forecast expenditure is currently £48.439m, a variance of £13.7m against budget, with the main variance being Free from Serious Disrepair as a result of delays in the over cladding and fabric repairs due to owner consultation on various properties. The current forecast is based on spend to date on current contracts and previous years spend. It should be noted that there were a number of virements which were approved at CHI Committee on 16th January 2018.

COMMON GOOD

As at December 2017	Full Year Budget 2017/18	Forecast Outturn 2017/18	Variance from Budget
	£'000	£'000	£'000
Recurring Expenditure	2,783	2,557	(227)
Recurring Income	(3,428)	(3,428)	0
Budget After Recurring Items	(645)	(872)	(227)
Non Recurring Expenditure	421	584	163
Non Recurring Income	0	0	0
Net Income	(224)	(288)	(64)
Amounts required for increase in cash balances in line with inflation	(168)	(168)	
Revised Net income	(56)	(120)	
Cash Balances as at 1 April 2017	(22,001)	(22,001)	
Estimated Cash Balances as at 31 March 2018	(22,225)	(22,289)	
Minimum cash balance requirement per budget report (Council February 2015)	(18,808)	(18,808)	

Quarter 1 variance from Budget	Variance Quarter 1 to Quarter 2	Variance Quarter 2 to Quarter 3	Notes
£'000	£'000	£'000	1 & 2
(42)	(93)	(91)	
0	0	0	
(42)	(93)	(91)	
(42)	76	87	3
0			
(84)	(17)	(5)	

Notes

1. It is anticipated that the Twinning budget will be underspent due to a staff vacancy and that service support charges will be lower than budgeted.
2. Civic Support now expect to make savings in staff costs due to a member of staff taking VS/ER
3. Additional budgets approved in year to date:
 - o Freedom of the City for Denis law - £56,000 for costs of weekend events and celebrations
 - o Aberdeen Street Pastors - £4,875 for operating costs of the Safe Space Vehicle and training and uniforms for new volunteers;
 - o Friends of Victoria & Westburn Park - £7,000 to be used for the costs of a scoping study to determine what repairs and renovation need to be done to the Victoria Park fountain; and
 - o An external deep clean of the Music Hall building following renovation - £75,000 (excl VAT).
 - o Celebrate Aberdeen - £20,000 – a grant provided towards costs of parade and performances

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ABERDEEN
CITY COUNCIL

**COMMON GOOD
FINANCIAL STATEMENT
FOR THE QUARTER
1 OCTOBER 2017 TO 31 DECEMBER 2017**

Contents

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Common Good

The Common Good stands separate from other accounts and funds of the Council, and could be said to originate in the grant of freedom lands by King Robert the Bruce in 1319. The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. It is invested in land and buildings, such as industrial estates and farms, with any surplus being placed on cash deposit with other local authorities, building societies and the Council's Loans Fund.

Movement in Reserves Statement

	Common Good Fund	Reserves Fund	Total Common Good
	£'000	£'000	£'000
Balance at 31 March 2017	(111,107)	(68)	(111,175)
Movement in Reserves during 2017/18			
(Surplus) or Deficit on provision of services	(6,430)	0	(6,430)
Total Comprehensive Expenditure and Income	(6,430)	0	(6,430)
Balance at 31 December 2017	(117,537)	(68)	(117,605)

Comprehensive Income and Expenditure Statement

	Quarter 3, 2017/18			Notes
	Gross Expenditure	Gross Income	Net (Income) Expenditure	
	£'000	£'000	£'000	
Administration Costs	2		2	
Donations, Grants, Contributions etc.	338		338	
Civic Hospitality	100		100	
Civic Expenditure			0	
Funding of International Budget	24		24	
Christmas Illuminations & Festivities	70		70	
Civic Administration Unit	136		136	
Other Projects	34		34	
Miscellaneous Expenditure	104		104	
Youth Activity Funding	0		0	
Specific Projects	299		299	
Duthie Park HLF	108		108	
Cost Of Services	1,216	0	1,216	1
Other Operating Expenditure			(5,375)	2
Financing and Investment Income and Expenditure			(2,271)	3
(Surplus) or Deficit on Provision of Services			(6,430)	
(Surplus) or Deficit on revaluation of investment property			0	4
Total Comprehensive Income and Expenditure			(6,430)	

Notes

1. This is project expenditure to December 2017. It should be noted that historically many transactions have been undertaken at year end. A future phase of quarterly reporting will include moving such transactions to a quarterly basis.
2. This reflects any gains or losses on the disposal of assets which took place during the year.
3. This reflects income receivable from investment properties net of associated expenditure.
4. The revaluation of investment property will be undertaken in Quarter 4.

Balance Sheet

31 March 2017			31 December 2017	Notes
£'000			£'000	
89,046	Investment Property		89,046	1
89,046	Long Term Assets		89,046	
21,918	Investments in Aberdeen City Council Loans Fund		28,996	2
61	Investment Property Held for Sale		61	3
472	Short Term Debtors		166	4
22,451	Current Assets		29,223	
(322)	Short Term Creditors		(664)	5
(322)	Current Liabilities		(664)	
111,175	Net Assets		117,605	
(111,107)	Common Good Fund		(117,537)	6
(68)	Reserve Fund		(68)	6
(111,175)	Total Reserves		(117,605)	

Notes

1. The revaluation of investment property will be undertaken in Quarter 4, at which time this figure will be updated.
2. Reflects current cash balances held following transactions to December 2017.
3. Will be reviewed and updated accordingly in Quarter 4.
4. Based on transactions to December 2017.
5. Based on transactions to December 2017.
6. Reflects the accounting value of the funds, based on transactions to December 2017.

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GROUP ENTITIES
PROJECTED FINANCIAL POSITION
FOR THE YEAR 2017/18

Aberdeen City Council holds a financial interest in a number of Subsidiaries, Associates and Joint Ventures. The most significant of these are included in the Council's Group Accounts.

As set out in paragraph 3.3 of the main report quarterly reporting will evolve throughout the year to incorporate further changes such that the ultimate aim of a faster year end closedown and the production of the unaudited annual accounts by the end of April 2018 can be achieved. Part of that evolution will be to incorporate the Group Accounts entities into reporting and to develop the information available on the group position.

The table below outlines the entities to be consolidated into the Council's Group Accounts, and details the Council's share of "ownership" of each of the entities.

For the financial year 2017/18	ACC Control %	Commitment to meet accumulated deficits %	Annual Turnover
			£m
Subsidiaries			
Aberdeen Exhibition & Conference Centre (AECC) Limited	100	100	0
Common Good	100	100	3
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	12
Bon Accord Care Limited	100	100	21
Bon Accord Support Services Limited	100	100	27
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
Aberdeen City Integration Joint Board	50	50	316
Associates			
Grampian Valuation Joint Board	39	39	4

The table below summarises the latest financial position reported by the group entities:

For the financial year 17/18	Reporting Date	Surplus/(Deficit) attributable to the Council at reporting date	Forecast Surplus/(Deficit)	Comment	RAG Status
		£'000	£'000		
Subsidiaries					
Aberdeen Exhibition & Conference Centre (AECC) Limited	n/a	-	-	Ceased trading 31/03/17	G
Common Good	31/12/2017	-	-	Reported in Appendices 2 & 3	G
Trust Funds	n/a	-	-	No report available	G
Sport Aberdeen Limited	30/11/2018	30	14	Small surplus forecast	G
Bon Accord Care Limited & Bon Accord Support Services Limited	31/12/2017	508	0	Break even position forecast	G
Joint Ventures					
Aberdeen Sports Village Limited	31/10/2017	(214)	-	Forecast not yet reported	G
Aberdeen City Integration Joint Board	31/12/2017	-	0	Actual not yet reported; break even position forecast subject to use of Integration and Change Fund	G
Associates					
Grampian Valuation Joint Board	31/12/2017	18	(75)	Deficit forecast £75k - attributable to ACC £29K	R

The notes below summarise the current financial position in respect of each of the group entities.

Subsidiaries

Aberdeen Exhibition and Conference Centre Limited (AECC)

AECC Ltd ceased trading on 31 March 2017 and is currently in the process of being wound up. No material impact on the Council's financial position is expected as a result of the winding-up process.

Common Good

The forecast revenue position of the Common Good is reported in Appendix 2, whilst the financial statement for the quarter is shown in Appendix 3.

Trust Funds

The Council is responsible for the administration of various trusts created by bequest or evolved through history or by public subscription which are utilised for a variety of benefits such as education and social work, charitable purposes, religious instruction, medical institutions, the upkeep of public works and also the administration of the Guildry. The money earned from the investments of the Trusts is used to provide grants, prizes and dux medals for school children and requisites for clients in Social Work homes.

The Trust Funds are not expected to have a material impact on the Council's financial position for 2017/18.

Sport Aberdeen

Sport Aberdeen Limited is a charity and constitutes a limited company limited by guarantee. The principal activity of the company is the provision of recreation leisure facilities and services on behalf of Aberdeen City Council in accordance with key priorities. Although Aberdeen City Council does not own the entity it is considered that control representing power to govern exists through agreements in place and that Sport Aberdeen Limited operates as a structured entity of the Council.

Sport Aberdeen have reported a profit of £30k for the 8 months ending 30 November 2017, compared to a budgeted deficit at this stage of the year of £51k, representing a positive variance of £81k. An overall surplus of £14k for the financial year 2017/18 is currently forecast.

Bon Accord Care and Bon Accord Support Services

Bon Accord Care Limited and Bon Accord Support Services Limited are private companies limited by shares which are 100% held by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

Bon Accord Care have reported an overall profit of £508k for the 6 months ending 31 December 2017, compared to a budgeted surplus at this stage of the year of £55k, representing a positive variance of £453k. An overall break even position for the financial year 2017/18 is currently forecast.

Joint Ventures

Aberdeen Sports Village Limited (ASV)

ASV Ltd is a company limited by guarantee and registered as a charity. It is a joint venture company owned equally by the Council and The University of Aberdeen. ASV Ltd was incorporated in 2007 and its objectives are to provide sports and recreational facilities, including elite sports facilities for the use of both students and staff of the University of Aberdeen and the general public, and the advancement of public participation in sport.

The financial year end for ASV Ltd is not aligned to the Council's with its year end being 31 July. ASV Ltd reported a loss of £1.54m for the year ended 31 July 2017, the share of the loss being attributed to the Council is £772k, of which £471k would relate to the current financial year, and is attributed to depreciation losses. For its first quarter ending 31 October 2017 ASV Ltd reported a deficit of £428k, the share of the surplus being attributed to the Council is £214k. This loss is not expected to have any impact on the Council's budgetary position in 2017/18, however further consideration is to be given to the longer term implications of the loss.

Aberdeen City Integration Joint Board (IJB)

The IJB was established by order of Scottish Ministers on 6 February 2016, becoming fully operational from 1 April 2016. The IJB is responsible for the strategic planning, resourcing and operational delivery of all integrated health and social care within the Aberdeen City area. This has been delegated by the partners; Aberdeen City Council and NHS Grampian.

The IJB has reported a forecast overspend of £3.477m for 2017/18 against its mainstream budget based on the position at period 9. The IJB has agreed a range of measures to be put in place to mitigate the forecast overspend on mainstream budgets. This sum can be met from within the overall available budget from resources allocated from the Integration and Change Fund. After accommodating the mainstream overspend, it is forecast that the total position on the Integration and Change Fund would be a surplus of £7.2m.

Associates

Grampian Valuation Joint Board

The Grampian Valuation Joint Board was created following Local Government Re-organisation on 1 April 1996, under the Local Government (Scotland) Act 1994 and covers the local government areas of Aberdeenshire, Aberdeen City and Moray.

The Board has reported a surplus of £45k for the period ended 31 December 2017 compared to a budget surplus at this stage of the year of £11k, representing a positive variance of £34k. The share of the surplus at December attributable to the Council is £18k. A deficit of £75k for the financial year 2017/18 is currently forecast of which £29k is attributable to the Council. The deficit forecast is as a result of vacancy management savings not being achieved.

SUBMISSION OF LATE REPORT

NAME OF COMMITTEE : Finance, Policy and Resources

DATE OF COMMITTEE : 1 February 2018

TITLE OF REPORT : Former Victoria Road School site

Please explain why this report is late.

Please explain:

- why this report must be submitted to the next meeting of the Council/Committee; and
- why it cannot be submitted to a meeting of the Council/Committee at a later date.

At the Finance, Policy and Resources Committee of 1 December there was an instruction that a report be brought back in the next cycle with further information from the Community. Due to the short timescale and long lead in to Committees it was acknowledged by all at the time that this report would be late. The final submission from the Community, Torry Development Trust, was received on Thursday 25 January and it was only after that submission that the report could be prepared.

The need for the report to be considered at this meeting is to ensure that a decision on the future of this building can be taken as soon as possible to allow plans to be developed to bring the site back into economic use.

Director Redacted

Date 31.01.2018

The following section must be completed by the Convener where a report must be submitted less than three clear days¹ before a meeting of the Council/Committee.

By law, an item of business must be open to inspection by members of the public for at least three clear days before a meeting.

An item of business not open to inspection for three clear days may be considered at a meeting only by reason of special circumstances, which shall be specified in the minutes, and where the Convener is of the opinion that the item should be considered as a matter of urgency.

Please explain why you are of the opinion that the item should be considered as a matter of urgency.

Convener Redacted

Date 31/1/18

Please note that under Standing Order 12.9, the Head of Legal and Democratic Services may refuse to allow any item of business on to the agenda or may withdraw any item of business from an agenda, following consultation with the Convener and Vice Convener.

¹ For example if a letter is posted on Monday advising of a meeting on Friday, it gives 3 clear days notice (i.e. Tuesday, Wednesday, Thursday). Saturday, Sunday and public holidays are included within the definition of Clear Days.

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COMMITTEE	Finance, Policy and Resources
DATE	1 February 2018
REPORT TITLE	Disposal of the Former Victoria Road School
REPORT NUMBER	CHI/17/226
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Neil Strachan

1. PURPOSE OF REPORT:-

- 1.1 This report gives Committee an update on the discussions with Torry Development Trust following the Committee on 1 December 2017 and seeks approval for the recommendations in order to see the property and the site brought back into economic use.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee approves the following recommendations:-
- a) Instruct the Head of Land and Property Assets to openly market the site with the aspiration that proposals from interested parties must seek to retain as much of the buildings on the site as possible.
 - b) The outcome of the marketing exercise will be brought back to the most appropriate committee before the summer recess.

3. BACKGROUND/MAIN ISSUES

- 3.1 At the Finance and Resources Committee of 1 December 2017 the committee resolved to :
- (i) to note the submissions made by the Torry Development Trust and the contents of this report; and
 - (ii) to instruct the Head of Land and Property to enter in to dialogue with Torry Development Trust to jointly consider the options presented and report these options to the meeting of Finance, Policy and Resources Committee on 1 February 2018.

3.3 At the Committee on 1 December a deputation was received by members of the Torry Development Trust in relation to the former Victoria Road School. They verbally indicated to committee that the Report should be rejected indicating that there was strong community support to save the building, outlining a number of ideas on how this could be achieved and indicating that they had had conversations with a number of parties willing to help them do this. Officers were asked to investigate the background to their deputation and report back. Immediately following the Committee decision officers spoke to representatives of Torry Development Trust to arrange a meeting to discuss the Committee decision and agree the course of action require to report back to this Committee. A timeline of events since the Committee of 1 December is outlined below:

3.4

Date	Event
1 December 2017	Chat with members of TDT to agree meeting to discuss Committee decision required as soon as possible.
4 December 2017	Emails by officers to TDT seeking dates and times for a meeting and outlining a proposed agenda for the meeting.
6 December 2017	Email from officers to TDT seeking to get proposed meeting set up.
6 December 2017	Email from TDT advising that it was a very busy time of year but trying to get a date for the following week.
8 December 2017	Invite received from TDT to meeting at 2.30pm on 13 December 2017.
13 December 2017	Meeting with TDT
20 December 2017	Email from officers advising of a potential interested party in the school site and advising that they would be looking to get in touch with TDT.
20 December 2017	Response from TDT advising that David Fryer's telephone number could be provided to any further interested parties. Email

	also confirmed they would be providing progress report by 12 January 2018.
4 January 2018	Email from TDT requesting to use a retail unit on Victoria Road to allow their options to be displayed and collect views and opinions
5 January 2018	Officer response to advise that there are some potential units in Torry that maybe available but seeking further clarity on timescale and use.
5 January 2018	Further email from TDT advising the use would be for less than 28 days and seeking clarity on potential costs.
10 January 2018	Email from officers advising that we would see what options for temporary use of a retail unit could be provided. Also looked to set up a date and time for a meeting following the submission of information due by TDT on 12 January.
11 January 2018	Email from TDT advising they would be available on 18 January.
12 January 2018	Submission provided by TDT. (see appendix 1).
17 January 2018	Email from officers outlining what information that was requested but not provided in their submission of 12 January and looking for clarity on the request for a 6 month period for the Trust to complete their assessment stages.
18 January 2018	Meeting with TDT
18 January 2018	Email from TDT

	providing copy of support letter and email from Grampian Housing Association.
24 January 2018	Email from officers to TDT advising that we had not received any further information and seeking any information they have as a matter of urgency.
24 January 2018	Email from TDT advising they were working on completing the information.
25 January 2018	Submission provided by TDT.

- 3.5 At the meeting with TDT on 13 December 2017 officers requested information from TDT, a copy of which is contained within appendix 2. At that meeting TDT were unable to provide significant detail under these headings which is why when the “progress report” was provided by TDT on 12 January 2018 officers issued the email contained in appendix 3 which requested the information again.
- 3.6 The final submission received by TDT on 25 January 2018 is included in appendix 4 of this report. This submission was in response to the requests for information on key questions in relation to the trust.

Torry Development Trust

The submission confirms that the trust has 5 trustees and 6 members with an indication that there are 10 pending members. There is a membership fee of £5 and you must be a resident of Torry and over 18 years old to be a member. The submission provides a short note on who the 5 trustees are. Guidance from Scottish Government recommends that any Community Group looking to take on an asset should have a membership of at least 20. The submission advises that the trust is a charity registered in Scotland. A link to the charities regulator is shown below. No accounts are available on line as they have less than £25,000.

<https://www.oscr.org.uk/about-charities/search-the-register/charity-details?number=SC047191>

Experience

No significant detail has been provided on projects that the TDT have been involved with. The 12 January submission states that the trust had introduced Christmas lights into Torry, environmental projects and secured funding for the Torry Heritage Book. The submission provided on 25 January indicates a number of agencies, individuals and organisations who have indicated support. At each meeting with TDT, David Murray (architect) has been present and his knowledge and experience in construction and development

trusts will be very beneficial to TDT. None of the other parties have been present at meetings with Council officers and from the information provided there is a lack of clarity as to how each named party will be involved. It is understood that TDT have joined the Scottish Towns Partnership and DTAS membership of these organisations will allow the trust to access support.

Financial Information

No account information has been provided although the submission does state that they have submitted accounts to Companies House. Investigations with <https://beta.companieshouse.gov.uk/company/SC480641> shows accounts to June 2016 and reserves less than £10,000. There is no indication of any funding having been secured for any of the Feasibility work that they intend to undertake over the next 6 months. Their project programme indicates time required for investigating sources of funding and for preparing and submitting applications. There would appear to be a risk that without funding being in place there is no guarantee that the work outlined within the project plan could be completed within the timescale.

Communication with Wider Community

The submission has not provided any significant details on the support for the work of the trust within the wider Torry Community. From the documents submitted the best officers could say is that 21 members of Torry community are keen on the development trusts ideas. The submission does state that they have a website (<http://www.torrydevelopmenttrust.org.uk>) and Facebook profiles. There are proposals to undertake public engagement through exhibitions and forums although none of these are planned. The trust has already asked if the Council would make a retail unit in Torry available for their temporary use.

Support from other organisations

The submission provided on 25 January provides a list of organisations and individuals who have indicated they would be interested in being part of the project. However there is no real clarity over what roll each group would take. As stated above officers have only met members of TDT and David Murray in relation to this project.

Proposals

The submission has provided an idea of what proposals they are currently considering for the site. The document states clearly that they wish to development the site with the community's interests and aspirations at its heart and meet established local needs. However from the submissions there is no clear indication of what community need the trust are attempting to meet. In fact at the recent meeting with officers the individuals present at the meeting were asked to clarify what the need was with no clear single aspiration. One individual stated that they had no interest in what happened in the building as long as it was saved. It is of concern that the trust has been set up to save the building rather than with a specific community need or aspiration in mind.

- 3.7 TDT has been provided with time, as agreed, to provide the Council with basic information and to confirm that they are representative of the Torry

Community and that they have deliverable plans to develop the site for the good of the Torry community. The information provided by the Trust lacks some basic and fundamental information which suggests that while there is significant passion and desire by the group to see a positive redevelopment of the site there is concern over resource, capacity and vision to achieve this. .

- 3.8 Taking into account the due diligence undertaken in a very short timeframe officers are of the opinion that the trust is currently not in a position to progress with the project and by providing the trust with a further 6 months this would just delay the process of seeing the site brought back into economic use. It is noted that there is a strong desire from the group to see some of the granite buildings retained on the site. The Planning Authorities decision to reject the recent planning application to demolish all the buildings on the site and redevelop with new build residential units supports this ambition. In consideration of this it is recommended that the Council openly advertise the sale of the site with the desire to see existing buildings retained on site where this is possible. In order to prevent this process from being prolonged it is recommended that the marketing period is kept to a minimum with a closing date for submissions set to allow officers to report back to the appropriate Council Committee in May or June.

4. FINANCIAL IMPLICATIONS

- 4.1 The property has been vacant since it was declared surplus to requirements by the Education Service at the Education, Culture and Sport Committee of 8 October 2009. Since the instruction to market the property it has been marketed by two separate agents. During the time the property has been vacant it has been the subject of repeated vandalism and theft. This has result in significant damage being done to the property which has included water ingress and fire damage. The property was subject to a small fire in April 2015 which has resulted in the first floor structure being damaged.
- 4.2 Since October 2011, which is as far back as our current system allows us to interrogate, there has been approximately £23,000 spent on re-securing the property by Building Services, it should be noted that around £7,500 of this has been spent in the last 12 months. This is the cost of the call out and the materials used. It does not however provide the cost of Land and Property Assets staff instructing the work, inspecting the property and responding to concerns from the local community regarding the building.
- 4.3 Further the property has been a burden on the emergency services with Police Scotland confirming that they have been called a total of 19 times in the previous 12 months regarding the property and in most cases this resulting in an officer being sent to follow up the incident.
- 4.4 If the Council where to transfer the building to the TDT now, they would require to meet a range of costs including vacant rates, building owners insurance, public liability insurance along with securing the building and whatever repairs they see fit. They do not currently have the resource to do this.

- 4.5 In marketing the site on the assumption that as much of the existing building are retained a question will be raised around the best value criteria. It is possible that without the existing buildings being on site a larger or better scheme could be replaced on the site and in turn a higher capital value. As previously noted there will be planning consideration around the retention of buildings on the site. Any best value considerations will be explored in detail in a future report following the outcome of the marketing exercise.

5. LEGAL IMPLICATIONS

- 5.1 There would be no immediate legal implications of this report however the Property Team in Legal may be required to assist with the assessment of the submissions following the closing date if the report's recommendations are approved. Further the Property Team in legal will also be involved in any discussions regarding best value following the marketing of the site.

6. MANAGEMENT OF RISK

- 6.1 In relation to this project there are two main areas of risk, these being the risk to public safety due to the deteriorating condition of the asset and a reputational risk due to public desire to keep the building, however below is a note under the appropriate headings.
- 6.2 **Financial**
By retaining the building on the site there will be a continuing financial burden on the Council to undertake repairs and to respond to incidents at the site. The report outlines the quickest way the property could be removed from the Council's ownership and responsibility.
- 6.3 **Employee**
The continued holding of the asset places a risk on officers who are required to inspect the property. The recommendation looks to commence a process which will see the site disposed to a party who will be able to redevelop the site.
- 6.4 **Customer / citizen**
As stated above the property has been the subject of repeated acts of vandalism. The site is secured by gates, walls and also heras fencing however still access is being gained to the site. Further all window openings are already boarded at ground floor level and have to be checked regularly to ensure none are removed. While the building remains on the site and not being redeveloped it will remain a target for vandalism. The recommendation looks to ensure a process is put in place to secure the redevelopment of the site as soon as possible.
- 6.5 **Environmental**
The existence of the derelict building on the site does not benefit the environment of the surrounding properties. The recommendation looks to commence a process which will see the site redeveloped and brought back into economic use.

6.6 Technological
There is not expected to be any risk under this heading.

6.7 Legal
There is not expected to be any further legal issues.

6.8 Reputational Risk
By ensuring that the future marketing of the site clearly states that it is the Council's desire to see as much of the existing buildings retained on the site this shows that Council are looking to address concerns of the local community. However by not having the redevelopment of the site lead by Torry Development Trust there could be a perception that the Council is only playing lip service to the Communities desires. However it should be noted that the submissions provided by the Trust do not provide evidence of the support from the Community for their proposals.

7. IMPACT SECTION

7.1 Economy

The recommendations will hopefully ensure the site could be disposed of thus allowing the site to be brought back into economic use.

7.2 People

The presence of a derelict building in a community is not desirable. Further a number of local residents have contacted the Council concerned with the vandalism and the fact that people are attracted to the site. The redevelopment of the site should reduce the opportunity for vandalism and hopefully reduce the impact on the local residents.

7.3 Place

The redevelopment of the site will see the reuse of a derelict site and therefore reduce the potential for further vandalism on the site.

7.4 Technology

It is not anticipated that this proposal will have any impact on technology.

8. BACKGROUND PAPERS

None

9. APPENDICES (if applicable)

Appendix 1 – Initial Submission

Appendix 2 – Officers agenda for meeting on 13 December 2017

Appendix 3 – Request for more information email

10. REPORT AUTHOR DETAILS

Neil Strachan
Property Estates Manager
nstrachan@aberdeencity.gov.uk
3062

HEAD OF SERVICE DETAILS

John Quinn
Head of Land and Property Assets
jquinn@aberdeencity.gov.uk
3363

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Torry Development Trust
(A Company Limited by Guarantee, and a Registered Charity in Scotland)

To date we have developed small scale local projects funded from various sources that includes the introduction of Christmas Lights in Torry, environmental improvements and the funding of the recently published Torry Heritage Book

Victoria Road School Sites – progress report

On Friday 1st December, the Finance Committee of the City Council signalled their willingness for the TDT to identify and report back on development initiatives linked to the retention and restoration of the existing granite buildings on the sites

The Trustees have formally committed the TDT to engage with private, public and third sector organisations to enable solutions to be outlined to demonstrate that new uses will

- 1 Meet local needs
- 2 Have strategic fit
- 3 Demonstrate social value and sustainability

TDT has been fortunate to have been able to tap into business and professional advice and expertise from many willing sources (individuals and organisations) who share common goals and aspirations. This input, guidance and direction has been provided on a no commitment goodwill basis to help us to move forward and develop ideas at this early stage.

Some of these are referred to here but in due course, when a formal proposal comes forward, this help will be fully acknowledged and attributed formally. The Trustees recognise that the Trust is the catalyst which can bind the other partners (RSL, NHS, ACC or charities, etc) and enables the beneficial reaction.

To date, we have achieved support and commitment from local and national organisations, and

- 1 Through membership of the Scotland Towns Partnership, we have access to expertise and project management skills of their associates
- 2 Through membership of the Development Trust Association (Scotland), advice, information and support is available through a network of Development Trusts and professional staff
- 3 Have received pro-bono advice from building and property professionals, sharing architectural, structure engineering, quantity surveying and property management skills
- 4 Have received a letter of formal support from Grampian Housing Association to secure housing and community focused solutions on the site and to assist projects adopted for development by the TDT
- 5 Have met with three potential development partnerships to explore people focused solutions where the buildings through adaption can accommodate new user needs, and have received formal expressions of interest to help to advance working with the TDT and the Council to achieve the architectural and community regeneration of the granite heritage of Torry linked to meeting desired community outcomes. Outline uses identified and under active consideration to date are affordable housing, co-housing and supportive care, sports and community uses,

embracing a mix of traditional uses as well as innovative models of care that address population demographics

- 6 Have made a request to the City Council for temporary the use of an empty shop in the vicinity of Victoria Road in February for the purposes of presenting schemes for public comment
- 7 Have initiated a request through Grampian Housing Association to meet the Health and Social Care Partnership and the City Council to discuss cross-tenure, community focussed solutions for housing for older people using the restored buildings on the site
- 8 Have requested a meeting before the end of January with the four local councillors to appraise them of the initiatives identified to date, and separately we also await a reply about the Locality Planning Board

Delivery

We recognise that TDT's aspirations must be based on identified legitimate needs and must be deliverable. We have ensured that the focus of our attention is to find an appropriate and viable use or combination of uses for the Victoria Road School buildings and site but we are alert to the wider considerations of how this will link to the surrounding area and to future developments of adjacent land.

The Intangible Value of Place

With regard to the retention of the existing school buildings, we fully appreciate that this is a significant challenge in a number of respects but recognise that the buildings are fundamentally sound and capable of being adapted to a number of uses.

These buildings have a distinctive and social value to the Torry community and to visitors to the area which goes way beyond any monetary price tag and they provide a strong historical link that creates the sense of place and community identity.

For this reason, our process of considering options will be to firstly explore each potential use or combination of uses to determine if they meet established needs. Secondly, we will explore whether these uses provide a good fit by conversion and repurposing of the existing structures. We will then seek to establish the financial and technical viability of each option.

To achieve this, we envisage a three-stage process comprising information gathering; development and exploration of options; options appraisal and identification of preferred option; feasibility appraisal and formal proposal to ACC.

Next Step

A period of some six months from the original decision of the Finance Committee on 1st December is requested to allow time for all assessment stages that have started to be completed so help secure the desired outcome of people-focussed community regeneration that utilises assets of the past to meet the needs of the community for future years

David Fryer – For and On Behalf of Torry Development Trust



ABERDEEN
CITY COUNCIL

LAND & PROPERTY ASSETS
MEETING WITH TORRY DEVELOPMENT TRUST
TORRY COMMUNITY CENTRE
14:30
13/12/2017

AGENDA

1. Introductions
2. Committee decision 1st December 2017
3. Council position
 - a. Site risk
 - b. Background to report
 - c. Previous marketing
 - d. Asset management priorities
4. Torry Development Trust
 - a. legal status/ personnel/ resources
 - b. Community needs
 - c. Development proposals
 - d. Delivery proposal?
 - e. Support?
5. Communication protocol
6. Timetable of next steps.

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Neil Strachan

From: Neil Strachan
Sent: 17 January 2018 13:47
To: 'David Fryer'
Cc: Stephen Booth
Subject: Former Victoria Road School - TDT

David,

Thanks for your brief note detailing your progress report on the former Victoria Road School site and we look forward to meeting you tomorrow to discuss.

However prior to the meeting we would like to provide below some thoughts on what has been provided. You will recall at our meeting on 13 December 2017 that we made it clear that we have to make it clear to the committee the capacity and capability of the Torry Development Trust to deliver what is a difficult and complicated project. We had anticipated your submission would include some information from you on Torry Development Trust and the people involved in the project. Specifically we had hoped you would be able to clarify

- The Board of Directors/ Trustees incl. relevant CV information
- Details on other projects you have been involved with and relevant experience for a project of this scale
- Any relevant financial information
- The number of members you have from the community and how you communicate with them and the wider community.
- Evidence of support from other organisations and whether this is technical, political or financial at this stage.

You have not provided any of this detail in the progress report.

In order that useful information can be provided to Committee we require information from you under these headings.

We note that you have requested that the Council provide the Trust with 6 months from 1 December 2017 for "all assessment stages" to be completed. However you have not provided detail as to what this means, what your timeline would be for delivering this and your project plan for providing the outcome of your assessment stages. We require this level of information for Committee and therefore would ask that you start to pull this information together now so that it can form part of the report for 1 February Committee.

Happy to discuss this in detail tomorrow however we felt it would be advantageous for this to be issued to you in advance of our meeting.

Regards

Neil.

Neil Strachan MRICS
Property Estates Manager

Land and Property Assets
Communities Housing & Infrastructure
Aberdeen City Council
Business Hub 10
Second Floor South

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COMMUNITY NEEDS AND ASPIRATIONS

We don't just want a solution we want the best solution. One which is carried out with the community's interests and aspirations at its heart and meets established local needs.

Over the years many of these aspirations and needs have been brought to the attention of Torry Community Council and are regularly being confirmed to members of Torry Development Trust.

However, to ensure that these are captured in an objective and verifiable way, we will engage in a number of consultation events and utilise a number of outreach channels. These will include:

- Public exhibition events to display options.
- Public forum event to explain ideas, options, opportunities and challenges, delivery methodology and to engage in a question and answer session to ensure all issues are fully aired.
- Social media campaign to ensure an ongoing and lively discussion.

A side benefit of this communication and engagement programme is that, based on the experience of other Scottish Developments Trusts, this will provide a great opportunity to recruit new members to the Trust. (The membership drive is a high priority for the Board and one of the Directors will be appointed as the Director responsible for building a strong membership base).

There is a lot of dissatisfaction among Torry residents over the perception of many years of unfulfilled promise and missed opportunities. We intend for this project to be a means of channelling the untapped energy and potential of the community to the achievement of an ambitious and exciting common goal.

SUPPORT

The Directors of Torry Development Trust have been amazed at the amount of goodwill and support which has come our way since the beginning of this latest phase of our Victoria Road School journey in the few weeks since 1st December, 2017!

Some of this assistance and support is summarised below:

Scottish Towns Partnership (STP)

See appendix I

Development Trusts Association Scotland (DTAS)

Large and small, rural and urban, mainland and island-based, communities all over Scotland are setting up development trusts to help their neighbourhoods flourish through community-led activity, partnership working and enterprise.

As a membership organisation, the Development Trusts Association Scotland (DTAS) uses its expertise to inform, support and represent this network of development trusts, facilitating the sharing of knowledge and expertise and encouraging mutualism and co-operation.

The Scottish Government funds DTA Scotland's Community Ownership Support Service (COSS) to provide advice and support to community groups considering acquiring public assets through asset transfer (<http://www.dtascommunityownership.org.uk>). There is a great deal of advisory material available to Torry Development Trust on the COSS website and in

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printed form, and a DTAS COSS Adviser will also be able to provide advice and support to the Trust.

In addition, as a provisional member of DTA Scotland, Torry Development Trust is able to access a wide range of DTAS member benefits, including support from the north area DTAS Development Officer with the continuing establishment of Torry DT as the membership-based development trust for Torry (<http://www.dtascot.org.uk/benefits/support>). Both these DTAS roles in support of Torry Development Trust are likely to be provided by DTAS staff member Rory Dutton.

Grampian Housing Association

- 1 Support for the Board of Directors/ Trustees and the Victoria Road School sites

I am happy that Grampian staff or myself act as advisor and mentor during the development process.

- 2 Our involvement

As a potential and willing joint venture partner, I am happy for you to submit Grampian's track record in development if the Council need reassurances around competency and skills. Our largest project in the City exceeded £10m and we have worked with many partners on significant infrastructure sites, including the NHS, Aberdeen Foyer to name but two.

If Grampian were to formally selected as TDT's joint venture partner, then the Association can bring significant assets and cash flows to the project, with a turnover of £18m and a net surplus in 2016-17 of £1.5m. If the Council need to see a copy of our accounts for 2016-17 they can be sent electronically.

The Association is an active developer and intends building around 500 new homes by 2021, and this programme could include, should the Trust wish, the housing developed at Torry Road School. The Association provides a suite of development services to other housing associations and co-ops, including a project management team, clerks of works, capital finance management and so on. We also have a design team framework agreement allowing us access to the best consultants in the North East.

- 3 Developing a Project Plan

GHA can also help out with pulling this together and I am happy to discuss what assistance you and the Trust need.

Neil Clapperton
Chief Executive
GHA

David Murray / David Murray Associates

David is an experienced and respected local Architect with many years' experience in new build and conversion of a broad range of building types. Of particular relevance to TDT is his knowledge gained over 40 years in social housing and the conversion and adaptation of historic buildings.

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David is a founding member of Udney Community Trust which is widely known for its highly successful £1.5 m community owned wind turbine project. David has been providing invaluable guidance and encouragement to TDT board members from before the Torry Trust was even established.

He and his team of Architects often work on a pro bono or no commitment basis with third sector organisations to initiate community benefit projects which need professional expertise and guidance before funding is available to pay for such services. Such input has been available to TDT since its inception.

Alastair Walker / Atholls Ltd

Alastair is a well-known Chartered Surveyor with a long and distinguished professional career which included 22 years as a Partner of D M Hall then, since 2005, with Atholls as first partner then, when the firm was restructured in 2012, as Managing Director. He also lectured at RGIT in Valuation and Urban Land Economics.

Alastair has extensive knowledge of the local property market through many years of experience in all types of valuation including residential, commercial and retail property.

TDT are extremely grateful that Alastair has offered his knowledge and expertise to guide and advise the Board on all aspects of property valuation.

Alastair has already provided positive input on the initial range of project options being considered relative to current local property market conditions. He has also identified some insights into the benefit of conversion properties in the market place relative to more conventional new build properties and the conditions whereby these might best be realised to enhance value and marketability.

He will work with TDT and other participants to help identify the most favourable development option(s) from a property valuation perspective.

Martin Callan / Cromdale Ltd

Martin Callan is a well-known local Property Developer who has initiated numerous developments in and around the Aberdeen Harbour area.

Martin worked with TDT on its initial bid, back in 2013, for a mixed-use development which would have provided a business centre in the converted nursery school and residential conversion of the main school building.

Because circumstances have changed and the business centre would no longer be viable Martin's company will no longer be interested in playing a part in the development of the school site. Martin however remains committed to the concept of regeneration in this part of Aberdeen and wherever possible the retention and reuse of Aberdeen's granite heritage. He has offered to provide commercial market guidance and experience to the TDT Board in an advisory capacity.

Beedie Mitchell

Beedie Mitchell, Quantity Surveyors, also have some past knowledge of the buildings and site having provided cost advice to one of the bidders when the site was put on the market a few years ago.

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They have been providing some early stage cost advice and information in relation to the various options being considered by the TDT.

Cameron and Ross

Cameron and Ross, structural and civil engineers, have some past knowledge of the buildings and site having provided technical support to one of the bidders when the site was put on the market a few years ago.

They have been providing some early stage technical input and guidance in relation to the various options being considered by the TDT.

John Corbett / SAOL

TDT was introduced to John Corbett by Phil Prentice of STP. John is very successful property developer who, along with a couple of prominent Scottish businessmen has set up a specialist development company, SAOL, specifically to address a range of challenging needs in relation to housing for the elderly. They will do this in a very innovative way which has not yet been provided in the UK.

Their development model would be intergenerational and include a nursery and accommodation for 40 residents – 30 in their own homes and 10 as short term stay accommodation in partnership with NHS. The project would provide a significant number of new jobs to members of the community.

They will be looking at 2 – 4 pilot projects in Scotland and have strong Government backing for the concept. Although, due to prior commitments, Torry cannot at this stage be one of those pilots, John and his team are willing to work with TDT and provide access to their research, their contacts and in practical terms, by acting as a reference point for financial and practical guidance.

Steven Tolson

Steven is past Chairman of the RICS Scotland Board and Chair of the RICS Scotland Regeneration and Education Forums and plays an active collaborative role with Scottish Government and Local Authorities. He has experience in property development and investment, regeneration, valuation, urban design and public policy for over 30 years. He specialises in private and affordable housing, care homes and other healthcare facilities.

Steven is a strong advocate for co-housing and has recently produced '*A Scottish Co-Housing Manifesto*' which has been presented to Scottish Government and shared with many people in the housing and political arena. He is currently working with numerous co-housing groups.

He has provided TDT with case study information on several co-housing projects and information on the co-housing concept. His input harmonises with the SAOL concept for intergenerational projects and potential partnerships with NHS and other organisations such as Housing Associations.

With his interest and experience in regeneration projects Steven immediately grasped the tremendous potential of Victoria Road School and its location in Torry. He has committed to provide time and expertise to help get this project off the ground and will be able to provide numerous links and introductions as the project moves forward.

Torry Development Trust – established in June 2014

The TDT has five trustees, six members and ten pending applications for membership. We communicate with the community through a dedicated and now renewed website and through Social Media, mainly Facebook. We are a Company Limited by Guarantee with our own Company Secretary, the Grant Smith Law Practice. We have timeously submitted our accounts to Companies House, and since 2017. We are now a registered charity in Scotland.

Together we have some 200 years' worth of community development knowledge, experience and skills built up through employment and community activities

**Betty Lyon
Trustee**

1992 – 2016 worked for NUPE/UNISON several promotions to Full Time Trade Union Official. After 25 years in the Trade Union movement. I decided to take early retirement to give more time to volunteering in the Torry Community.

The post involved working with Public and Private sector employers across North East Scotland from Perth to Shetland, negotiating terms and conditions and associated employment issues, representing, organising and supporting members through various situations. I have worked with MP's, MSP's and Councillors, campaigning locally and on Scottish wide issues.

Prior to retirement I became a volunteer at Old Torry Community Centre Association, and am now Secretary. I am a Trustee of Old Torry Community Centre Association Charity, and became a Director of Torry Development Trust in October 2017. I was a Community Councillor and Chair of Torry Community Council until September 2017

I have been actively involved in fundraising for good causes and charities across Aberdeen for many years. Since joining OTCCA I have been involved in fundraising for the OTCCA, gaining funding from various avenues, holding budgets and ensuring that any funding received for the OTCCA is spent according to the remit of the terms of the funding.

**Ally Spence
Trustee**

Alistair Caie Spencer. DOB: 24.08.1936

Education: Middlefield Primary School, Hilton Junior Secondary School, Torry Junior Secondary School.

Employment History: Time Served Sheet Metal Worker – worked in Southern Rhodesia.

Conscripted into the Royal Rhodesia Regiment, reached the dizzy rank of Acting Lance Corporal.

Returned to UK January 1962.

Appendix 4

Accepted by the North Eastern Fire Brigade October 1962; Promoted to Leading Fireman January 1970; Promoted to Sub Officer J June 1973; Promoted to Station Officer July 1977. Four years operational; 15 years Fire Prevention; retired from the Brigade August 2001.

Around that time, I became a Community Councillor, I am the Planning Officer of Torry Community Council.

I was made a Member of the British Empire in the Queens New Year Honours List in 1988, I was awarded the Honour by the Queen on July 4th 1988.

Since 1983 I have been a member of LIONS International (Aberdeen) the largest Service Club in the world. All monies raised go directly to a particular Charity chosen by us.

I moved back to Torry in April 1986 and have fought hard to represent my place of birth. Whilst in the Brigade I organised the Rota for voluntary Fire Brigade Personnel to drive the Christopher car to take the elderly a short run. The car was owned by VSA and driven mainly by off duty firemen. The vehicle was often used day and night.

At the present time I am a Director of Torry Development Trust. I am a thrawn, determined person, fully able to put Torry matters to the powers that be, and fight for what we believe is best for our Community.

ACSpence – MBE; Grad.1.Fire.E. LSGCM

David Fryer
Trustee

I am a confident, self-driven and results orientated individual who sets high standards for the delivery of projects and programmes to achieve assigned aims and objectives. As a community entrepreneur, I like to lead on new initiatives to make differences for communities, and as a leader, I am used to presenting policy and strategy reports to Committees, Boards, Community Organisations, academic bodies and partnerships, and undertake community and charity activities as a volunteer

Educational Achievements

- Corporate Membership of the Chartered Institute of Housing - 2005
- Degree in Housing Studies - Sheffield Hallam University - 2004
- MBA with the Open University in Scotland - 1996
- Degree in Architecture - University of the Southbank (1979)

Demonstrable Achievements

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- 1 Leading as Projects Manager with the City Council until 2011, my work was focussed on economic, environmental; and social regeneration projects in the south and city centre of Aberdeen, that included
 - Delivering the Retail Rocks project in Torry in 2010
 - Working within a small team to secure support for establishing the Business Improvement District in Aberdeen in 2011
 - Promoting environmental regeneration for the south of Aberdeen through a pan-European project with the University of Aberdeen from 2007-2009
 - I managed the Duthie Park 125th Anniversary event in 2008 on behalf of the City Council, schools and community organisations which led to nation-wide coverage of the event, and was delivered within budget for the event. I have organised small scale community galas and events over a number of years

- 2 A major element of my community and professional work has been to blend the aims and objectives of all parties such as community leaders, elected members locally and nationally, trade unions, public and private sector partners and stakeholders to jointly achieve desired outcomes. I have been involved in community, social and regeneration projects for a number of years

Involvement with Professional, Academic and Enterprise Bodies

- Social Enterprise Academy – Member and participant
- Member, Development Trust Association
- Chartered Institute of Housing (CIH) Membership since 1988. Member of the Scotland Branch Committee for many years and a convenor of break-out sessions at Annual Conference on numerous occasions
- OU Alumni - a keen interest in Alumni matters for over 20 years.
- Aberdeen Social Enterprise Network - participant
- Aberdeen Entrepreneurs - active participant
- Active Member of the Aberdeen Business Network

Involvement with Community Organisations

- Secretary of Torry Community Council November 2012 – September 2017
- Chair of the Old Torry Community Centre Association since June 2013
- Director - Torry Development Trust since June 2014
- Member of Rotary International in Aberdeen since 2005. Club President 2017-18

**Bill Esson
Trustee**

Born and brought up in Torry, Bill has some forty years' worth of knowledge and experience of community projects and activities. Having worked for many years as a harbour pilot, Bill has skills in coaching, listening and negotiation. With a passion for all things nautical and heritage, Bill is keen to pursue practical hands on projects in boat craft. He served for many years as a member of Torry Community Council and helped form the Torry History Society some twenty years ago.

Bill is now a volunteer with the Old Torry Community Centre and a member of the Centre's Management Committee. As a former special constable, Bill has experience of all of life's challenges, and as an active member of the Development Trust, is keen to ensure that all projects bring pride, enjoyment and recognition to Torry's granite heritage

**Ian Wright
Trustee**

Ian wright: Date of birth is 04/02/1949. I have lived in Torry since 1969. Initially I lived in Victoria Road, moving to Walker Road in 1975. On leaving school I joined the Royal Navy. On discharge I worked at the Fishmeal Factory in Torry, then moved on to an oil service company. Initially I worked offshore soon moving to an office-based position of Service Supervisor. I changed my career direction and became a school welfare officer with ACC in 1986. Approx. 3 years later I moved to Albyn House which was a detox/rehab facility for people with alcohol issues. I then moved to ACC where I was employed as a Resettlement Officer for homeless people. I retired in 2013.

I have been an active member of the Torry Community over a long period of time. I co-managed Walker Road School football team for 12 years and participated in many school activities. I have been an active member of Torry Community Council for about 8 years, and I also assist outwith any community-based activities or events if available. i.e. Big Noise, local Gala events. I have been a member and Director of the Torry Development Trust since its inception. I also participate in the Living Streets project, and the Victoriart project, both facilitated by ACC.

PROJECTS

TDT requested and obtained, from the Finance, Policy and Resources Committee on 1st December, the opportunity to prepare a formal proposal for the redevelopment of Victoria Road School and a period of six months was sought and granted to carry that out. The Committee requested a progress report to be presented at its February 2018 meeting.

This interim statement is TDT's work-in-progress statement summarising what has so far been achieved and pointing the way forward to the presentation of a formal viable proposal at the end of six months.

In December, TDT made their plea based on the perception, supported by local knowledge, that there was strong potential to achieve a sensitive yet viable rehabilitation and regeneration project on this site and to do so by retaining a valuable part of Aberdeen's granite heritage. (*"Granite buildings – that's what defines Aberdeen!"* – Perceptive statement by Phil Prentice, STP at our meeting in Edinburgh).

In the short time since December, a number of exciting project opportunities have been identified. There are many variables and a number of potential mixes of accommodation, partnership and contractual arrangements and these are summarised below.

TDT are now working, with our team of supporters and potential partners to develop these ideas in greater detail so that a final number of clearly defined options can be pinned down to allow an objective and comprehensive options appraisal to be carried out. Once that has been done, the best and most viable option will be presented as a formal proposal to the Council complete with a delivery package.

[REDACTED]

[REDACTED] has set out to create a purpose-built health, fitness and life centre where people from all walks of life can feel safe, involved and which will help them on a journey to develop life and social skills.

Boxing champion [REDACTED] (nicknamed the [REDACTED]) is the driving force behind this ambitious project. Through many years of involvement with local charity work [REDACTED] has identified many failures in provision for people disadvantaged by physical and social challenges and has set his mind to create this facility which can be used by anyone in the community.

This is a genuinely exciting health, leisure and community benefit opportunity and Lee recognizes that Victoria Road School's location and the existing buildings could be an excellent fit with his vision. He is very interested in working with TDT to carry out a feasibility appraisal and this is currently under way.

The project would provide a mix of uses and a range of accommodation which will include a specialist gym, café, restaurant, events space, some residential accommodation related to the work of the Village and other supporting elements. An initial assessment of the accommodation requirements and the space available within the former school buildings shows a remarkably good fit and work is now under way to explore this in more detail.

[REDACTED] has obtained a lot of backing from prominent local charities who are eager to utilise the facilities which will be provided. He has also gathered a board of prominent sports and business personalities who will direct the activities of the Community Interest Company which is being incorporated to deliver the project.

Affordable Housing

TDT have identified several possible variants of conversion and new build to provide residential accommodation with an emphasis on affordable housing.

One approach would be a joint venture arrangement between an RSL and TDT. There are a number of benefits which arise from this approach and RSL's are often very keen to work with Development Trusts with a number of successful exemplars completed or in progress in Scotland.

Grampian Housing Association (GHA) have expressed interest and support to the Trust and discussions are in progress to explore what might be achieved and the range of mechanisms to deliver a project of this nature.

One method to achieve such an end would be to work with a development partner who would deliver the project as a turn-key package, working in collaboration with TDT and GHA.

TDT have been approached by an Aberdeen property development company who are proposing such a package to deliver an affordable housing development of the site which would retain the shell of the main building and a small portion of the former nursery school together with a large new link block extending to five storeys.

Other potential development partners with similar recent project experience have also been identified who can offer a similar approach but with differing parameters and expectations.

Negotiations on all these options are ongoing.

Co-Housing

There is a growing movement of people in Scotland who wish to sign up to a collective approach to housing delivery and living. Co-housing is a form of living where people come together with the intention of living independently in an interactive environment of shared activities and interests.

Co-housing seeks to emulate and re-create the neighbourly support and friendly exchanges often associated with the past. Co-housing is not a utopian commune but a format where people maintain their independence and are motivated by good neighbourliness and collective management of their environment and activities.

In Sweden co-housing represents 18% of the total housing stock; the average is around 10% for continental Europe but less than 0.5% half of one percent in the UK!

Of particular interest to TDT is the potential for inter-generational housing which includes single and family households who seek a tailor-made design approach and a collective approach to living.

Co-housing also lends itself to the potential of mixed use development where a variety of other uses and facilities can be provided which serve the co-housing residents and their neighbours from the surrounding area. This also enables the creation of local employment opportunities.

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TDT recognise the potential for a co-housing development to be the main element of the regeneration of Victoria Road School or a supporting element provided in combination with either of the options already highlighted above.

All of the Above!

The final proposal may combine part or all of the above together with some other elements such as some form of heritage component or some small element of business use.

At this stage TDT consider all options to be on the table and none of the above ideas are being excluded till all the relevant information is available to allow informed decisions to be made.

We are excited by the potential which has so far been identified and look forward to working these through over the coming months with a range of partners and supporters to achieve a final outcome which everyone involved can be justly proud of.

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