

Public Document Pack



To: All Members of the Council

Town House,
ABERDEEN, 27 January 2026

COUNCIL

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **WEDNESDAY, 4 FEBRUARY 2026 at 9.30am.** This is a hybrid meeting therefore Members can attend remotely.

JENNI LAWSON
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

ADMISSION OF BURGESSES

1.1 Admission of Burgesses

NOTIFICATION OF URGENT BUSINESS

2.1 No urgent business at this stage

DETERMINATION OF EXEMPT BUSINESS

3.1 No exempt business at this stage

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

4.1 Members are requested to declare any interests or connections

DEPUTATIONS

- 5.1 Deputation Requests

MINUTES OF PREVIOUS MEETINGS OF COUNCIL

- 6.1 Minute of Meeting of Aberdeen City Council of 3 December 2025 - for approval (Pages 7 - 10)
- 6.2 Minute of Meeting of Aberdeen City Council of 10 December 2025 - for approval (Pages 11 - 24)

REFERRALS FROM COMMITTEES

- 7.1 No referrals at this stage

BUSINESS PLANNER AND OTHER MINUTES

- 8.1 Council Business Planner (Pages 25 - 28)

GENERAL BUSINESS

- 9.1 Treasury Management Strategy - Mid-Year Review - CORS/25/277 (Pages 29 - 42)

Carried forward from the Council meeting of 10 December 2025

- 9.2 Governance Review of Trusts - 2025 Update - CORS/25/283 (Pages 43 - 58)

Carried forward from the Council meeting of 10 December 2025

- 9.3 Treasury Management Policy - CORS/26/002 (Pages 59 - 84)

- 9.4 External Audit Recommendations - CORS/26/017 (Pages 85 - 92)

NOTICES OF MOTION

10.1 Notice of Motion by Councillor Kuszniir

“That the Council:

1. Notes with the ongoing road and utility works across Torry/Ferryhill and the disruption these closures are causing to residents, businesses, and commuters in the surrounding communities.
2. Recognises that:
 - a. Prolonged or repeated closures have a disproportionate impact on communities such as Torry and Ferryhill, increasing travel times, congestion on usually quieter streets and reducing accessibility to services.
 - b. Aberdeen’s road network is not based on a grid system, meaning that the closure of a single street often can cause significant spill over effect across a wider area, exacerbating disruption and congestion.
 - c. Local businesses and residents have expressed frustration over the lack of timely communication and mitigation measures during these closures.
3. Therefore instructs the Chief Officer - Operations to:
 - a. Engage with affected communities, including Torry and Ferryhill, to gather feedback and concerns, regarding the recent road closures, due to the SSEN utility works.
 - b. Continue to liaise with SSEN and other relevant stakeholders to ensure mitigation strategies are in place, including signage and alternative transport routes during closure periods.
 - c. Ensure a lessons-learned session is held with SSEN to review improvements following the recent utility works. This should include enhancing media communications from SSEN beyond statutory notices, such as providing clear, concise updates on social media and to Elected Members. These updates should move beyond only saying that the works are essential and explain the reasons for the works, what is being done and why and the expected timescales.”

Carried forward from the Council meeting of 10 December 2025

10.2 Notice of Motion by Councillor Boulton

“That the Council agrees to:

- (1) Instruct the Chief Officer - Operations to refer details of the funding required to develop further detailed studies for a flooding solution as described by the WSP consultants to provide protection for The Paddock, Peterculter to the budget process;
- (2) Instruct the Chief Officer - Operations to refer details of the funding required to develop further detailed studies for a flooding solution as described by the WSP consultants to provide protection for Millside and Culter Den, Peterculter for a 1 in 200 and a 1 in 30 flooding event to the budget process;
- (3) Instruct the Chief Officer - Operations to continue engagement with local residents, Culter Community Council and the Community Resilience Group on the progress in relation to these flood prevention schemes, subject to funding being awarded to support future activity, and to report these outcomes to a future meeting of the Net Zero, Environment and Transport Committee; and
- (4) Instruct the Chief Officer - Operations to work in collaboration with The River Dee Trust where there is mutual benefit and to avoid duplication of effort.”

Carried forward from the Council meeting of 10 December 2025

10.3 Notice of Motion by Councillor Boulton

“Instruct the Chief Officer - Education and Lifelong Learning, in collaboration with the Health Determinants Research Collaboration (HDRC), to review national research on the impacts of banning mobile phones in schools and report findings to a future meeting of the Education and Children’s Services Committee.”

Carried forward from the Council meeting of 10 December 2025

10.4 Notice of Motion by Councillor Farquhar

“That the Council:

1. Notes with extreme disappointment the Chancellor’s decision on 26 November 2025 to keep the Energy Profits Levy (EPL), despite significant lobbying from industry in Aberdeen.
2. Recognises the Fraser of Allander Institute’s *“Is the energy sector at a turning point?”* report of 20 November 2025 which shows that the North East economy has contracted by 21% since 2015.
3. Further recognises Robert Gordon University’s *“Striking the Balance”* report of 2 June 2025 which shows that we could lose 1,000 oil and gas jobs a month if current policies continue. The equivalent of a Grangemouth refinery closure every two weeks for the next 5 years.
4. Notes with regret the misery that this will cause many families in and around Aberdeen.
5. Instructs the Chief Executive to write to the Chancellor to outline our city’s concerns about the continuation of the EPL and formally ask that this be reconsidered.”

Carried forward from the Council meeting of 10 December 2025

10.5 Notice of Motion by Councillor Thomson

“That this Council:

- (1) notes that STV’s revised proposals seek to end production and broadcast of a weekday peak-time news programme from Aberdeen serving the North of Scotland region, so centralising all Scottish television news production in the Central Belt, depriving the North of Scotland region of its own TV news for the first time since the establishment of Channel 3 in the 1960s, and undermining Aberdeen’s standing as an independent media centre;
- (2) believes that the case for a weekday peak-time North of Scotland news programme on Channel 3 is as strong now as it was when Ofcom approved the current licence conditions in September 2024, and as it has been since the first elections to the modern Scottish Parliament in 1999, rejecting entirely the notion that devolution has reduced the need for a particular focus on the distinctive economic, cultural, political and other news stories and issues which are specific to the North of Scotland region;
- (3) disagrees with the contention that changes in the way we receive news and opinions mean we have less need of objective, professional journalism informed and delivered by people living in our communities, believing instead that such changes make news programmes like STV News at Six made in and for the North of Scotland even more important;
- (4) agrees with those who live in Scotland’s rural and island communities who believe that STV’s revised proposals will materially disadvantage these areas, by depriving them of news programmes made in and for the North of Scotland region of which they are such an important part;
- (5) notes the consultation by Ofcom on STV’s revised proposals, which opened on 16 December 2025 and will close on 9 February 2026, which invites representative organisations, individuals and communities to respond directly to three specific questions, providing reasons for such responses; and
- (6) instructs the Chief Executive to respond to this consultation before the closing date of 9 February 2026, stating in answer to question 1 our opposition to the revised STV proposals, and in answer to question 3 our view that these proposals fail to deliver equal treatment to Scotland’s rural and island areas, and to the North of Scotland generally, setting out the Council’s reasons for these answers in the terms set out in this motion.”

10.6 Notice of Motion by Councillor Watson

“That the Council -

1. Notes that the previous offer from the Council to RAAC-affected home owners, following a huge community campaign and intervention from the Scottish Government, was an improvement. However, while the SNP gave an improved offer with one hand, they took away compensation for the home loss with the other. It is now evident that many residents have inadequate money to pay for removal costs.
2. Believes both the Council and RAAC owners have a mutual interest in moving on from the RAAC crisis. But if residents cannot afford to move, this process will drag on even longer with heartache and costs to all.
3. Therefore instructs the Chief Officer - Corporate Landlord to amend the offer to residents to reinstate the previous home loss payment at 10% of the current Market Value of the property and also to meet reasonable incurred disturbance costs and Legal and other professional fees.
4. Instructs the Chief Officer - Finance to utilise the Capital Fund to release funding to make payments to homeowners who wish to voluntarily sell their property to the Council and notes the Chief Officer - Finance will report on the use of any fiscal flexibilities provided by Scottish Ministers to support that expenditure in the Quarter 4 Financial Performance Report.”

10.7 Urgent Notice of Motion by Councillor Boulton

“That the Council:

Instruct the Chief Executive to:-

Write to the Prime Minister, Sir Keir Starmer, requesting that he seek a formal apology from President Donald Trump to the UK Armed Forces and their families, following his disrespectful comments made in relation to NATO troops who served in Afghanistan.”

EXEMPT / CONFIDENTIAL BUSINESS

11.1 No exempt/confidential business at this stage

Website Address: www.aberdeencity.gov.uk

Should you require any further information about this agenda, please contact Martyn Orchard, tel 01224 067598 or morchard@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 3 December 2025

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost David Cameron, Chairperson;
Depute Provost Steve Delaney; and

COUNCILLORS

GILLIAN AL-SAMARAI
NURUL HOQUE ALI
CHRISTIAN ALLARD
ALISON ALPHONSE
KATE BLAKE
JENNIFER BONSELL
MARIE BOULTON
RICHARD BROOKS
DESMOND BUCHANAN
HAZEL CAMERON
DONNA CLARK
JOHN COOKE
NEIL COPLAND
WILLIAM CORMIE
BARNEY CROCKETT
DEREK DAVIDSON
LEE FAIRFULL
EMMA FARQUHAR
GORDON GRAHAM
ROSS GRANT
MARTIN GREIG

DELL HENRICKSON
RYAN HOUGHTON
MICHAEL HUTCHISON
MICHAEL KUSZNIR
GRAEME LAWRENCE
SANDRA MACDONALD
NEIL MacGREGOR
ALEXANDER McLELLAN
KEN McLEOD
CIARAN McRAE
M. TAUQEER MALIK
DUNCAN MASSEY
JESSICA MENNIE
ALEX NICOLL
MIRANDA RADLEY
KAIRIN VAN SWEEDEN
LYNN THOMSON
DEENA TISSERA
SIMON WATSON
and
IAN YUILL

Lord Provost David Cameron, in the Chair.

The agenda and reports associated with this minute can be found [here](#).

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Council Meeting, Wednesday, 3 December 2025

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

1. Councillors Henrickson and Macdonald advised that they had a connection in relation to item 4.1 (Housing Revenue Account Budget 2026/27) by reason of being Council appointed members of the Board of Aberdeen Heat and Power Ltd, with Councillor Macdonald being the Chair, however having applied the objective test they did not consider that they had an interest and would not be withdrawing from the meeting.

HOUSING REVENUE ACCOUNT BUDGET 2026/27 - CORS/25/278

2. The Council had before it a report by the Chief Officer - Finance which provided information to enable the Council to approve a housing revenue and capital budget for 2026/27, including setting of the rents and other charges on the Housing Revenue Account (HRA) for the financial year.

The report recommended:-

that the Council -

- (a) approve the budget as attached in Appendix 1, page 2, of the report;
- (b) approve the setting of the weekly unrebated rents, an increase of 12%, for municipal homes in Appendix 1, pages 3 to 4 of the report, to take effect from Monday 6 April 2026;
- (c) note the level of revenue contribution to the Housing Capital budget for 2026/27 is £nil as detailed in Appendix 1, pages 27 to 29;
- (d) note the proposed budget leads to a surplus for the year of £1.765m, which would increase the HRA working balances as at 31 March 2027, and this supported the approved strategy of restoring the working balances to 10% of HRA Revenue to meet future operational requirements and risks, noting that if the Housing Revenue Account recorded a deficit and had no reserves then the Council's General Fund must make a contribution to balance the Account;
- (e) approve the level of miscellaneous rents and service charges, including Heat with Rent and the General Fund Support Services Charges as detailed in Appendix 1, pages 22 to 23, to take effect from Monday 6 April 2026;
- (f) approve, based on a rental increase of 12% the Base Capital Programme for the financial years 2026/27, 2027/28, 2028/29, 2029/2030 and 2030/31 Appendix 1, pages 27 to 29;
- (g) note the inclusion of the tiered trend analysis of the Housing Revenue Account Budget 2026/27, page 5 in Appendix 1, and the current actions to move spend from Tier 2 Early Intervention to Tier 1 Prevention;
- (h) approve the permanent inclusion of a £1,000,000 Rent Assistance Fund from, 2026/27;
- (i) note the results of the tenant consultation in respect of the move from a 48 week to a 52 week rent structure, alongside affordability considerations and determine whether to implement a change or to maintain the status quo, page 15; and
- (j) delegate authority to the Chief Officer - Corporate Landlord in consultation with the Chief Officer - Finance, Chief Officer - Capital and the Chief Officer - Housing to vire monies within the Housing Capital Plan to support any works that may be required to review the non-traditional housing stock and city centre multi storeys, retrospectively reporting any virement to the next available meeting of the

Council Meeting, Wednesday, 3 December 2025

Finance and Resources Committee as part of the Quarterly Financial Performance reports.

Councillor Radley moved, seconded by Councillor Greig:-

That the Council approve the Partnership HRA budget as contained [here](#) at pages 3 to 5.

Councillor Malik moved as an amendment, seconded by Councillor Graham:-

That the Council approve the Labour HRA budget as contained [here](#) at pages 7 to 11.

Councillor Houghton moved as a further amendment, seconded by Councillor Brooks:-

That the Council approve the Conservative HRA budget as contained [here](#) at pages 13 to 15.

There being a motion and two amendments, the Council first divided between the two amendments.

On a division, there voted:-

For the amendment by Councillor Malik (12) - Councillors Ali, Blake, Bonsell, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

For the amendment by Councillor Houghton (7) - Councillors Boulton, Brooks, Farquhar, Houghton, Kuszniir, McLeod and Nicoll.

Declined to vote (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Massey, Mennie, Radley, van Sweeden and Yuill.

The Council then divided between the motion and the amendment by Councillor Malik.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

For the amendment by Councillor Malik (12) - Councillors Ali, Blake, Bonsell, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

Declined to vote (8) - Councillors Boulton, Brooks, Farquhar, Houghton, Kuszniir, McLeod, Massey and Nicoll.

The Council resolved:-

to adopt the motion.

- DAVID CAMERON, Lord Provost.

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ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 10 December 2025

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost David Cameron, Chairperson;
Depute Provost Steve Delaney; and

COUNCILLORS

GILLIAN AL-SAMARAI
NURUL HOQUE ALI
CHRISTIAN ALLARD
ALISON ALPHONSE
KATE BLAKE
JENNIFER BONSELL
MARIE BOULTON
RICHARD BROOKS
DESMOND BUCHANAN
HAZEL CAMERON
DONNA CLARK
JOHN COOKE
NEIL COPLAND
WILLIAM CORMIE
BARNEY CROCKETT
SARAH CROSS
DEREK DAVIDSON
LEE FAIRFULL
EMMA FARQUHAR
GORDON GRAHAM
ROSS GRANT
MARTIN GREIG

DELL HENRICKSON
RYAN HOUGHTON
MICHAEL HUTCHISON
MICHAEL KUSZNIR
GRAEME LAWRENCE
SANDRA MACDONALD
NEIL MacGREGOR
ALEXANDER McLELLAN
KEN McLEOD
CIARAN McRAE
M. TAUQEER MALIK
DUNCAN MASSEY
JESSICA MENNIE
ALEX NICOLL
MIRANDA RADLEY
KAIRIN VAN SWEEDEN
LYNN THOMSON
DEENA TISSERA
SIMON WATSON
and
IAN YUILL

Lord Provost David Cameron, in the Chair.

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Council Meeting, Wednesday, 10 December 2025

NOTICE OF MOTION BY COUNCILLOR KUSZNIR

1. The Council had before it a notice of motion by Councillor Kuszniir in the following terms:-

“That the Council:

1. Under Standing Order 5, resolves to remove Cllr Christian Allard from the position of Co-Leader.
2. Notes:
 - a. the persistent concerns of RAAC affected homeowners about the lack of leadership shown on their behalf by Council Co-Leader and local Torry Ward member, Councillor Christian Allard.
 - b. that despite repeated opportunities to act and advocate for affected homeowners, Cllr Allard failed to bring forward meaningful proposals, even after the Cabinet Secretary for Housing, Màiri McAllan MSP, announced additional funding for Aberdeen City Council.
 - c. since March 2024, the Administration, including Cllr Allard, has consistently voted for the legal minimum compensation offer to homeowners in the event of compulsory purchase.
 - d. at the Requisitioned Council meeting on 1 October 2025, opposition members advised the Administration to wait for Scottish Government's funding response - announced the following day and which included an additional £10 million - yet the Administration, including Cllr Allard, proceeded to vote for the minimum payment.
 - e. The Administration's self-congratulatory tone in the face of homeowner distress, exemplified by remarks such as:
 “Let's look at the achievement here”
3. Recognises that the Administration was only driven to announce further funding support for RAAC affected homeowners after a disastrous media round from Cllr Allard - where he said he couldn't commit to support homeowners - after the Cabinet Secretary visited Torry on 22 October 2025.
4. Recognises this as part of a wider pattern of conduct, including his role in supporting the Energy Transition Zone (ETZ) proposals which threaten the future of St Fittick's Park and has caused significant distress and opposition within the Torry community.
5. Recalls that Cllr Allard voted to cut funding for Big Noise Torry, an initiative he previously described as having “*a positive social impact for the local community*,” and later praised its rescue from his own Administration's budget cuts by The Scottish Government.
6. Considers this pattern of conduct to be incompatible with the responsibilities of leadership and representation, particularly for a community such as Torry.
7. Concludes that Cllr Allard is unfit to lead our City and has failed to advocate for the people of Torry.”

Councillor Kuszniir moved, seconded by Councillor Nicoll:-
 That the Council approve the notice of motion.

Councillor Yuill moved as an amendment, seconded by Councillor Radley:-
 That this Council has confidence in Councillor Allard as Co-Leader of the Council.

Council Meeting, Wednesday, 10 December 2025

Councillor Malik moved as a further amendment, seconded by Councillor Watson:-

That the Council:-

- (1) approve the notice of motion by Councillor Kuszniir; and
- (2) add the following at 7 and move 7 to become 8:-

Councillor Allard's contempt for the Liberal Democrats at the Council Housing Budget meeting where he admitted as far as the SNP are concerned the Liberal Democrats are simply just an extension of the SNP.

During the course of summing up, Councillor Kuszniir advised that he was willing to incorporate Councillor Malik's amendment into his motion, and this was accepted.

On a division, there voted:-

For the motion (20) - Councillors Ali, Blake, Bonsell, Boulton, Brooks, Crockett, Farquhar, Graham, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Massey, Nicoll, Thomson, Tissera and Watson.

For the amendment by Councillor Yuill (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

Absent from the division (1) - Councillor Cross.

The Council resolved:-

to adopt the amendment by Councillor Yuill.

DETERMINATION OF EXEMPT BUSINESS

2. The Council was requested to determine that the following item of business, which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973, be taken in private:-

12.1 Alternative Delivery Model - Outline Business Case - exempt appendices

The Chief Officer - Governance advised that a verbal update on a contract situation would also require to be heard with the press and public excluded.

The Council resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the abovementioned items so as to avoid disclosure of exempt information of the classes described in paragraphs 6, 8 and 9 of Schedule 7A of the Act.

Council Meeting, Wednesday, 10 December 2025

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3. Councillor Yuill advised that he had a connection in relation to items 10.1 (Council Delivery Plan, Annual Review Report 2024-25), 10.3 (Sustainability Statutory Social Care Provision via Bon Accord Care), 10.4 (Alternative Delivery Model Outline Business Case) and 12.1 (Alternative Delivery Model exempt appendices) as the Council's appointed member of the Board of NHS Grampian, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Kuszniir advised that he had connections in relation to item 10.6 (Governance Review of Trusts - 2025) as a Council appointed member of the Marguerite McBey Trust and the law firm he was a partner at looked after one of the Trusts mentioned in the report, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Nicoll advised that he had a connection in relation to item 10.3 as he held the power of attorney for a close family member in the care of Bon Accord Care, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

The Lord Provost and Councillor Blake advised that they had a connection in relation to items 10.4 and 12.1 as Council appointed members of the Board of Aberdeen Sports Village. Councillor Blake advised that she also had a connection as member of the Friends of Aberdeen Performing Arts. However, having applied the objective test, the Lord Provost and Councillor Blake did not consider that they had an interest and would not be withdrawing from the meeting.

Councillors Fairfull, Greig and Henrickson advised that they had a connection in relation to item 10.4 by reason of being Council appointed members of the Board of Aberdeen Performing Arts, however having applied the objective test they did not consider that they had an interest and would not be withdrawing from the meeting.

Councillor Henrickson advised that he had a connection in relation to item 10.4 as a shareholder and AberDNA member of Aberdeen Football Club, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Greig advised that he had a connection in relation to item 10.6 as a Council appointed member of the Marguerite McBey Trust, the Macdonald Art Committee, the Aberdeen Gomel Trust and the Robert Nicol Trust, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Grant advised that he had a connection in relation to item 10.1 as an employee of Aberdeen Inspired, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillors Cooke, Fairfull and Greig advised that they had a connection in relation to item 10.3 by reason of being Council appointed members of the Integration Joint Board,

Council Meeting, Wednesday, 10 December 2025

however having applied the objective test they did not consider that they had an interest and would not be withdrawing from the meeting.

Councillor Cooke advised that he had a connection in relation to items 10.4 and 12.1 as a Council appointed observer to the Board of Sport Aberdeen, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Cormie advised that he had a connection in relation to item 10.3 as a service user of Bon Accord Care, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Farquhar advised that she had a connection in relation to item 11.4 (Urgent Notice of Motion by Councillor Farquhar) as she worked for a Member of Parliament who had called for an end to the Energy Profits Level, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Fairfull advised that she had a connection in relation to item 10.4 as a Council appointed member to the Board of Transition Extreme, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor McLeod advised that he had a connection in relation to item 10.4 as a patron and former Board member of Aberdeen Performing Arts, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL OF 26 SEPTEMBER 2025

4. The Council had before it the minute of the special meeting of Aberdeen City Council of 26 September 2025.

The Council resolved:-
to approve the minute.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 1 OCTOBER 2025

5. The Council had before it the minute of meeting of Aberdeen City Council of 1 October 2025.

The Council resolved:-

- (i) to approve the minute; and
- (ii) to request the Chief Officer - City Development and Regeneration to provide an update to Members on the latest situation with regard to the urgent notice of motion on STV.

Council Meeting, Wednesday, 10 December 2025

MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL OF 1 OCTOBER 2025

6. The Council had before it the minute of the special meeting of Aberdeen City Council of 1 October 2025.

The Council resolved:-
to approve the minute.

MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL OF 21 OCTOBER 2025

7. The Council had before it the minute of the special meeting of Aberdeen City Council of 21 October 2025.

The Council resolved:-
(i) to note that Councillor Kuszniir had attended the meeting online; and
(ii) to otherwise approve the minute.

MINUTE OF RECONVENED SPECIAL MEETING OF ABERDEEN CITY COUNCIL OF 28 OCTOBER 2025

8. The Council had before it the minute of the reconvened special meeting of Aberdeen City Council of 28 October 2025.

The Council resolved:-
to approve the minute.

MINUTE OF MEETING OF URGENT BUSINESS COMMITTEE OF 19 SEPTEMBER 2025

9. The Council had before it the minute of meeting of the Urgent Business Committee of 19 September 2025.

The Council resolved:-
to approve the minute.

MINUTE OF MEETING OF URGENT BUSINESS COMMITTEE OF 20 NOVEMBER 2025

10. The Council had before it the minute of meeting of the Urgent Business Committee of 20 November 2025.

The Council resolved:-
to approve the minute.

Council Meeting, Wednesday, 10 December 2025

MINUTE OF MEETING OF URGENT BUSINESS COMMITTEE OF 24 NOVEMBER 2025

11. The Council had before it the minute of meeting of the Urgent Business Committee of 24 November 2025.

The Council resolved:-

to approve the minute.

COUNCIL BUSINESS PLANNER

12. The Council had before it the business planner as prepared by the Chief Officer - Governance.

The Council resolved:-

- (i) to note that the Chief Officer - Governance would respond to Councillor Houghton with regard to the notice of motion by the Co-Leaders on the former Marks and Spencer building at St Nicholas Street, which was first considered by the Council in February 2024; and
- (ii) to otherwise note the business planner.

COUNCIL DELIVERY PLAN, ANNUAL REVIEW REPORT 2024-25 - CORS/25/220

13. With reference to Article 10 of the minute of its meeting of 1 October 2025, the Council had before it a report by the Chief Officer - Data Insights which presented the Council with an Annual Review Report which highlighted progress with respect to the Council Delivery Plan 2024-25.

The report recommended:-

that the Council note the report and provide comments and observations.

Councillor Allard moved, seconded by the Depute Provost:-

That the Council note the report.

Councillor Malik moved as an amendment, seconded by Councillor Grant:-

That the Council -

- (1) note the report;
- (2) congratulate all those involved in Union Terrace Gardens winning the Andrew Doolan Best Building in Scotland Award which is coordinated by the Royal Incorporation of Architects in Scotland;
- (3) agree this ambitious public-realm regeneration project has revived Aberdeen's key public space, reclaiming Union Terrace Garden as the city's green, civic heart. The project delivers extensive landscape and engineering work, enriched with conservation elements including the sensitively restored statues, railings, arcade arches, and subterranean Victorian toilets - now proudly reinstated and open to the public via the operator of the Union Street pavilion; and

Council Meeting, Wednesday, 10 December 2025

- (4) agree as a result, Union Terrace Gardens is now a landmark cultural and inclusive destination that demonstrates the power of contextual, people-centred design in transforming a city's sense of place.

At this juncture, Councillor Crockett advised that he had a connection in relation to the item as the Royal Incorporation of Architects in Scotland had been mentioned and he was an honorary member, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Brooks advised that he had a connection in relation to the item as the temporary Chair of an anti-poverty charity, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Brooks moved as a further amendment, seconded by Councillor Farquhar:-

That the Council:-

- (1) notes that Huq Signals footfall data has been used to measure unique visitors to the city between 1 January 2024 and 31 December 2024, which showed an increase of 3.1%;
- (2) further notes that the Huq data for Aberdeen City Centre includes data from Union Square;
- (3) notes that during 2024, Union Square reported its best year on year growth with a sharp rise in footfall;
- (4) agrees that this suggests that the use of Huq data to denote city centre increase in footfall is misleading when visitors to the heart of Aberdeen, Union Street, are visibly less;
- (5) notes that the Council Delivery Plan Annual Review Report 2024-25 is both retrospective (3.4) and indicative of the next 12 months (3.6);
- (6) notes that, with reference to Union Street, the report is confusing, as the number of empty units remains high and on 31st May 2025 Aberdeen Inspired reported that Union Street footfall had decreased by 2%; and
- (7) to avoid further confusion in footfall reporting for Aberdeen City Centre, instructs the Chief Officer - City Development and Regeneration to provide a service update in Spring 2026 with all city centre footfall without the inclusion of Union Square.

During the course of summing up, Councillor Brooks advised that Councillor Malik was willing to incorporate his amendment within his own amendment. Councillor Allard advised that he was willing to incorporate Councillor Malik's original amendment within the motion, but not the wording of Councillor Brooks' amendment. The Council noted that both of these changes were accepted.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

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For the amendment (19) - Councillors Ali, Blake, Bonsell, Boulton, Brooks, Crockett, Farquhar, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Massey, Nicoll, Thomson, Tissera and Watson.

Absent from the division (2) - Councillors Cross and Graham.

The Council resolved:-

- (i) to adopt the motion as amended;
- (ii) to request that future reports include (a) clearer comparator data with regard to housing and homelessness targets; (b) data on performance in relation to the turnaround of planning applications; and (c) clarity on the Council's statutory requirements with regard to service standards;
- (iii) to note that the Chief Officer - Children's Social Work and Family Support would confirm to Councillor Nicoll the number of care experienced children and young people who had a pathway plan by the age of 15 (page 44 of the report); and
- (iv) to note that the Executive Director - Families and Communities would share a link to the Housing Emergency Action Plan with Councillor Nicoll which contained revised targets in areas such as re-letting of properties and related narrative.

2026/27 FEES AND CHARGES - CORS/25/284

14. The Council had before it a report by the Chief Officer - Finance which sought approval of a list of General Fund Fees and Charges for 2026/27.

The report recommended:-

that the Council approve the Fees and Charges proposals for 2026/27 within Appendix A to the report.

Councillor Yuill moved, seconded by Councillor Henrickson:-

That the Council approve the Fees and Charges proposals for 2026/27 within Appendix A to the report subject to:

- (1) freezing off street parking charges at 2025/26 rates;
- (2) limiting the increase in on street parking charges to 5%, rounded to the nearest 5 pence;
- (3) limiting the increase in fixed and flexible residents parking permit charges to 5%, rounded to the nearest pound;
- (4) making no increase in school meal charges;
- (5) maintaining free access to the Winter Gardens at Duthie Park;
- (6) confirming that there will continue to be no charge for the collection of each household's first garden / food waste bin; and
- (7) agreeing to include the net increase in income of £0.349m in the final 2026/27 General Fund budget model to be presented to the Council in March 2026.

Councillor Malik moved as an amendment, seconded by Councillor Blake:-

That the Council

- (1) approve the recommendation subject to the following:-
 - (a) reduce car park off street parking by 25%
 - (b) reduce on street car park charges by 25%

Council Meeting, Wednesday, 10 December 2025

- (c) no increase in Business Exemption Permits
- (d) reduce fixed parking and flexible parking permits by 25%
- (e) no increase in monthly parking permits
- (f) School meals no increase
- (g) Child care services and IJB all no increase
- (2) increase by 10% the charges on all fees and charges within Public Infrastructure and Environment road and street work categories;
- (3) note the effect of these decisions will require consideration in the 2026/27 General Fund and Aberdeen City IJB budgets, to be presented to the Council and Aberdeen City IJB in March 2026; and
- (4) agree that there is no charge for entering the award-winning Union Terrace Gardens and notes the petty nature of the SNP who refused to hold an opening ceremony for this much loved park saved by the previous Administration from the brutal cement mixer.

During the course of summing up, Councillor Yuill advised that he had a connection in relation to the item as the Council's appointed member of the Board of NHS Grampian, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

For the amendment (19) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Farquhar, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Massey, Nicoll, Thomson, Tissera and Watson.

Declined to vote (1) - Councillor Boulton.

Absent from the division (1) - Councillor Graham.

The Council resolved:-
to adopt the motion.

SUSTAINABLE STATUTORY SOCIAL CARE PROVISION VIA BON ACCORD CARE - CORS/25/280

15. The Council had before it a report by the Executive Director - Corporate Services which reviewed the strategic options for change to Bon Accord Care's (BAC) operational model to promote the future sustainability of their contribution to statutory social care provision in Aberdeen and presented evidence supporting the highest scoring option to transfer BAC back in-house to Aberdeen City Council.

The report recommended:-
that the Council -

Council Meeting, Wednesday, 10 December 2025

- (a) note the options appraisal appended to the report;
- (b) approve the preferred option, Option B, as referenced at 1.3, that BAC transfer back into Aberdeen City Council in 2026/27; and
- (c) instruct the Executive Director - Corporate Services to undertake all necessary arrangements in furtherance of recommendation (b) above, and as outlined in the report and its appendices.

Councillor Allard moved, seconded by Councillor Greig:-

That the Council approve the recommendations contained within the report.

Councillor Malik moved as an amendment, seconded by Councillor Tissera:-

That the Council -

- (1) notes the Statutory Function Review report in December 2022, noting that the Chief Executive has still to bring forward a report on the specific opportunities proposed to be progressed;
- (2) notes Aberdeen Labour opposition to outsourcing and in particular the good work done by Councillor Deena Tissera on this matter and the reassurance given by the SNP leaders at the time of the report;
- (3) approves option B that BAC be transferred back into Aberdeen City Council subject to:-
 - a. no compulsory redundancies
 - b. all pay and pension contributions to remain as per current contractual entitlement for those employees transferring from Bon Accord Care Ltd.
 - c. there shall be no transfer commissioning of any statutory activity given the assurance group leaders gave back in December 2022.
 - d. recognising that the Integration Joint Board commissions the provision of care home services, the Council must encourage the continued use of Bon Accord Care for the delivery of these and avoid outsourcing through the back door; and
- (4) instructs the Executive Director - Corporate Services to undertake necessary arrangements in furtherance of recommendation (c) above, and as outlined in the report and its appendices.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

For the amendment (10) - Councillors Ali, Blake, Bonsell, Grant, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

Declined to vote (9) - Councillors Brooks, Crockett, Cross, Farquhar, Houghton, Kusznir, McLeod, Massey and Nicoll.

Absent from the division (2) - Councillors Boulton and Graham.

The Council resolved:-

to adopt the motion.

Council Meeting, Wednesday, 10 December 2025

ALTERNATIVE DELIVERY MODEL OUTLINE BUSINESS CASE - CORS/25/282

16. The Council had before it a report by the Chief Officer - Commercial and Procurement which updated the Council on the ongoing feasibility work into potential alternative funding and delivery model options for the Council's arts, culture, events, sport, leisure, museums, and galleries assets.

The report recommended:-

that the Council

- (a) note the medium-term funding and delivery options identified through the Outline Business Case (OBC) process for the Alternative Delivery Model workstream, including consideration of asset condition, current subsidy levels, future investment requirements, and the inclusion of the Beach Ballroom within a wider asset approach;
- (b) instruct the Chief Officer - Commercial and Procurement to progress the development of alternative funding and delivery models, which will include the option for proposals to be submitted directly from ALEO partners, for the Council's assets through to Full Business Case (FBC) stage, including commencement of a competitive procurement exercise; and
- (c) instruct the Chief Officer - Commercial and Procurement to present the findings of the Full Business case to Council during the final quarter of 2027.

Councillor Yuill moved, seconded by Councillor Allard:-

That the Council approve the recommendations contained within the report.

Councillor Brooks moved as an amendment, seconded by Councillor McLeod:-

That the Council -

- (1) approve the recommendations contained within the report;
- (2) note that lots B and D (5.4) include the Linx Ice hockey arena, the home of twice Scottish ice hockey champions (2022/23 & 2023/24) and Scottish Cup winners in 2023/24, Aberdeen Lynx; and
- (3) instruct the Chief Officer - Commercial Procurement to consider any potential Aberdeen Football Club Stadium plans when considering any options regarding Aberdeen Lynx, prior to presenting options to Council in 2027.

Councillor Malik moved as a further amendment, seconded by Councillor Grant:-

That the Council -

- (1) approve the recommendations contained within the report;
- (2) note the negative comments from the SNP Finance Convener in respect of Aberdeen Football Club and the positive comments from Aberdeen Football Club chairman David Cormack;
- (3) agree that in respect of any Alternative Delivery Model programme being pursued through alternative funding and delivery models, the Council must have regard to the proposed developments required to complete the Beach Masterplan and to incorporate findings into the report due in early 2027; and

Council Meeting, Wednesday, 10 December 2025

- (4) agree to include the implications for our relationships with other partners in these sectors such as Aberdeen Arts Centre, Bon Accord Baths and the Belmont Cinema.

At this juncture, the Lord Provost acknowledged that it was unlikely the item would be concluded within the 6 hour time limit and enquired whether the Council would be willing to suspend Standing Order 40.2 to extend the length of the meeting. A number of objections were indicated which demonstrated that the necessary quota of two-thirds of the Members present and entitled to vote would not be met.

After eight Members had spoken, in accordance with Standing Order 31.1, Councillor Hutchison moved as a procedural motion, seconded by Councillor Greig:-

That no further debate take place.

On a division, there voted:-

For the procedural motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

Against the procedural motion (20) - Councillors Ali, Blake, Bonsell, Boulton, Brooks, Crockett, Cross, Farquhar, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Massey, Nicoll, Thomson, Tissera and Watson.

Absent from the division (1) - Councillor Graham.

The Council resolved:-

to approve the procedural motion and therefore proceed straight to summing up.

There being a motion and two amendments, the Council first divided between the two amendments.

On a division, there voted:-

For the amendment by Councillor Brooks (10) - Lord Provost; Councillors Boulton, Brooks, Cross, Farquhar, Houghton, Kuszniir, McLeod, Massey and Nicoll.

For the amendment by Councillor Malik (10) - Councillors Ali, Blake, Bonsell, Grant, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

Declined to vote (22) - Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Crockett, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

Absent from the division (2) - Depute Provost; and Councillor Graham.

At this juncture, following a request by the Chief Executive, the Council agreed to suspend Standing Order 40.2 to extend the meeting to conclude the item of business

Council Meeting, Wednesday, 10 December 2025

and hear the verbal update in private, with all remaining business to be carried forward to a future Council meeting.

There being an equality of votes, the Lord Provost declined to exercise his casting vote. Therefore, after the toss of a coin Councillor Brooks' amendment was successful and proceeded to the second division.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Buchanan, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

For the amendment by Councillor Brooks (17) - Councillors Ali, Blake, Bonsell, Brooks, Cross, Farquhar, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Massey, Thomson, Tissera and Watson.

Declined to vote (3) - Councillors Boulton, Crockett and Nicoll.

Absent from the division (1) - Councillor Graham.

The Council resolved:-
to adopt the motion.

In accordance with Article 2 of this minute, the following items were considered with the press and public excluded.

ALTERNATIVE DELIVERY MODEL OUTLINE BUSINESS CASE - CORS/25/282 - EXEMPT APPENDICES

17. With reference to Article 16 of this minute, the Council had before it exempt appendices relating to the report.

The Council resolved:-
to note the exempt appendices.

CONTRACT UPDATE - VERBAL UPDATE

18. With reference to the minute of meeting of the Urgent Business Committee of 19 September 2025, the Council received a short verbal update from the Chief Officer - Commercial and Procurement which set out the latest position with regard to the contract.

The Council resolved:-
to note the update.
- **DAVID CAMERON, Lord Provost.**

	A	B	C	D	E	F	G	H	I
1	COUNCIL BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Council as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3	4th February 2026								
4	Treasury Management Strategy - Mid-year Review	To update the Council on Treasury Management activities undertaken to date, during financial year 2025/26.	Carried forward from the December meeting	Jonathan Belford	Finance	Corporate Services	5 and 6		
5	Governance Review of Trusts - 2025 Update	To provide an update on activities in relation to trusts to which the Council is connected.	Carried forward from the December meeting	Steven Inglis and Helen Fothergill	Governance and City Development and Regeneration	Corporate Services	10		
6	Treasury Management Policy	To seek approval of the Treasury Management Policy 2026/27 to 2028/29.	A report is on the agenda	Lesley Fullerton	Finance	Corporate Services	5 and 6		
7	External Audit Recommendations	To report back on External Audit's recommendations with regard to the chairing of the Governance Reference Group and consultation with elected members.	A report is on the agenda	Vikki Cuthbert and Steven Inglis	Governance	Corporate Services	N/A		
8	4th March 2026 - Budget								
9	Council Delivery Plan 2026/27	To present the Council Delivery Plan for 2026/27.		Martin Murchie	Data Insights	Corporate Services	2		
10	General Fund Revenue Budget and Capital Programme	To provide information on both the revenue budget for 2026/27 and capital programme for the period 2026/27 to 2030/31 in order that approved budgets and Council Tax value can be set by the Council for the year commencing 1 April 2026.		Jonathan Belford	Finance	Corporate Services	1, 2 and 3		
11	Common Good Fund	To provide Council with details of the draft Common Good budget for 2026/27, to enable the Council to approve a final budget that will take effect on 1 April 2026.		Jonathan Belford	Finance	Corporate Services	2		
12	15th April 2026								

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
13	Drug-checking Pilot	At its meeting of 3 November 2023, the Council approved a notice of motion by Councillor Cooke which instructed the Chief Officer - Health and Social Care Partnership to report back with the results of the Glasgow pilot scheme and collate any available peer reviewed data following 12 months of operation of the facility to inform Council of the progress and set out options for Aberdeen.		Fiona Mitchellhill	Aberdeen Health and Social Care Partnership	Aberdeen Health and Social Care Partnership	Intro 6	D	Planning work is still ongoing between local services, Scottish Government, Home Office and Dundee University to progress technical aspects of the initiative. The plan is to give a more local operational update to Council in July when there has been more progress of note.
14	Aberdeen City Centre Business Improvement District (BID) Ballot 2026-2031	To provide a summary update on the activities and achievements of the Aberdeen Inspired Business Improvement District (BID) over the last five years, and to seek decisions from the Council related to the BID ballot 2026-2031.		Jen Lawie	City Development and Regeneration	City Regeneration and Environment	N/A		
15	1st July 2026								
16	Local Outcome Improvement Plan 2026-36 and Locality Plans for North, South and Central	To present the Local Outcome Improvement Plan 2026-36 and Locality Plans for North, South and Central.		Michelle Crombie	People and Organisational Development	Corporate Services	24.4		
17	Treasury Management Strategy - Year-end Review	To update the Council on treasury management activities undertaken in the financial year 2025/26.		Lesley Fullerton	Finance	Corporate Services	5 and 6		
18	RAAC Update	At the Urgent Business Committee of 20 November 2025, the Committee instructed the Chief Officer - Corporate Landlord to formally report back to Council in June 2026 on the progress made and the available options to achieve the strategic objective of a developable site to include masterplanning impacts and CPO options.		Stephen Booth	Corporate Landlord	Families and Communities	Intro 6		
19	19th August 2026								
20	Council Diary 2027	To approve the Council diary for 2027.		Martyn Orchard	Governance	Corporate Services	18		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
21	Performance Management Framework 2026/27 Update	To present a revised Performance Management Framework reflecting the Local Outcome Improvement Plan and the Council's commissioning intentions, as set out within the Council Delivery Plan 2026/27.		Alex Paterson	Data Insights	Corporate Services	24.12		

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	10 December 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Treasury Management Strategy – Mid-Year Review
REPORT NUMBER	CORS/25/277
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Neil Stewart
TERMS OF REFERENCE	5 and 6

1. PURPOSE OF REPORT

- 1.1 To update the Council on Treasury Management activities undertaken to date, during financial year 2025/26.

2. RECOMMENDATION

That Council: -

- 2.1 Note the Treasury Management activities undertaken to date in the 2025/26 financial year as detailed in this report.

3. CURRENT SITUATION

Introduction

- 3.1 Historically, the Council's annual programme of capital investment has been funded by Treasury Management activities, such as additional long-term borrowing. It is a requirement of CIPFA "Code of Practice for Treasury Management in the Public Services" that Treasury Management is conducted in accordance with good professional practice, which this Council does.
- 3.2 The Council approved a Treasury Management policy for the financial years of 2025/26 to 2027/28 on 5 February 2025 Part of this policy is to report on Treasury Management activities undertaken during the financial year 2025/26 to date.

Treasury Management 2025/26

- 3.3 The following is a summary of the significant Treasury Management activities which were undertaken to date during financial year 2025/26: -
- 3.4 Long-Term Borrowing – Four new long-term Public Works Loan Board loans totalling £70m have been drawn down during this financial year to date. The

average rate of these loans is 4.45%, with an average life of 5 years. Substantial long-term borrowing was planned for this financial year, but market conditions have not been favourable. We remain open to the possibility of undertaking further longer-term borrowing, during this financial year.

- 3.5 Short-Term Borrowing - At the time of writing, the Council currently has c£329m of temporary borrowing from other local authorities. The average interest rate on these loans is 4.74%. Further borrowing of this type may be undertaken during the year as necessary, although long-term borrowing would be preferable.
- 3.6 North East Scotland Pension Fund – The Council's Loans Fund has an ongoing Temporary Loan from the North-East of Scotland Pension Fund. This represents the Pension Fund's excess level of cash funds on hand, which is driven by the Pension Fund's cashflow requirements. This Temporary Loan is a means of earning the Pension funds a fair short-term interest rate from these funds, rather than a means of borrowing for the Loans Fund. As at 4th November 2025, the balance of the temporary loan was £11.1m.
- 3.7 Investments - The Council currently has c£34m of Temporary Investments. These funds are invested across a range of highly rated Banks and Money Market Funds in line with the Council's current Counterparty List. The average rate of these investments is 4.05%.
- 3.8 Money Market Funds - Money Market Funds are AAA rated, short term pooled investment vehicles. They offer security, counterparty diversification, and instant access to funds, when required. The Council operates seven Money Market Fund accounts. These Money Market Fund accounts greatly assist the Council in spreading its Counterparty risk while also improving short-term cashflow liquidity.
- 3.9 Common Good Fund Investment - A decision was taken by the Council in 2021 to invest £30m of Common Good cash in a Multi-Asset Income fund, which generates greater income for the fund, when compared with traditional fixed-term bank deposits. Several funds were considered for this purpose, and after a period of meetings and further due diligence, the decision was taken to proceed with Fidelity International's Multi-Asset Income fund.
- 3.10 To date this fund has raised £5.37m in interest at an average rate of 4.21%.
- 3.11 Retail Price Index (RPI) – At the time of writing, the latest RPI rate (Sept 25) was 4.5%. The movements to this rate have particular relevance to the Council in relation to its 2016 Bond issuance. Increases in the RPI rate are used to calculate indexation, which is paid alongside half yearly repayments of the Bond debt.
- 3.12 Moody's Credit Rating - The annual review meeting regarding the Council's credit rating took place on 26th August. On 9th October 2025, Moodys confirmed it had made no changes to the Council's credit rating of A2, with a rating outlook of "stable". A copy of the Moody's Credit Opinion is attached at Appendix 1 for information.

4. FINANCIAL IMPLICATIONS

- 4.1 Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts on costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs. Whilst the level of borrowing a Council can undertake is now devolved from the Scottish Government to individual Councils, it will still be constrained by the requirement for capital investment to be affordable, sustainable, and prudent. The main test of affordability will be whether the capital financing costs can be contained within the revenue budgets.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report, however it should be noted that the issuance of the Bonds requires the Council to comply with the Market Abuse Regulations, the Disclosure and Transparency Rules, the Listing Rules and ongoing obligations as set out in the London Stock Exchange Admission and Disclosure Standards.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			
Compliance	No significant risks identified			
Operational	No significant risks identified			
Financial	Loss of deposit in a failed bank or financial institution	The Council has strict lending criteria, only financial institutions with the highest credit ratings are included on the Council's Counterparty list. The list is compiled in conjunction with the	L	Yes

		Council's Treasury Advisors.		
Reputational	No significant risks identified			
Environment / Climate	No significant risks identified			

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by Chief Officer - Finance that no Integrated Impact Assessment is required
Data Protection Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 CIPFA "Code of Practice for Treasury Management in the Public Services "
 CIPFA "The Prudential Code for Capital Finance in Local Authorities"
 Link Asset Services "Treasury Management Annual Investment Strategy"
 Scottish Government "The Investment of Money by Scottish Local Authorities"

11. APPENDICES

Appendix 1 – Moody's Credit Opinion

12. REPORT AUTHOR CONTACT DETAILS

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Tel	(01224) 067757

CREDIT OPINION

9 October 2025

Update



Send Your Feedback

RATINGS

Aberdeen City Council

Domicile	Aberdeen, United Kingdom
Long Term Rating	A2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Aberdeen City Council (UK)

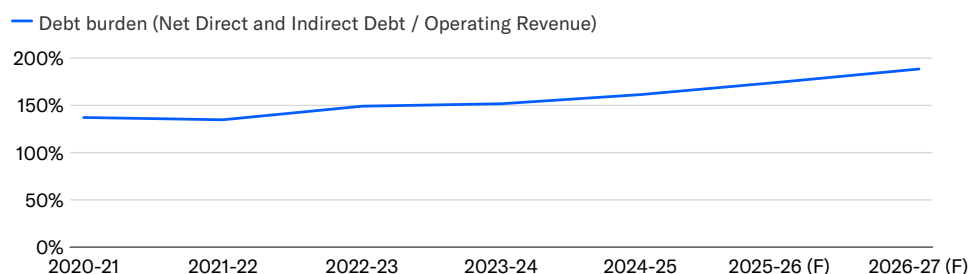
Update to credit analysis

Summary

The credit profile of [Aberdeen City Council](#) (Aberdeen, A2 stable) reflects a strong institutional framework, albeit with limited fiscal flexibility, a wealthy local economy and a good track record of operating performance, balanced by a high and increasing debt burden and some exposure to commercial property risks. Aberdeen's credit profile benefits from our assumption of a high likelihood that the government of the [UK](#) (Aa3 stable) would act in a timely manner to prevent a default.

Exhibit 1

We expect debt to continue rising over the next two years



Source: Aberdeen City Council and Moody's Ratings

Credit strengths

- » Good track record of financial performance despite medium-term pressures
- » Strong institutional framework for Scottish local authorities
- » Wealthy local economy but highly concentrated in the energy sector

Credit challenges

- » High and increasing debt levels, weighing on debt affordability
- » Higher risk appetite than peers through commercially-driven investments
- » Low reserves levels compared to rating peers

Rating outlook

The stable outlook reflects our view that Aberdeen will be able to manage current budgetary pressures without a material deterioration of its reserve buffers thanks to tight expenditure control and its good track record of financial management. It also reflects the stable outlook on the UK sovereign rating.

Factors that could lead to an upgrade

Upward pressure on the ratings could emerge if the sector's funding settlement aligns better with service demand and cost inflation, thereby supporting strong operating performance over the medium term. A decline in debt and a material increase in reserve buffers would also be positive for the ratings. An upgrade of the UK sovereign rating would also result in upward pressure on the ratings.

Factors that could lead to a downgrade

Downward pressure on the ratings could result from a sustained deterioration in operating performance and a material depletion of useable reserves or a material increase in debt levels beyond what we currently forecast. A downgrade of the UK sovereign rating or a sustained weakening of the UK's institutional framework and extraordinary support mechanisms for local authorities could also lead to downward pressure on the rating.

Key indicators

Exhibit 2

Aberdeen City Council	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26F	2026/27F
Net Direct and Indirect Debt / Operating Revenue (%)	137.2%	134.8%	149.1%	151.7%	161.4%	174.6%	188.5%
Interest Payments / Operating Revenue (%)	4.4%	4.6%	5.8%	6.5%	7.2%	7.3%	8.2%
Primary Operating Balance / Operating Revenue (%)	10.9%	7.8%	6.0%	6.3%	6.7%	4.6%	4.3%
Usable Reserves / Operating Revenue (%)	9.6%	12.4%	14.9%	13.9%	13.1%	12.5%	12.3%
Regional GDP Per Capita (£)	43,342	44,488	49,681	52,584	52,648	52,994	53,474
Short-Term Direct Debt / Direct Debt (%)	16.6%	15.7%	20.1%	23.9%	23.4%	20.0%	18.2%

Source: Aberdeen City Council and Moody's Ratings

Profile

Aberdeen is a local authority located in North East Scotland. Its main responsibilities include housing, education, adult and children social care, planning, waste management and local infrastructure. It is mostly funded by government grants, council tax, business rates and user fees.

Detailed credit considerations

Aberdeen's A2 ratings combine: (1) a Baseline Credit Assessment (BCA) of baa1; and (2) a high likelihood of extraordinary support from the UK government would act in a timely manner to prevent a default.

Baseline credit assessment

Good track record of financial performance despite medium-term pressures

Aberdeen exercises prudent financial planning, for example projecting no increases to revenue grant and non-domestic rates income and minimal increases in council tax income in its general fund medium-term plan. This is supported by recent assessments from the Accounts Commission. As a result, it has an established track record of good budgetary performance with an average primary operating surplus of 6% over the last three years. Aberdeen has also delivered significant savings over the last decade through transformation and service redesign. Aberdeen expects that £78 million in additional savings will be required between fiscal 2026 and 2030 in order to balance its budget, although part of this relates prudent assumptions around income growth described above.

Aberdeen faces pressures from increasing demand for services and we forecast the primary operating balance to deteriorate in the coming years. Spending on homelessness and children social care has seen the largest increase over the last few years. Spending pressures at the Integration Joint Board are also generating demands on Aberdeen's budgets with £4 million in fiscal 2025 to cover the IJB deficit following the use of all the board's available reserves and an additional £4 million approved for fiscal 2026.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Risks remain around remediation of Reinforced Autoclaved Aerated Concrete (RAAC) in over 500 council and private owned houses. The cost of repurchasing privately owned houses has now been included, with an estimate of £13 million, though a final position has not yet been reached and is therefore subject to uncertainty.

Strong institutional framework for Scottish local authorities

The institutional framework for UK local authorities is mature, highly developed and underpinned by a number of key pieces of legislation. The UK local authority system is one of the most centralised in Europe. This results in a close link between the policies and resources of the government and local authorities. Local government is a matter devolved to the Scottish government, resulting in a slightly different funding and regulatory model compared to England.

Scottish local authorities are supported by a stable institutional framework illustrated by the legal requirement to set a balanced budget; statutory codes of practice for capital spending, investments, treasury management and borrowing; and strong market access in the form of the PWLB, which also acts as the sector's lender of last resort. Similar to their English counterparts, grants, council taxes, business rates and user fees are the primary sources of revenue for Scottish local authorities. However, government grants make up a larger share of funding and can be spent more flexibly. Scottish local authorities are also more insulated from economic cycles as grant funding is adjusted to smooth fluctuations in business rates. However, we consider that fiscal flexibility has deteriorated due to consistently high expenditure pressures and funding levels that do not keep pace with cost inflation and demand.

Wealthy local economy but highly concentrated in the energy sector

Aberdeen has the highest GDP per capita in Scotland after Edinburgh, standing at £52,584 in 2023. This reflects the concentration of high value-added jobs, particularly in the energy sector. Aberdeen is a global centre for the oil and gas industry, which accounts for a quarter of employment and generates over 50% of gross value added in the North East of Scotland.

However, this high degree of concentration exposes the local economy to short-term fluctuations in the sector. Over the longer run, Scottish oil and gas production will decline due to the depletion of reserves and global efforts towards carbon transition. That said, Aberdeen's budget is relatively insulated from those economic fluctuations given the importance of government grants though population outflows would reduce the council tax base.

Diversification away from oil and gas will be key for Aberdeen's long-term economic prospects. Significant investment is underway in sectors such as green energy, life science and tourism. Aberdeen has been able to form partnerships with the private sector and receives ongoing support from the Scottish and UK governments towards economic diversification. The city was also chosen as the headquarter of Great British Energy, a state-owned renewable energy company.

High and increasing debt levels weighing on debt affordability

Aberdeen's debt burden is high, standing at 161% of operating revenue as of FYE2025. It increased rapidly over the last five years from 137% in FYE2021 to support its investment programme. We expect debt to increase further over the next three years to reach close to 200% of revenue by FYE2027. Aberdeen plans to invest £690 million over the period, of which 78% will be financed through borrowing. The main investment projects are related to town centre regeneration, schools and transport. However, we expect slippages in the delivery of its capital plans, which will likely lead to a slower debt increase than we currently forecast.

The majority of the council's debt is at long-dated maturities including PWLB loans (39% of total), a 38-year bond issued in 2016 (24%) and some LOBOs (5%). We also include in our definition of debt public-private partnership (PPP) contracts (7%) as well as leases (3%).

Aberdeen is more exposed to interest rate movements than peers with 22% of its borrowing being short-term. As a result, interest costs have increased and absorbed 7.2% of operating revenue in FY2025 up from 4.4% in FY2021. We expect debt affordability to deteriorate further in line with the expected increase in debt. In addition, its outstanding bond is linked to inflation, which exposes the council to inflation risks because only a limited proportion of its revenue increases with inflation. Elevated inflation over the last three years has added around £40 million (3.4% of operating revenue) to its debt stock in inflation premium.

Exposure to commercial properties remains elevated

Aberdeen has some exposure to commercial investments, demonstrating the council's higher risk appetite than a typical local authority. Aberdeen entered a 35-year finance lease in 2017 for the redevelopment of Marischal Square, consisting of a hotel, retail and office premises. The Event Complex Aberdeen (TECA), which comprises a multi-purpose arena, two hotels, car parking facilities and an anaerobic digestion plant, represents its largest risk exposure. The project was completed in 2019 at a cost of £425 million and is intended to support the diversification of Aberdeen's economy through leisure and business tourism. TECA is expected to contribute an additional 4.5 million visitors to the city, resulting in a £63 million gross value added by 2030. However, operations were significantly impacted by the pandemic and performance has been weaker than anticipated.

Aberdeen is exposed to fluctuations in commercial income from those projects although they remain a relatively minor portion of its budget at around 2% of gross operating revenues in FY2025. The council has also earmarked reserves that can be used to deal with commercial revenue volatility and is not planning any further commercial investments.

Low reserve levels compared to peers

Reserve levels are low compared to rated peers at 13% of operating revenue in fiscal 2025. We note that this is in line with the rest of Scotland where reserves tend to be lower given the more generous grant regime. Reserves significantly increased in the last five years reflecting one-off unspent grants received during the pandemic. Most of those reserves are earmarked for specific purposes and the extent to which they can be made available therefore varies. We forecast reserves to decline to fund some of the demands on its operating budget.

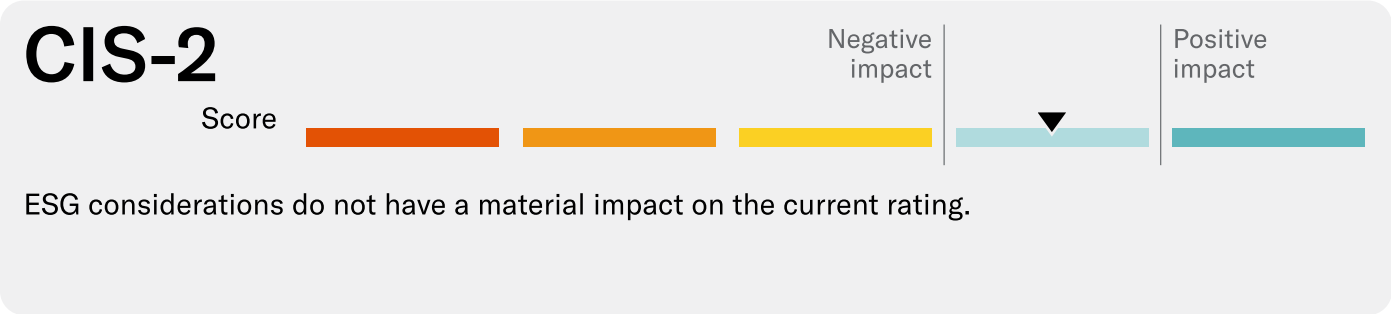
Extraordinary support considerations

We consider that there is a high likelihood that the UK government would intervene in a timely manner to prevent default. The UK government has regularly intervened when councils indicated a failure to balance budgets, providing the ability to fund operating deficits through capital sources, including borrowing. We note that those mechanisms remain untested in Scotland but it is our expectation they would be closely aligned to England. We also expect that PWLB would have the ability to act as lender of last resort in the event of severe liquidity stress in the sector.

ESG considerations

Aberdeen City Council's ESG credit impact score is CIS-2

Exhibit 3
ESG credit impact score



Source: Moody's Ratings

Aberdeen's **CIS-2** indicates that ESG risks have a limited impact on its ratings. Environmental risks are low although the concentration of its economy in the oil and gas sector poses long-term challenges. Its main exposure to social risks relates to housing risks, due to housing shortages and unaffordability, which increases housing expenditure. However, its strong governance mitigates the impact of these risks on its ratings.

Exhibit 4
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Aberdeen has limited exposure to environmental risks (**E-2**), which reflects a generally low exposure across most categories. However, the city is exposed to carbon transition risks due to its status as a global hub for the oil and gas sector. This high degree of concentration exposes the local economy to short-term fluctuations in the sector and will require significant investments to diversify away from fossil fuels. That said, its operating budget is relatively insulated from economic fluctuations and we expect that the private sector and the central and Scottish governments will fund most of the economic diversification efforts.

Social

Aberdeen has limited exposure to social risks (**S-2**), reflecting a generally low exposure across most categories. The one exception relates to housing, where Aberdeen is assessed to have a material exposure to risks due to the city's housing shortages and unaffordability. The lack of affordable housing directly impacts local authorities because of their statutory responsibility to supply housing for residents, consequently leading to increased expenditure pressures particularly on temporary accommodation.

Governance

Aberdeen has limited governance risks (**G-2**), reflecting its strong track record of budgetary management and high levels of transparency. However, these strengths are offset by a weakened institutional framework, characterised by limited fiscal flexibility, and increased debt and revenue risks due to investments in significant projects, such as a a multi-purpose arena and a mixed-use town centre development. As the owner, Aberdeen bears the responsibility for all revenue losses associated with these projects, although they constitute a relatively minor portion of its budget.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

For more detail on our approach to incorporating environmental, social and governance factors in credit analysis, please see our [cross-sector rating methodology](#).

Rating methodology and scorecard factors

The assigned BCA of baa1 is in line with the scorecard-indicated BCA.

For details about our rating approach, please refer to [Rating Methodology: Regional and Local Governments](#), 28 May 2024.

Exhibit 5

Aberdeen City Council Regional & Local Governments

Baseline Credit Assessment – Scorecard	Score	Value	Sub-factor Weighting	Sub-factor Score	Factor Weighting	Total
Factor 1: Economy					25%	1.34
Regional Income [1]	0.93	79157.76	15%	0.14		
Economic Growth	12.00	ba	5%	0.60		
Economic Diversification	12.00	ba	5%	0.60		
Factor 2: Institutional Framework and Governance					30%	2.25
Institutional Framework	6.00	a	15%	0.90		
Governance	9.00	baa	15%	1.35		
Factor 3: Financial Performance					20%	1.74
Operating Margin [2]	9.49	6.69%	10%	0.95		
Liquidity Ratio [3]	12.91	5.98%	5%	0.65		
Ease of Access to Funding	3.00	aa	5%	0.15		
Factor 4: Leverage					25%	2.78
Debt Burden [4]	10.07	161.43%	15%	1.51		
Interest Burden [5]	12.71	7.21%	10%	1.27		
Preliminary BCA Scorecard-Indicated Outcome (SIO)						(8.12) baa1
Idiosyncratic Notching						0.0
Preliminary BCA SIO After Idiosyncratic Notching						(8.12) baa1
Sovereign Rating Threshold						Aa3
Operating Environment Notching						0.0
BCA Scorecard-Indicated Outcome						(8.12) baa1
Assigned BCA						baa1

[1] Regional GDP per capita in terms of purchasing power parity (PPP) terms, in international dollars

[2] Primary Operating Balance / Operating Revenue

[3] Cash and Cash Equivalents / Operating Revenue

[4] Net Direct and Indirect Debt / Operating Revenue

[5] Interest Payments / Operating Revenue

Source: Moody's Ratings; Fiscal 2024.

Ratings

Exhibit 6

Category	Moody's Rating
ABERDEEN CITY COUNCIL	
Outlook	Stable
Baseline Credit Assessment	baa1
Issuer Rating -Dom Curr	A2
Senior Unsecured -Dom Curr	A2

Source: Moody's Ratings

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	10 December 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Governance Review of Trusts – 2025 Update
REPORT NUMBER	CORS/25/283
EXECUTIVE DIRECTOR	Andy MacDonald and Gale Beattie
CHIEF OFFICER	Jenni Lawson and Julie Wood
REPORT AUTHOR	Steven Inglis and Helen Fothergill
TERMS OF REFERENCE	10

1. PURPOSE OF REPORT

- 1.1 To provide an update on activity in relation to trusts to which the Council is connected.

2. RECOMMENDATIONS

That the Council:-

- 2.1 notes the establishment of Aberdeen Archives, Gallery & Museums Trust (charity number SC054643);
- 2.2 notes the other activity, as detailed in this report, in relation to trusts to which the Council is connected; and
- 2.3 instructs the Chief Officer – Governance to bring a report to Council no later than December 2026 on future activity in relation to trusts to which the Council is connected.

3. CURRENT SITUATION

- 3.1 On 17 February 2025, following deferral from its meeting of 11 December 2024, Council considered a report on activity in relation to trusts to which the Council is connected, agreed the establishment of a new charitable trust (to be known as “Aberdeen Archives, Gallery & Museums Trust”) and agreed or instructed various actions in relation to that proposed new trust and the Alexander Macdonald Bequest. Council also instructed the Chief Officer – Governance to, as appropriate, bring a report to Council and/or provide a service update to elected members no later than December 2025 on future activity in relation to trusts to which the Council is connected.
- 3.2 This report provides the requisite update on such trusts, as listed in Appendices A – D. In those Appendices, the Balance Sheet Value for a fund represents its total funds (including the value of any investments) whereas the Revenue Value is the useable cash amount which is readily available for disbursement. The Balance Sheet Value includes the Revenue Value. In this report, the term

“trusts” is used for convenience but also includes reference to bequests and the like.

Aberdeen Archives, Gallery & Museums Trust (charity number SC054643)

- 3.3 Following the Council’s submission of the necessary application, and a copy of the constitution (trust deed) in the form approved by Council on 17 February 2025 and as duly executed on 30 September 2025, OSCR on 14 October 2025 entered Aberdeen Archives, Gallery & Museums Trust in the Scottish Charity Register. It can now be found on OSCR’s website at: <https://www.oscr.org.uk/about-charities/search-the-register/charity-details?number=SC054643>.
- 3.4 In summary, and in accordance with the Council decision of 17 February 2025, the purposes of this new trust support the whole operation and delivery of the Aberdeen Archives, Gallery and Museums and the Council is named as sole trustee thereof. The Chief Officer – City Development and Regeneration is the lead Council officer in respect of this trust and the Chief Officer – Governance and the Chief Officer – Finance are respectively the secretary and treasurer. Reference is made to the Powers Delegated to Officers mentioned under the “Disbursements” header below.
- 3.5 Finance are now arranging for this new trust to be registered with HMRC in order to enable gift aid to be claimed on donations. All public donation boxes and digital "tap-to-give" devices on AAGM premises are now being updated to reflect this new destination for donation income and officers will establish appropriate management arrangements for cash donations in order to comply with OSCR requirements and the Council’s Financial Regulations - including in relation to the production of gift aid envelopes, prominent display of the trust’s details, management of personal data in line with data protection legislation and the processing of gift aid recovery.

Disbursements

- 3.6 In terms of the Council’s Powers Delegated to Officers (General Delegations to Chief Officers no.46), Chief Officers have the power to approve the making of payments from the funds of trusts in respect of which the Council is sole trustee and they are the lead Council officer - following consultation with the Chief Officer – Finance and provided always that such payments are in accordance with the relevant trust deeds. The lead Council officers for the different classifications of trust are as follows:
- Educational Trusts: Chief Officer - Education & Lifelong Learning
 - Children’s Social Work Trusts: Chief Officer – Children’s Social Work & Family Support
 - Adult Social Work Trusts: Chief Officer – Aberdeen City Health and Social Care Partnership
 - Arts & Culture Trusts: Chief Officer - City Development & Regeneration
- 3.7 Similarly, under General Delegation no.47, Chief Officers have the power to, following consultation with the Chief Officer - Finance, accept monetary gifts,

endowments, bequests and donations which relate to their remit as Chief Officer and to approve the expenditure of same - in accordance with any terms applying thereto.

- 3.8 Details of disbursements from funds over the past year are provided in Appendix E.

Alexander Macdonald Bequest (charity number SC018568)

- 3.9 In accordance with the Council decision of 17 February 2025, officers submitted an application to OSCR on 26 September 2025 in respect of the Alexander Macdonald Bequest - in order to permit the expenditure of its total remaining funds (capital and revenue) on artworks in terms of the trust deed's provisions and the subsequent winding-up of this charitable trust. OSCR are considering the application and have advised that the whole process can take between 6 - 9 months.

Internal Audit Report

- 3.10 In January 2025, Internal Audit completed an audit concerning trusts administered by the Council. *Internal Report AC2510 – Trusts and Common Good Fund* was considered by the Audit, Risk and Scrutiny Committee on 20 February 2025. The report provided an overall opinion that “*There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited*”. In response to the recommendations, officers have produced more comprehensive written procedures around disbursements.

4. FINANCIAL IMPLICATIONS

- 4.1 Officer resource (from Aberdeen Archives, Gallery & Museums, Finance and Legal Services) will be required to administer the new charitable trust. The efficient and effective management of the trusts referred to in this report will maximise the funds available for expenditure on the trust purposes. The trusts provide an opportunity for delivering additional benefit to the city and its people. However the trust funds do not represent a recurring income source to support the discharge of the Council's core statutory duties.

5. LEGAL IMPLICATIONS

- 5.1 Charitable trusts require to operate in compliance with charity law and trust law. Non-charitable trusts must operate in compliance with trust law. This report details activity and proposed activity intended to support compliance and sound governance.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified	N/A	N/A	N/A
Compliance	If a trustee fails to comply with their legal duties, they may be held responsible for resultant losses and OSCR may take action against them.	This report supports compliance and officers from Legal Services and Finance provide appropriate advice.	L	Yes
Operational	Risk of gift aid rules not being followed.	Implementation of appropriate procedures and staff training.	L	Yes
Financial	Failure to maximise and make best use of the available funds for trust purposes.	This report supports members' oversight of the use of such funds.	L	Yes
Reputational	Failure to comply with legal duties may lead to adverse publicity.	This report supports compliance.	L	Yes
Environment / Climate	No significant risks identified	N/A	N/A	N/A

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<i>A Vibrant City – “We will work tirelessly to make Aberdeen a more attractive place to live, work, study and visit with a vibrant cultural offering”.</i>

<u>Working in Partnership for Aberdeen</u>	More generally, the purposes of existing trusts support overall objectives such as Supporting People with the Cost of Living, A City of Opportunity, A Vibrant City and An Active City.
<u>Local Outcome Improvement Plan 2016-2026</u>	
Prosperous Economy Stretch Outcomes	Purposes of existing trusts support the delivery of LOIP outcomes.
Prosperous People Stretch Outcomes	Same as above.
Prosperous Place Stretch Outcomes	Same as above.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Previous Integrated Impact Assessment relating to the proposal for the new charitable trust (completed for the Governance Review of Trusts – 2024 Update report) has been reviewed and no changes are required.
Data Protection Impact Assessment	Officers will undertake a Data Protection Impact Assessment concerning the processing of gift aid in relation to the new charitable trust.
Other	Not required

10. BACKGROUND PAPERS

- 10.1 [Governance Review of Trusts - 2024 Update \(item 5\)](#)
10.2 [Internal Audit Report AC2510 – Trusts and Common Good Fund \(item 14\)](#)

11. APPENDICES

- 11.1 Appendix A – Educational Trusts
11.2 Appendix B – Children’s Social Work Trusts
11.3 Appendix C – Adult Social Work Trusts
11.4 Appendix D – Arts & Culture Trusts
11.5 Appendix E – Details of Disbursements

12. REPORT AUTHOR CONTACT DETAILS

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APPENDIX A - EDUCATIONAL TRUSTS - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.								
Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2025	Revenue Value 31 March 2025	Assets	Beneficiary
Aberdeen Institution for Deaf and Dumb Fund (part of EEIF)	For the benefit of Aberdeen School for the Deaf	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£83,567	£31,156	Share of listed investments and cash in Loans Fund.	Aberdeen School for the Deaf
Mrs Athol Benzie Prize Fund (part of EEIF)	For best all-round pupil in the fifth year at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£4,313	£1,539	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Miss Bessie Heriot Prize Fund (part of EEIF)	For prize to best girl at Kaimhill Secondary School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£8,057	£2,953	Share of listed investments and cash in Loans Fund.	Harlaw Academy
Dr Charles McLeod Trust (part of EEIF)	For purchase of books on Physical Science and Astronomy at Aberdeen Grammar School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,308	£1,212	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
	Free annual revenue of the Trust to be applied for the following purposes:- (a) relieving financial hardship among the Burgesses of Guild of Aberdeen present and future and their widows or widowers and families (including without prejudice to the foregoing generality children of deceased Burgesses of Guild at Aberdeen) by the payment of annuities of such amounts as the Trustee in their absolute discretion may determine; and (b) assisting by means of grants or scholarships of such number and amounts as the Trustee in their absolute discretion (following consultation with the Lord Dean of Guild and her/his Assessors) may determine; (f) persons born or habitually resident in the city of Aberdeen who are prevented or inhibited from pursuing their educational or career goals due to financial circumstances or who are intending to undertake educational or vocational training courses or otherwise to further their proposed careers; or (ii) organisations or collective groups which are operating in the city of Aberdeen and undertaking, or intending to undertake, educational initiatives....							
City of Aberdeen Council Guildry and Mortification Funds	(see trust deed for more detail)	Yes	SC011857	Trust Deed dated 25 May 2023	£2,939,989	£1,336,966	£1.603m in land and buildings, £1,337m in Loans Fund.	See column B
Corporation Prize Fund (part of EEIF)	For school prizes	No	N/A	Not known	£575,718	£216,433	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen school
D M Andrew Bequest (part of EEIF)	For prize in Classics at Aberdeen Grammar School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£20,434	£7,489	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Dr Duncan B Heriot Prize Fund	For prizes in English and History at Aberdeen Academy	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£4,012	£1,467	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Dr Duncan B Heriot Prize Fund (part of EEIF)	For prize to best boy at Kaimhill Secondary School	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£8,160	£3,068	Share of listed investments and cash in Loans Fund.	Harlaw Academy
Edith and David R Bishop Prize Fund (part of EEIF)	For prize or prizes to pupil or pupils of Aberdeen Grammar School selected by the Rector	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£6,024	£2,208	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Miss Elizabeth H Bain Bequest (part of EEIF)	For music tuition and for instruments to pupils in city schools	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£125,621	£108,796	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Miss Elizabeth M M Laing Prize (part of EEIF)	Prize for best pupil in French in the Third Year at Aberdeen Academy	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£621	£196	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Dr George MacKenzie Prize Fund (part of EEIF)	For prize to best pupil in German in Aberdeen Academy.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,131	£1,106	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Miss H Shepherd Bequest (part of EEIF)	For annual award to the head boy and head girl at Torry Academy.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£7,361	£2,767	Share of listed investments and cash in Loans Fund.	Lochside Academy
James Findlay Prize Fund (known as James Findlay Bursary Fund) (part of EEIF)	Annual prize or prizes to a student or students attending Aberdeen College in teaching practice and before awarding shall consult the Principal of the College	No	N/A	Trust Disposition and Settlement dated 06/05/1925, and registered in the Books of Council and Session on 02/11/1926, and Deed of Agreement dated January 1928	£48,243	£18,136	Share of listed investments and cash in Loans Fund.	North East Scotland College/University of Aberdeen
Jane Cable Smart Bequest (part of EEIF)	For prize(s) to most promising pupil(s) in Music at Skene Square School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£13,774	£5,178	Share of listed investments and cash in Loans Fund.	Skene Square School
Jessie Durno Prize Fund (part of EEIF)	For prize in Mathematics at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£11,346	£4,117	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
John M Robertson Memorial Prize Fund (part of EEIF)	For prize to best pupil in commercial subjects at Aberdeen Grammar School.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£2,305	£845	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Kenneth Macintosh Bequest (part of EEIF)	For paying or supplementing the expenses of pupils of Aberdeen Grammar School who might otherwise be unable to afford the cost of school trips abroad or elsewhere	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£19,511	£7,151	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Lands of Torry	Free annual revenue of the Trust to be paid as follows:- (a) 51% to the Aberdeen City Common Good Fund; and (b) 49% to the University of Aberdeen Bursary Fund.	Yes	SC021299	Trust Deed dated 25 October 2023	£2,393,043	£2,016	£2.368m in lands and buildings.	Aberdeen City Common Good Fund; and University of Aberdeen Bursary Fund.
Liddle Prize Fund (known as Alexander Kilgour Fund) (part of EEIF)	For Liddle prize, which may take the form of a medal, to an undergraduate at University of Aberdeen for best composition in Latin and Greek. Conditions governing the award shall be determined by the Professors in the Faculty of Arts.	No	N/A	Letter setting up trust purposes dated 05/10/1857	£104,355	£39,231	Share of listed investments and cash in Loans Fund.	University of Aberdeen
Miss Lizzie L Milne Prize Fund (part of EEIF)	For prize in all-round excellence to pupil in senior classes at Ashley Road School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£8,967	£3,371	Share of listed investments and cash in Loans Fund.	Ashley Road School
Logie Pirie Scholarship Fund (part of EEIF)	For the benefit of schools in the Dyce, Bucksburn area	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£38,641	£7,999	Share of listed investments and cash in Loans Fund.	Bucksburn Academy, Stoneywood School, Brimmond School, Kingswells School, Dyce School and Dyce Academy
Miss Lucy Cruickshank Prize Fund (part of EEIF)	For prize to best pupil or pupils in French and German at High School for Girls.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£31,794	£11,653	Share of listed investments and cash in Loans Fund.	Harlaw Academy
Miss M S Smith Prize Fund (part of EEIF)	For prize or prizes for proficiency in art or handicrafts at Ashley Road School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£7,047	£2,649	Share of listed investments and cash in Loans Fund.	Ashley Road School
Miss Margaret C Harper Prize Fund (part of EEIF)	For prize to best pupil in German at Aberdeen Academy.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£1,174	£389	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Margaret Duthie Memorial Prize Fund (part of EEIF)	For pupil showing the greatest endeavour at Dyce School.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£12,937	£4,741	Share of listed investments and cash in Loans Fund.	Dyce Primary School

Mary Durno Prize Fund (part of EEIF)	For prize in English at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£18,423	£6,711	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Mary Thomson Scottish Poetry Prize	For the three best reciters of a Scottish poem at Cults Primary School, Cults Academy, Harlaw Academy and Rubislaw Academy.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£10,897	£4,097	Share of listed investments and cash in Loans Fund.	Cults School, Cults Academy, Harlaw Academy and Aberdeen Grammar
Mrs Mina Brooks Memorial Prize (part of EEIF)	For prizes for children's theatre	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,275	£1,200	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Murray Pictures Prize Fund	Promoting knowledge and love of art among children of the City. Circulating the Murray Circulating Collection among educational establishments in the City. Council to award annual prizes and certificates to pupils attending schools in the City for the most meritorious essays on pictures in the collection and to publish any essay of exceptional merit.	No	N/A	Aberdeen Educational Endowments Scheme 1934	£54,648	£20,544	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Norman Moy Prize	Prize for the best jazz musician in Aberdeen schools.	No	N/A	Trust Deed of 2016	£10,441	£3,925	All Funds in ACC Loans Fund.	Available to all school students in Aberdeen schools.
Primary and Intermediate Schools Sports Fund (part of EEIF)	General use in relation to sport.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£25,871	£2,746	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
35.9% of Rose Hip Fund (part of EEIF)	To be used at the discretion of the officer appointed by Aberdeen City Council for the purpose.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1997	£1,550	£583	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
St Fittick Aberdeen Rotary Club Prize (part of EEIF)	For prizes to pupils at Torry Secondary School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1998	£2,174	£817	Share of listed investments and cash in Loans Fund.	Lochside Academy
William C B Thomson Memorial Fund (part of EEIF)	For prizes in art at Northfield Secondary School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1999	£4,728	£1,777	Share of listed investments and cash in Loans Fund.	Northfield Academy
William Meston Bursary Fund (part of EEIF)	For bursary to pupil of merit at Culter School undertaking a secondary course.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 2000	£34,586	£12,676	Share of listed investments and cash in Loans Fund.	Culter Primary School
				Total:	£6,650,046	£1,879,908		

APPENDIX B - CHILDREN'S SOCIAL WORK TRUSTS - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.

Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2025	Revenue Value 31 March 2025	Assets	Beneficiary
A. McKay Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£686	£83	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Angus Taylor Donations (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£657	£247	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Befriending Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£4,620	£1,737	Share of listed investments and cash in Loans Fund.	BeFriend a Child or The Aberdeen City Befriending Partnership
Disabled Living Centre (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£8,543	£3,211	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Donations Social Work Director (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£4,253	£512	Share of listed investments and cash in Loans Fund.	Care Leavers
Dyce Handicapped Children Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£3,241	£1,218	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Friends of Neo Natal Unit (part of EEIF)	To provide comforts for users of the named service.	No	N/A	Not known	£979	£368	Share of listed investments and cash in Loans Fund.	Aberdeen Maternity Hospital
Lewis J. Smith Bequest (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£1,252	£471	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Social Work Dept. Training Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£2,454	£922	Share of listed investments and cash in Loans Fund.	Kinship Carers
The Richard Garden Trust (part of EEIF)	To support the families of children with head or spinal injuries.	No	N/A	Not known	£39,240	£14,752	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Westburn Comforts Fund (part of EEIF)	To provide comforts for residents at the named home.	No	N/A	Not known	£2,489	£936	Share of listed investments and cash in Loans Fund.	Westburn Centre
				Total:	£68,414	£24,457		

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APPENDIX C - ADULT SOCIAL WORK TRUSTS - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.

Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2025	Revenue Value 31 March 2025	Assets	Beneficiary
Aberdon Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£3,266	£1,228	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen that support people with far end dementia
Albyn Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£42,717	£16,059	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Agnes Park Legacy (part of EEIF)	To provide comfort at homes for the Elderly	No	N/A	Not known	£14,107	£5,303	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Balnagask Home Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£8,681	£3,263	Share of listed investments and cash in Loans Fund.	Balnagask House Care Home
Croft House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£12,127	£4,559	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Elizabeth M. M. Laing (part of EEIF)	To provide comfort at homes for the Elderly	No	N/A	Not known	£1,304	£413	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Fergus House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£21,771	£8,185	Share of listed investments and cash in Loans Fund.	Fergus House Care Home
Ferryhill House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£9,628	£3,619	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Friends of Balnagask Court (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£771	£290	Share of listed investments and cash in Loans Fund.	Sheltered housing residents in or near the areas surrounding Balnagask Court
Gladys Pickman	For the use of Aberdon House.	No	N/A	Not known	£13,064	£13,064	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen that support people with far end dementia
Horizon Amenity Fund (part of EEIF)	For the benefit of users of the service	No	N/A	Not known	£3,517	£1,322	Share of listed investments and cash in Loans Fund.	Horizons Rehabilitation Centre
M J Elliot Trust (part of EEIF)	For the benefit of users of Rosehill House	No	N/A	Not known	£45,551	£17,124	Share of listed investments and cash in Loans Fund.	Day Care providers with the City of Aberdeen.
Northfield Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£19,945	£7,498	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Park House Amenity Fund (part of EEIF)	For the benefit of users of the service	No	N/A	Not known	£810	£304	Share of listed investments and cash in Loans Fund.	Sheltered housing residents in or near the area.
Polmuir Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£104,410	£39,252	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Rosewell Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£13,691	£5,147	Share of listed investments and cash in Loans Fund.	Rosewell House Rehabilitation Unit
Social Work Dept. Mental Health Training (part of EEIF)	To be used at discretion of Director of Social Work	No	N/A	Not known	£8,697	£1,390	Share of listed investments and cash in Loans Fund.	Social Workers within Aberdeen City Council's Social Work Department
Thorngrove Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£5,167	£1,942	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen

Victoria House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£55,203	£20,753	Share of listed investments and cash in Loans Fund.	Homeless people/Housing First Project
Westbank Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£396	£149	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
				Total:	£384,823	£150,864		

APPENDIX D - ARTS & CULTURE TRUSTS - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.								
Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2025	Revenue Value 31 March 2025	Assets	Beneficiary
Aberdeen Archives, Gallery & Museums Trust	For the advancement of the arts, heritage and culture and the advancement of education by: (a) facilitating and encouraging engagement by members of the public with the collections and services of Aberdeen Archives, Gallery and Museums; (b) caring for, storing, preserving, researching, developing, displaying and interpreting the collections of Aberdeen Archives, Gallery and Museums; (c) acquiring works of art and objects of artistic, heritage or cultural value for the collections of Aberdeen Archives, Gallery and Museums; and (d) improving physical, sensory and intellectual access to the collections and services of Aberdeen Archives, Gallery and Museums.	Yes	SC054643	Trust Deed dated 30 September 2025	N/A	N/A	N/A	Aberdeen Archives, Gallery and Museums
Aberdeen Art Gallery Trusts	The advancement of the arts by providing for the purchase of works of art for the collection of Aberdeen Art Gallery & Museum	Yes	SC018575	Trust Deed dated 10 March 2014	£405,072	£405,072	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Aberdeen Bulawayo Trust	The purpose of the Trust shall be to relieve poverty among the inhabitants of the City of Bulawayo, Zimbabwe	Yes	SC009373	Trust Deed dated 1 March 1989	£255	£255	All Funds in ACC Loans Fund. Trust Income is solely a grant from the Common Good Fund.	City of Bulawayo, Zimbabwe
Aberdeen Gornal Trust	To assist the city of Gornal and Gornal Oblast in Byelorussia	No	N/A	Trust Deed dated 28 May 1994	£3,686	£3,680	All Funds in ACC Loans Fund.	City of Gornal and Gornal Oblast in Byelorussia. Activities currently suspended.
Alexander Macdonald Bequest	<i>"the purchase of paintings, as a matter of preference, but it shall be optional to make an occasional purchase of a piece of statuary". See the Trust Disposition and Deed of Settlement for further stipulations, including that "no pictures painted more than twenty-five years before the date of purchase shall be eligible...."</i> and that an Art Committee be appointed to select the works of art. This is the Macdonald Art Committee.	Yes	SC018568	Trust Disposition and Deed of Settlement dated 11 December 1882	£33,683	£8,643	All Funds in the ACC Loans Fund.	Aberdeen Art Gallery & Museum
Bridges of Aberdeen Heritage Trust	To advance heritage	Yes	SC018551	Trust Deed dated 14 November 2016. Name subsequently changed from Bridge of Don Fund to Bridges of Aberdeen Heritage Trust in May 2021.	£1,413,156	£360,889	£1.1m investment in Lands of Skene and £270k in ACC Loans Fund.	Citizens of Aberdeen City
Cole Bequest	For the benefit of Aberdeen Art Gallery	No	N/A	Not known	£8,540	£8,540	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Elsie M Byrne	For the benefit of Aberdeen Art Gallery	No	N/A	Not known	£10,278	£10,278	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Glover House Trustees Ltd	Sole trustee of Grampian-Japan Trust which owns Glover House	No	Company Limited by Guarantee (company number SC503243)	Articles of Association	£1	£1	All Funds in ACC Loans Fund	N/A
Grampian-Japan Trust	Various purposes related to the historical links between Grampian Region and Thomas Blake Glover and the development of industry in Japan	No	N/A	Declaration of Trust dated 20 March 1996 (as subsequently varied in 2012 and 2015)	£453,000	£0	Sole Asset is the property at Glover House, Bridge of Don, Aberdeen	North-East of Scotland and Japan
John M Henderson Bequest (part of EEIF)	To enabling Libraries to expend funds on music download services	Yes	SC025063 (part of Aberdeen City Council Charitable Trusts, known as EEIF)	Revised constitution adopted in 2015.	£1,318	£483	Share of listed investments and cash in Loans Fund.	Libraries within the City of Aberdeen.
Lands of Skene	Free annual revenue of the Trust to be paid as follows:- (a) 40% to City of Aberdeen Council Guildry & Mortification Funds, charity number SC011857; (b) 30% to Bridges of Aberdeen Heritage Trust, charity number SC018551; and (c) 30% to the Aberdeen City Common Good Fund.	Yes	SC018533	Trust Deed dated 25 October 2023	£4,007,560	£2,529,277	£1.474M in land and buildings and £2.5M in ACC Loans Fund.	City of Aberdeen Council Guildry & Mortification Funds, Bridges of Aberdeen Heritage Trust and Aberdeen City Common Good Fund.
M Mowat & G Davidson	Upholding Ardo's Tomb 1662	No	N/A	Will from 1740	£926	£926	All Funds in ACC Loans Fund.	Ardo's tomb, St Nicholas' Church

Marguerite McBey Trust	To advance the education of the people of Aberdeen and others through promotion and support of the arts by the protection, conservation and development of the Fine Art collection at the Aberdeen Art Gallery	Yes	SC031654	Trust Deed dated 10 May 2001	£531,509	£533,009	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum	
Miss Hilda B S Duthie Bequest	For the benefit of Aberdeen Maritime Museum.	No	N/A	Letter from Miss Duthie's solicitors dated 09/08/1991. No restrictions on retaining any set capital sum	£2,163	£2,163	All Funds in ACC Loans Fund.	Maritime Museum	
Molly Craig Fund	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may from time to time determine	No	N/A	Not known	£2,122	£798	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen	
Mrs McBey Fund No.1	To improve the permanent collection of Aberdeen Art Gallery by acquisition or commission upon report by the City Arts and Recreation Officer or his successor	No	N/A	Not known but referred to in minute of City of Aberdeen District Council Arts & Recreation (Art Gallery & Museums) Sub-Committee of 16 December 1994.	£3,170	£3,170	All Funds in ACC Loans Fund	Aberdeen Art Gallery & Museum	
Mrs Vera R E Taylor	Maritime Museum display	No	N/A	Not known	£17,817	£17,817	All Funds in ACC Loans Fund.	Maritime Museum	
Proctor's Orphanage Trust	To award quarterly grant payments to VSA for the benefit of children and families in Aberdeen City and Aberdeenshire	No	N/A	Disposition dated 1892 (as subsequently varied)	Not Known	£36,641	N/A	VSA	
Rickart (Richard) Mortification Fund	In 1740 John Richard left £12 to be invested with interest to be used for the perpetual maintenance of Richard's Tomb	No	N/A	Will from 1740	£59,657	£59,657	All Funds in ACC Loans Fund.	Richard's Tomb located in the centre of the west wall of the St Nicholas Kirkyard	
Robert Skene Matthew Bequest	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may, from time to time determine	No	N/A	Not known	£22,192	£8,343	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen	
Stewart Reid Memorial Fund	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may from time to time determine.	No	N/A	Not known	£3,406	£1,280	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen	
The Lord Provost's Charitable Trust	To distribute funds to such recognised Scottish charities operating within the City of Aberdeen as the Trustees may from time to time determine to be applied by the said charities for such purposes as the Trustees in their absolute discretion may specify.	Yes	SC028829	Trust Deed from 1999	£1,981	£3,642	Loans Fund Balance	Recognised Scottish charities operating within the City of Aberdeen	
Total:					£6,981,492	£3,994,564			

Governance Review of Trusts - 2025 Update

APPENDIX E – DETAILS OF DISBURSEMENTS

Educational Trusts (Appendix A)

There are 37 Educational Trusts with a total Balance Sheet Value of £6,650,046 (as at 31 March 2025), which in summary have purposes supporting the advancement of education in Aberdeen. That sum includes a total Revenue Value of £1,879,908.

In terms of the Powers Delegated to Officers, the Chief Officer – Education & Lifelong Learning has approved the following expenditure:

£150 in total (£30 for each prize) from various prize funds - for funding Hazlehead Academy's school prizes in summer 2025 - as follows:

- Jessie Durno Prize Fund (Mathematics)
- Margaret C Harper Prize Fund (best pupil in German)
- Elizabeth MM Laing Prize (best pupil in French)
- Mary Durno Prize Fund (English)
- Duncan B Heriot Prize Fund (English and History)

Children's Social Work Trusts (Appendix B)

There are 11 Children's Social Work Trusts with a total Balance Sheet Value of £68,414 (as at 31 March 2025), which in summary have been established to support the delivery of children's social work services. That sum includes a total Revenue Value of £24,457.

Adult Social Work Trusts (Appendix C)

There are 20 Adult Social Work Trusts with a total Balance Sheet Value of £384,823 (as at 31 March 2025), which in summary relate to specific adult social work functions or specific residential homes. That sum includes a total Revenue Value of £150,864.

Arts & Culture Trusts (Appendix D)

There are 23 Arts & Culture Trusts with a total Balance Sheet Value of £6,981,492 (as at 31 March 2025). That sum includes a total Revenue Value of £3,994,564.

In terms of the Powers Delegated to Officers, the Chief Officer – City Development & Regeneration, at the request of the Council's Aberdeen Archives, Gallery & Museums Service (AAGM), has approved the following expenditure:

From the Aberdeen Art Gallery Trusts (charity number SC018575)

- £500 to purchase a portrait painting of the footballer Denis Law by Aberdeen artist Dod Dow. This portrait depicts Denis Law in five well-known images from his illustrious footballing career. The purchase will enhance AAGM's permanent collection and fits within AAGM Collections Development Policy priority themes such as *Contemporary or historical significance, Local significance and provenance to Aberdeen* and *Enhancement of existing holdings*. Denis Law is one of Aberdeen's greatest icons and received the Freedom of the City in 2017. He is the only Scottish football player to have won the prestigious FIFA Ballon d'Or. There was hitherto nothing in the AAGM collection that directly represents Denis Law. This acquisition is an opportunity to tell the story of the local pride felt for one of Aberdeen's and football's icons.
- £5,278.04 towards the purchase of *Low Winter Sun: Linkshouse Window* (2023) by Victoria Crowe. This painting shows the Scottish coastline reflected in a kitchen window at Linkshouse in Orkney. The purchase will enhance AAGM's permanent collection and fits within the priority theme of "energy, environment, and local economy", whereby AAGM seeks to collect "*work that explores the Scottish landscape, created by living artists, with particular focus on the North–East coastline and the presence of humans in the natural environment.*" This painting blends a domestic setting with landscape, and the presence of humans in the natural environment is seen through the inclusion of plastic caught on the empty branches of a rose bush.

From the Mrs Vera R E Taylor Fund

- £7,712.08 to facilitate the display of the *Tales of the Tall Ships* exhibition in Aberdeen Maritime Museum, by allowing the gallery to be re-decorated, including joinery work to increase the available wall display space for museum objects; and to facilitate in the same venue the temporary Aberdeen-built ships research exhibition *Ship Shapes*, which explores how the size, shape and design of the many different types of vessels constructed in Aberdeen's historic shipyards relates to their roles and functions. These new exhibitions and museum experiences tied in with Aberdeen hosting the Tall Ships Races 2025.
- £245 for printed treasure hunt guides to support and interpret a series of ceramic characters (created by the artist Joe Morgan) which have been placed around Aberdeen Maritime Museum to encourage families and visitors with young children to explore the pre-existing displays, objects and stories across the museum site. Self-led resources like this help children to focus and engage and slow down the pace of a visit, leading to more meaningful encounters with collections and display stories.

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	4 February 2026
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Treasury Management Policy
REPORT NUMBER	CORS/26/002
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Lesley Fullerton
TERMS OF REFERENCE	5 and 6

1. PURPOSE OF REPORT

- 1.1 To outline the Council's Treasury Management Policy for 2026/27 to 2028/29, for approval.

2. RECOMMENDATION

That Council: -

- 2.1 Approve the Council's Treasury Management Policy, including the Treasury Management Policy Statement, Borrowing Policy, Investment Policy and Counterparty list, for 2026/27 to 2028/29 as detailed at **Appendix 1**.

3. CURRENT SITUATION

Introduction

- 3.1 The Council approved a Treasury Management Policy for the financial years 2025/26 to 2027/28 on 16 April 2025. Part of this policy is to report annually on a policy which covers future financial years. A final report reviewing Treasury Management activities for the year, as well as a mid-year review report, will also be presented to full Council, in due course.
- 3.2 Councils are required by the Local Government Capital Expenditure Limits (Scotland) Regulations 2004 to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Finance in Local Authorities ("the Code") when carrying out their duties under part 7 of the Local Government in Scotland Act 2003.
- 3.3 It is a requirement of this Code that Treasury Management is carried out in accordance with good professional practice. The Code requires compliance with the CIPFA "Code of Practice for Treasury Management in the Public Services", which this Council does. The CIPFA Code of Practice states that Treasury Management reports must be approved by full Council.

- 3.4 Historically, the Council's annual programme of capital investment has been funded by Treasury Management activities, such as additional long-term borrowing.

Treasury Management Policy 2026/27 to 2028/29

- 3.5 The proposed **Treasury Management Policy** for 2026/27 to 2028/29 is set out in detail at **Appendix 1** and is subject to annual review. There are no significant changes to the policy which aligns with the latest versions of both the CIPFA Code of Practice for Treasury Management in the Public Services, and the Prudential Code for Capital Finance in Local Authorities.

Treasury Management Policy Statement 2026/27 to 2028/29

- 3.6 The proposed **Treasury Management Policy Statement** for 2026/27 to 2028/29 is set out in detail in **Appendix 1, Section 5.1**, for approval. The Policy Statement uses a form of words as recommended by CIPFA in its Code of Practice for Treasury Management in the Public Services.

Borrowing and Investment Policies 2026/27 to 2028/29

- 3.7 There are no key changes within either the Council's Borrowing or Investment Policies for 2026/27 to 2028/29.
- 3.8 The Council's proposed **Borrowing Policy** for 2026/27 to 2028/29 is set out in detail at **Appendix 1, Section 5.2** for approval. The Council's proposed **Investment Policy** for 2026/27 to 2028/29 is set out in detail at **Appendix 1, Section 5.4** for approval.
- 3.9 The process of setting these policies takes account of the pre-existing structure of the Council's debt and investment portfolios. The limits on fixed rate debt and variable rate debt within this Treasury Management policy may be subject to further change, in line with market conditions. However, any such change to these limits would be reported to Council.
- 3.10 One of the key areas of the Local Government Investments (Scotland) Regulations 2010 (the "investment regulations") is permitted investments. Under the regulations and the associated Finance Circular 5/2010, local authorities are required to set out in their policy the types of investment that they will permit in the financial year. These are known as permitted investments. The Council is required to set a limit to the amounts that may be held in such investment types at any time in the year, although some types of investment may be classed as unlimited, e.g., Bank deposits (subject to individual Counterparty list limits).
- 3.11 **Permitted Investment instruments** identified for use in the financial years 2026/27 to 2028/29 are listed in **Appendix 1, Section 5.5**.

The **Investment Policy** is also required to identify: -

- the different types of risk that each permitted type of investment is exposed to;

- the objectives for each type of permitted investment;
- details of the maximum value and maximum period for which funds may prudently be invested; and
- procedures for reviewing the holding of longer-term investments

Counterparty List

- 3.12 The Council, as part of its Treasury Management Policy, has an approved listing of banks and other financial institutions (the Counterparty list) with which it can undertake short-term money investments.
- 3.13 The Council's Counterparty list is compiled using credit rating information supplied by the major credit rating agencies to MUFG Corporate Markets (formerly Link Asset Services), the Council's appointed Treasury Management advisors.
- 3.14 The **Counterparty list** was last updated on 16 April 2025, and is attached at **Appendix 1, Section 5.7**, for approval.

CIPFA Code of Practice for Treasury Management in the Public Services

- 3.15 A revised version of the Treasury Management Code of Practice was issued by CIPFA in December 2021, which took effect from 1st April 2023. The latest revision includes some slight changes to practices. Most of the changes to the Code were around borrowing for purely commercial purposes, which this Council does not do.

The Prudential Code for Finance in Local Authorities

- 3.16 Similarly a revised version of the Prudential Code was issued by CIPFA in December 2021. Again, this revision features some changes to prudential indicator reporting with effect from 1st April 2023.
- 3.17 The ability for the Council to set the scope and size of its capital plans remains within the powers of the Council. That said, the prudential system processes have been strengthened to set out greater consideration of prudence, with sustainability and risk reporting to be improved through governance procedures.
- 3.18 The Council is required to comply with the requirements of the CIPFA Prudential Code. Part of these requirements includes the setting of several Prudential Indicators.
- 3.19 Included within these indicators are several Treasury Management Indicators for External Debt boundaries. The Code does state "It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate".

- 3.20 The Council has in place an early warning system to highlight when these indicators are likely to be breached. No indicators were breached during the previous year.
- 3.21 The Prudential Indicators 2026/27 to 2030/31 will be considered and approved by Council at its budget meeting on 4th March 2026.

National Limit on Capital Expenditure

- 3.22 The Local Government in Scotland Act 2003 specifies that Scottish Ministers may by order, set the maximum amounts which local authorities may allocate to capital expenditure. They may also, by direction, set the maximum amounts which a particular local authority may allocate to capital expenditure. Different amounts may be set, in relation to different kinds of capital expenditure.

4. FINANCIAL IMPLICATIONS

- 4.1 Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts on costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs. Whilst the level of borrowing a Council can undertake is now devolved from the Scottish Government to individual Councils, it will still be constrained by the requirement for capital investment to be affordable, sustainable and prudent. The main test of affordability will be whether the capital financing costs can be contained within the revenue budgets.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report, however it should be noted that the issuance of the Bonds requires the Council to comply with the UK Market Abuse Regulation, the Disclosure and Transparency Rules, the Listing Rules and ongoing obligations as set out in the London Stock Exchange Admission and Disclosure Standards.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			

Compliance	No significant risks identified			
Operational	No significant risks identified			
Financial	Loss of deposit in a failed bank or financial institution	The Council has strict lending criteria, only financial institutions with the highest credit ratings are included on the Council's Counterparty list. The list is compiled in conjunction with the Council's Treasury Management Advisors	L	Yes
Reputational	No significant risks identified			
Environment / Climate	No significant risks identified			

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Jonathan Belford, Chief Officer - Finance on 20 th January 2026.
Data Protection Impact Assessment	Not Required

10. BACKGROUND PAPERS

10.1 CIPFA "Code of Practice for Treasury Management in the Public Services ";
CIPFA "The Prudential Code for Capital Finance in Local Authorities";
MUFG Corporate Markets (formerly Link Asset Services) "Treasury Management Annual Investment Strategy";
Scottish Government "The Investment of Money by Scottish Local Authorities".

11. APPENDICES

11.1 **Appendix 1** - Treasury Management Policy for 2026/27 to 2028/29

12. REPORT AUTHOR CONTACT DETAILS

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Treasury Management Policy: Borrowing and Investment

Approved by Council on XX

Document Control

Approval Date	To be submitted for approval on 04/02/26
Implementation Date	01/04/2026
Policy Number	-
Policy Author(s) and Owner	Lesley Fullerton, Jonathan Belford
Approval Authority	Council
Scheduled Review	Annually
Changes	No significant changes

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1. Purpose Statement

- 1.1 This policy outlines the Council's approach to its Treasury Management activities, including Borrowings and Investments, for financial years 2026/27 to 2028/29. The policy is subject to an annual review.
- 1.2 The policy statement uses a form of words as recommended by CIPFA in its Code of Practice for Treasury Management in the Public Services.

2. Application and Scope Statement

- 2.1 The policy sets out the framework that which the Council's Borrowing and Investment strategies will work within.
- 2.2 Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts on costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs.

3. Responsibilities

- 3.1 It shall be the responsibility of the Chief Officer - Finance, or designated officer, to ensure that this policy is kept up to date and is monitored for its effectiveness. The policy shall be reviewed annually to take account of changes in regulations, statute or professional guidance.
- 3.2 The Chief Officer - Finance, as the "Proper Officer", in terms of Section 95 of the Local Government (Scotland) Act 1973, shall be the adviser on financial matters to the Council and all its Committees. S/he shall be responsible for the proper administration of the Council's financial affairs.
- 3.3 The policy is implemented and applied on a day-to-day basis by the Accountant (Treasury).

4. Supporting Procedures & Documentation

- 4.1 The Council is required by the Local Government Capital Expenditure Limits (Scotland) Regulations 2004 to have regard to the Prudential Code for Capital Finance in Local Authorities ("the Code") when carrying out its duties under part 7 of the Local Government in Scotland Act 2003.
- 4.2 It is a requirement of this Code that Treasury Management is carried out in accordance with good professional practice. The Code requires compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) "Code of Practice for Treasury Management in the Public Services", which the Council does. The CIPFA Code of Practice states that Treasury Management Strategy reports must be approved by full Council.

- 4.3 The latest version of the Treasury Management Code of Practice was issued by CIPFA in December 2021. The Treasury Management Policy Statement, Borrowing and Investment Strategy documents contained within this report have been prepared in line with this.
- 4.4 CIPFA's Code of Practice recommends that Treasury Management policy should be reported to full Council at least annually. A year-end report reviewing Treasury Management activities for the year, and a mid-year review, are also presented to full Council, as per CIPFA's recommendations.

5. Policy Statement

5.1 TREASURY MANAGEMENT POLICY STATEMENT FOR 2026/27 TO 2028/29

Aberdeen City Council will adopt the CIPFA Treasury Management in the Public Services Code of Practice. The Council will also have regard to the Local Government Investments (Scotland) Regulations 2010.

The Council defines its treasury management activities as:

The management of the organisation's borrowings, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organization and any financial instruments entered into to manage these risks.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's appointed Treasury Advisors are MUFG Corporate Markets (formerly Link Asset Services). Their expertise will continue to be used by the Council in making Treasury decisions in areas such as debt rescheduling, interest rate forecasts, market conditions, advice on new types of financial instruments and compiling the Council's Counterparty list.

5.2 BORROWING POLICY FOR 2026/27 TO 2028/29

Under the Prudential Code previous borrowing restrictions linked to consents no longer apply. Our policy would be to continue to borrow long-term PWLB loans, as required, taking advantage of lower rates across the yield curve. Rates are monitored on an on-going basis to determine the optimum time to undertake any necessary borrowing.

When decisions on new borrowing are being made, due consideration must also be given to the Council's Debt Maturity Profile.

Approximately 69% of the Council's long-term borrowing is long-term fixed rate PWLB loans. Whilst there is no immediate intention to reschedule these debts, if opportunities arise to do so that will result in a decrease in the Council's cost of borrowing then these will be fully examined to determine whether this represents Best Value. Due care and attention to both IFRS 9 Financial Instruments (International Financial Reporting Standard), and the Council's Debt Maturity Profile will be examined prior to entering any such commitment.

It is recommended that the Council sets an **upper limit on its fixed interest rate** exposures for 2026/27, 2027/28 and 2028/29 of 100% of its net outstanding principal sums.

It is further recommended that the Council sets an **upper limit on its variable interest rate** exposures for 2026/27, 2027/28 and 2028/29 of 30% of its net outstanding principal sums. This means that the Chief Officer - Finance will manage fixed interest rate exposures within the range 30% to 100% and variable interest rate exposures within the range 0% to 30%.

It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate:

	<u>Upper limit</u>	<u>Lower limit</u>
Under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	25%

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

5.3 STATUTORY REPAYMENT OF LOANS FUND ADVANCES

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

For Loans Fund balances outstanding as at 1 April 2019, the policy will be to adopt a simplified prudent approach that uses an average Loans Fund repayment period of 40 years, applying an annuity method. The interest rate used for the annual repayment will

be 5%, with this being the average consolidated rate on the Councils external borrowing for the period 2003/04 to 2018/19.

The average life and average interest rate will be kept under review each year to ensure they remain prudent.

The policy is subject to the following details:

- An average Asset life for the year's total advances will normally be used. There will not be separate schedules for the components of a building (e.g. plant, roof etc).
- The Average Asset Life will be determined by the Chief Officer - Finance.
- The interest rate used in the annuity calculation will be determined by the Chief Officer - Finance.
- Loans Fund Repayments will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for assets under construction where repayments will be deferred until the year after the asset becomes operational.
- Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, as justified by the circumstances of the case, at the discretion of the Chief Officer - Finance.
- If appropriate, shorter repayment periods (i.e. less than the asset life) may be used for some or all new borrowing.
- The policy will aim to support the maintenance of a balanced and sustainable Housing Revenue Account business plan.
- Where revenue contributions or specific grants are received from government or other sources that can be associated with the debt financing costs of capital investment, then the repayments will be profiled in line with the income profile (e.g. TIF, City Deal). These will be kept under review to ensure the provision for repayment remains prudent.
- The Council may make additional voluntary debt repayment provision from revenue or capital resources. In this case, the Chief Officer - Finance may make an appropriate reduction in later years' levels of Loans Fund Repayments.

The policy was previously approved by the City Growth & Resources Committee on 25 April 2019 and can be viewed via the following link:

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=618&MId=6191&Ver=4>

5.4 INVESTMENT POLICY FOR 2026/27 TO 2028/29

The Council's investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

The policy is designed to ensure that the Council complies with all applicable legislation and regulation relating to the management of portfolio liquidity risk and has robust controls in place to protect the financial soundness of this Council.

The policy must be read in conjunction with all applicable operational policies. The policy is aligned with the low risk appetite of this Council and fundamentally with the two key

principles of preservation of capital and guarantee of liquidity of the investments. The policy has also been designed to provide the Council with the flexibility to obtain an adequate return on its investments in line with predefined levels of security and liquidity.

The Council's approved counterparty list will be adhered to when making short-term investments and reviewed as necessary. This ensures that only those counterparties with the highest credit ratings are used within the maximum limits set. If it is considered necessary to make any changes to the list Committee approval will be sought.

Prior to the introduction of the current investment regulations, investments made by Scottish local authorities were limited to one year. This restriction was removed from 1st April 2010 and the Council accordingly has used these powers when such investing is both appropriate and attractive, while respecting the key principles of preservation of capital and guaranteeing the liquidity of the investments.

Rates offered by approved counterparties are to be monitored on an on-going basis to determine the optimum time to undertake any investments. When decisions on new investments are being made, due consideration must also be given to the Council's projected cashflow position.

The Local Authority investment market may develop new investment products, in line with current investment regulations. In order to protect against any possible loss of income, the power to add a new investment instrument to the list of Permitted Investments, should be delegated to the Chief Officer - Finance. Any such approval would be reported at the next full Council meeting.

Liquidity of its investments is a key priority of the Council. To ensure good availability of liquidity for cashflow purposes, no more than 50% of the Council's available investments should be placed in longer-term, fixed rate investments. The remainder will be kept in highly liquid investments and invested on a short-term basis, using either Bank deposits or "Aaa"/"AAA" rated Money Market Funds.

Any change in the level of liquidity held will require approval from the Chief Officer - Finance and will be reported at the next full Council meeting.

The level of liquidity required at any given time will be based on several factors, including:

- (a) the Council's cashflow requirements over the months ahead. This would include any known payments to third parties, loan repayments etc.
- (b) the level of surplus funds administered on behalf other bodies such as the Pension Fund, ALEOs and Trusts, as these funds may be called back at any time by the bodies.
- (c) any payment with regards to capital projects which may require financing at short notice.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) CONSIDERATIONS

At this time, the Council considers the advice of its financial advisors when compiling its Counterparty list. Our financial advisors are informed by credit ratings agencies whom supply such ratings on potential counterparties. These ratings incorporate ESG risks alongside more traditional financial risk metrics, therefore ESG considerations are already incorporated in our Counterparty list to an extent.

The Council will continue to work with and follow the advice of its financial advisors when looking at ways in which to incorporate further ESG factors into their own assessment service.

5.5 LIST OF PERMITTED INVESTMENTS

This Council approves the following forms of investment instrument for use as permitted investments: -

DEPOSITS - Unlimited (subject to individual Counterparty list limits)

- Debt Management Agency Deposit Facility
- Term deposits – local authorities (as per Counterparty list)
- Call accounts – banks and building societies (as per Counterparty list)
- Term deposits – banks and building societies (as per Counterparty list)
- Fixed term deposits with variable rate/maturities (Structured deposits, as per Counterparty list)

COLLECTIVE INVESTMENT SCHEMES - £250m

- Government Liquidity Funds
- Money Market Funds (subject to individual Counterparty list limits)
- Enhanced cash funds
- Gilt Funds
- Bond Funds
- Multi-Asset Funds

GOVERNMENT SECURITIES - £100m

- Treasury Bills
- UK Government Gilts
- Bond issuance (from financial institution guaranteed by UK Government)
- Bonds issued by multi-lateral development banks

CORPORATE SECURITIES - £10m

- Certificates of deposit (as per Counterparty list)

PERMITTED INVESTMENTS - NON-TREASURY INVESTMENTS

- The Council can also invest in the following areas, which are out with the Treasury Management scope and would be subject to separate committee approval: -
 - a) All shareholding, unit holding and bond holding, including those in a local authority owned company;

- b) Investments for service purposes. This includes loans to a local authority company or other entity formed by a local authority to deliver public services, including Joint Venture entities;
- c) Loans made to third parties;
- d) Investment properties.

5.6 OBJECTIVES OF PERMITTED INVESTMENTS

DEPOSITS - The following forms of 'investments' are more accurately called deposits as cash is deposited in an account until an agreed maturity date or is held at call.

- **Debt Management Agency Deposit Facility (DMADF)** – This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. As it is low risk it also earns low rates of interest. The longest period for a term deposit with the DMADF is 6 months.
- **Term Deposits** – This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF. In addition, longer term deposits offer an opportunity to increase investments returns by locking in high rates ahead of an expected fall in the level of interest rates.
- **Call accounts** – The objectives are as for Term Deposits, but with instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Use of call accounts is highly desirable to ensure that the authority has ready access to cash for liquidity purposes.
- **Fixed term deposits with variable rate/maturities** – This encompasses all types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluid nature of this area, this section allows flexibility to adopt new instruments as and when they are brought to the market.
- **Deposits with Counterparties currently in receipt of government support/ownership** – These banks offer another dimension of creditworthiness in terms of Government backing through either partial or full direct ownership. The view of this authority is that such backing makes these banks attractive institutions with whom to place deposits.

COLLECTIVE INVESTMENT SCHEMES -

- **Money Market Fund (MMF)** – By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly. Money Market Funds can have either a constant net asset value (CNAV) or a low volatility net asset value (LVNAV).

Due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60-day WAM means they have locked in investments earning higher rates of interest than are currently available in the market.

MMFs also help an authority to diversify its own portfolio and offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.

- **Government Liquidity Funds** – These are the same as money market funds (see above) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
- **Enhanced cash funds** – These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile.

These funds can have WAMs and Weighted Average Life (WALs) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.

- **Gilt Funds** – These are funds which invest only in UK Government gilts. They offer a lower rate of return than bond funds but are highly rated both as a fund and through investing only in highly rated government securities. They offer a higher rate of return than investing in DMADF, but they do have an exposure to movements in market prices of assets held.
- **Bond Funds** – These can invest in both government and corporate bonds. This therefore entails a higher level of risk exposure than gilt funds and the aim is to achieve a higher rate of return than normally available from gilt funds by trading in non-government bonds.
- **Multi-Asset Funds** – These funds contain a combination of asset classes (such as cash, equity or bonds) and therefore increase the diversification of an investment. This reduces risk/volatility but can also impact upon potential returns. Funds can be tailored to suit an investors tolerance of risk.

GOVERNMENT SECURITIES – The following types of investments are where a local authority directly purchases a particular investment instrument - a security. It has a

market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield - it is normally the interest paid by the issuer divided by the price paid, unless the security is initially issued at a discount (e.g. treasury bills).

- **Treasury Bills** – These are short term bills (up to 12 months, although none have ever been issued for this maturity) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.
- **UK Government Gilts** – These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity, if the yield curve is positive.
- **Bond issuance** (from financial institution guaranteed by UK Government) – This is similar to a gilt due to the Government guarantee.
- **Bonds issued by multi-lateral development banks (MLDBs)** – These are similar to both gilts and bond issuance but are issued by MLDBs which are typically guaranteed by a group of sovereign states e.g. European Bank for Reconstruction and Development.

CORPORATE SECURITIES – The following types of investments are where a local authority directly purchases a particular investment instrument – a security. It has a market price when purchased and that value can change during the period it is held until it is sold. The annual earnings on a security is called a yield – the interest paid by the issuer divided by the price paid. These are similar to government securities although they generally have a higher risk than government debt and as such earn higher yields.

- **Certificates of deposit (CDs)** – These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.

PERMITTED INVESTMENTS - NON-TREASURY INVESTMENTS

- The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries/ALEOs, and investment property portfolios.

5.7 COUNTERPARTY LIST

DEPOSITS UP TO 12 MONTHS

All the banks listed in this category have a suggested duration of 12 months from our treasury advisors, MUFG Corporate Markets (formerly Link Asset Services) credit rating list – i.e. the highest rated

UK Banks - £30m limit

- HSBC Bank plc
- Handelsbanken PLC
- Lloyds Banking Group (includes Bank of Scotland)
- The Royal Bank of Scotland Group plc (includes National Westminster Bank plc)
- Standard Chartered Bank

Other Banks - £20m limit

- Countries with a minimum of AA+ Sovereign rating and Banks with a suggested duration of 12 months from LAS credit rating list – i.e. the highest rated

Australia – AAA

- Australia and New Zealand Banking Group Ltd.
- Commonwealth Bank of Australia
- National Australia Bank Ltd.
- Westpac Banking Corp.

Canada – AA+

- Bank of Montreal
- Bank of Nova Scotia
- Canadian Imperial Bank of Commerce
- Royal Bank of Canada
- Toronto-Dominion Bank

Germany – AAA

- DZ BANK AG Deutsche Zentral-Genossenschaftsbank
- Landwirtschaftliche Rentenbank
- NRW.BANK

Netherlands – AAA

- Nederlandse Waterschapsbank N.V.
- Cooperatieve Rabobank U.A.

- ING Bank N.V.

Singapore – AAA

- DBS Bank Ltd.
- Oversea-Chinese Banking Corp. Ltd.
- United Overseas Bank Ltd

Sweden – AAA

- Skandinaviska Enskilda Banken AB (SEB)
- Svenska Handelsbanken AB
- Swedbank AB

Switzerland – AAA

- UBS AG

UK Local Authorities (including Police Authorities)

- £20m limit (per authority)

DEPOSITS UP TO 6 MONTHS

Council's Bankers - £30m limit

- Clydesdale Bank plc (trading as Virgin Money)

UK Banks - £20m limit

- Barclays Bank PLC
- Goldman Sachs International Bank
- Santander UK PLC

UK Building Societies - £10m limit

- Nationwide Building Society
- Skipton Building Society
- Yorkshire Building Society

DEPOSITS UP TO 3 MONTHS

UK Building Societies - £10m limit

- Coventry Building Society
- Leeds Building Society

COLLECTIVE INVESTMENT SCHEMES

Money Market Funds - £30m limit

- Aberdeen Liquidity Fund – Sterling
- Deutsche Managed Sterling Fund
- Federated Short Term Sterling Prime Fund
- HSBC Sterling Liquidity Fund
- Insight Liquidity Fund
- Morgan Stanley Sterling Liquidity Fund
- State Street Global Advisors GBP Liquidity Fund

6. Definitions

6.1 CIPFA Treasury Management in the Public Services Code of Practice

This is the CIPFA guidance document that all local authorities must follow for their treasury management activities.

6.2 Counterparty list

This is an approved listing of banks and other financial institutions with which the Council can undertake short-term money investments. The list is compiled using credit rating information supplied by the major credit rating agencies to MUFG Corporate Markets (formerly Link Asset Services), the Council's appointed Treasury Management advisors.

6.3 Prudential Code

A CIPFA produced framework to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Code are to ensure that the capital investment plans of local authorities are affordable and proportionate, and external long-term borrowing is prudent and sustainable. Risks associated with investments for service purposes are proportionate to their financial capacity, and treasury management and investment decisions are taken in accordance with professional good practice.

6.4 Public Works Loan Board

Operated by the **UK Debt Management Office (DMO)** on behalf of HM Treasury, to provide loans to local authorities from the National Loans Fund to support capital projects.

6.5 Debt Maturity Profile

A list/chart of loans/debt expressed in the order of their principal repayment dates.

6.6 Loans Fund Advances

The mechanism used to distribute both principal and interest costs for external borrowing, to the appropriate internal Council departmental budgets.

6.7 Money Market Funds

These funds collective investment schemes which are AAA rated. These fund portfolios are widely diversified, using many forms of investment types in order to produce a sustainable level of return to investors.

6.8 Liquidity

The availability of liquid assets/cash on hand, in order for the Council to meet its financial obligations.

7. Risk

7.1 TREASURY RISKS AND CONTROLS

All treasury borrowing and investments are subject to the following risks: -

- 7.2 **Credit and counterparty risk**: this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of creditworthiness.

Control: This authority has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes.

- 7.3 **Liquidity risk**: this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk, as credit risk can never be zero. In this document, liquidity risk has been treated as whether instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, Certificates of Deposit, corporate bonds can usually be liquidated at short notice if the need arises, there are two caveats: - a) cash may not be available until a settlement date up to three days after the sale, b) there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.

Control: This authority has a cash flow forecasting system to enable it to determine how long investments can be made for and how much can be invested. This authority operates with a liquidity policy that at least 50% of its external investments will be liquid (i.e. accessible in 35 days or less).

- 7.4 **Interest rate risk**: this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk except for instruments with a variable rate of interest.

Control: This authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which seeks to minimise borrowing costs.

- 7.5 **Market risk**: this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure

to market risk e.g. those investing in investment instruments with a view to obtaining a long-term increase in value.

Control: This authority does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value.

- 7.6 **Legal and regulatory risk:** this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Control: This authority will not undertake any form of investing until it has ensured that it has all the necessary powers and complied with all regulations.

8. Policy Performance

- 8.1 **Loans Fund Pool Rate** – The Council maintains a Consolidated Loans Fund (CLF) under the powers contained in the Local Government (Scotland) Act 1975. All loans raised by the Council are paid into the Fund and all advances to finance capital expenditure are made from the Fund, except projects financed directly from Revenue Accounts.

In essence, the Loans Fund acts as a bank to the Council's Services. The Loans Fund finances the daily cashflow of Services (and either pays or charges interest) as well as deciding the amount of borrowing to undertake to finance capital expenditure. The Treasury section pro-actively manages the Council's debt and investment portfolios with the goal of reducing the overall cost of debt servicing to the Council.

All loans and investment interest and expenses for the year, as well as interest on historic outstanding borrowing, are reflected within the Council's average Loans Pool Rate. The projected pool rate is monitored against an estimate throughout the year, and any adverse movements in this would be reported to the Chief Officer – Finance.

The Loans Pool Rate is the key financial indicator of the effectiveness of Treasury Management Policy. The final rate is reported to full Council as part of the annual Treasury Management Year-End Review report.

- 8.2 The Council remains required to comply with the requirements of the Prudential Code. This includes the setting of several Prudential Indicators. Included within these indicators are several Treasury Management Indicators for External Debt boundaries.

The Code does state "It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate".

The Council has in place an early warning system to highlight when these indicators are likely to be breached. No indicators were breached during the previous year.

9. Design and Delivery

9.1 This policy has taken into consideration organisational design and governance principles of Aberdeen City Council's Operating Model.

9.2 This policy has been designed to allow scope for the use of emerging products, financial instruments and/or services which would improve the effectiveness of the Council's Treasury Management function.

10. Housekeeping and Maintenance

10.1 This policy is constantly monitored throughout the year. In line with CIPFA recommendations, Treasury Management matters are reported to full Council at least 3 times annually: -

- Annual Policy and Strategy Review
- Year End Summary
- Mid-Year Review

Should an urgent matter arise out with the timing of these reports (e.g. a new Counterparty to be added), then a separate report can be made to full Council for approval.

11. Communication and Distribution

11.1 Although this policy is not published separately, the policy would be available as part of the relevant Council report, and therefore would be accessible through the Committee Reporting section of the Council's website and the Council's Intranet. The policy will be shared with users and stakeholders, such as Internal Audit.

12. Information Management

12.1 Information generated by the application of the policy will be managed in accordance with the Council's Corporate Information Policy and supporting Procedures.

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	4 February 2026
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	External Audit Recommendations
REPORT NUMBER	CORS/26/017
EXECUTIVE DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jenni Lawson
REPORT AUTHOR	Vikki Cuthbert & Steven Inglis
TERMS OF REFERENCE	N/A

1. PURPOSE OF REPORT

- 1.1 To address External Audit's recommendations with regard to the Governance Reference Group and consultation with elected members, and to seek decisions on these matters.

2. RECOMMENDATIONS

That the Council:-

- 2.1 Notes the External Audit recommendations concerning the Governance Reference Group and consultation with elected members;
- 2.2 Considers making a decision on the facilitation and/or chairing of future Governance Reference Group meetings; and
- 2.3 Approves, with effect from 1 April 2026, the "*Delegated Powers and Political Sensitivity - Guidance for Officers*" as appended to this report, to support officers in their operation of the Powers Delegated to Officers within the Scheme of Governance; and instructs the Chief Officer – Governance to review the Guidance in parallel with any future reviews of the Scheme of Governance which take place after 2026.

3. CURRENT SITUATION

- 3.1 Full Council on 2 July 2025 instructed the Chief Officer – Governance:

to give consideration to the two Audit Scotland recommendations noted in paragraph 3.13 and to provide a service update to Council by December 2025;

Paragraph 3.13 of the relevant report (Council Meeting Structure) stated;

Audit Scotland made the following recommendations in the action plan 2025/26 in the External Audit Annual Report 2025/26 at Audit, Risk and Scrutiny Committee on 26th June 2025:

- **Governance Reference Group** - *The council may wish to consider having an officer facilitate the Governance Reference Group meetings instead of an elected member acting as chair; and*
- **Consultation with elected members** - *It would be more transparent if criteria were developed to provide a framework for officers in considering the circumstances when consultation and/or a report to elected members would be appropriate in respect of delegated matters deemed to be politically sensitive.*

It is proposed that these recommendations are considered by the Chief Officer – Governance and a Service Update provided to Council on any subsequent action taken or required.

- 3.2 The above two Audit Scotland recommendations were agreed and were the subject of a service update provided to elected members by the Chief Officer – Governance on 17 December 2025. In that service update, the Chief Officer – Governance undertook to bring a report to the Council meeting of 4 February 2026 on the two recommendations, and this report fulfils that undertaking.

Governance Reference Group

- 3.3 The Governance Reference Group (GRG) met on 26 November 2025 and discussed whether there was any merit in the Group being chaired by an officer. Whilst not all were in agreement, a majority of the members present agreed that the meetings should continue to be chaired by an elected member with officer input to help facilitate future reviews of the Scheme of Governance. Reasons provided by the GRG included:

- An elected member Chair had led the Group through a number of successful reviews of the Scheme of Governance over the years, some of which had been unanimously agreed when recommendations were made to Council.
- These recommendations included proposals from elected members who were not members of the Group and who had been invited to participate and share their views. This demonstrates that the Group has taken into account the views of all members in attendance.
- Officers and members work collaboratively within the Group to bring proposals together to present to Council.

This report seeks a decision on how future GRG meetings should be facilitated and/or chaired.

Consultation with Elected Members

- 3.4 Principle 6 of the Powers Delegated to Officers already provides as follows, albeit in the form of a guideline rather than a mandatory requirement:

In considering the possible exercise of such a power [i.e. a delegated power], the relevant officers should be mindful of any potential for political sensitivity or controversy and, where appropriate, should consider consulting with elected members or referring the matter to

Council or one of its Committees or Sub-Committees. Some of the powers contained herein expressly require consultation with elected members.

- 3.5 Draft guidance for officers (on determining whether to exercise their delegated powers in relation to politically sensitive matters) was considered by the GRG on 26 November 2025 and shared directly with the Group Leaders and independent members prior to that meeting. That draft guidance has since been amended following the GRG meeting. The Chief Officer – Governance further consulted with Group Leaders and Independent Members on this guidance prior to it being finalised, and this report now seeks approval of the appended “*Delegated Powers and Political Sensitivity - Guidance for Officers*”. It should be noted that this document, if approved, will not form part of the Powers Delegated to Officers nor the wider Scheme of Governance. It will instead be a guidance and advisory resource to support officers in their operation of the Powers Delegated to Officers within the Scheme of Governance. It is proposed however that the Guidance would be reviewed in parallel with any future reviews of the Scheme of Governance which take place after 2026.
- 3.6 This Guidance is considered to be a helpful and proportionate way forward. It should assist officers by highlighting questions for them to consider whilst not being prescriptive. Every situation will of course be different and any attempt to produce a rigid framework providing officers with absolute certainty on what to do in each situation is likely to cause more difficulties than it resolves. There will always be an element of subjectivity – for example, what is “significant” will be a judgment call to be made in the individual circumstances. However officers are very much aware of the need to ensure that members are consulted appropriately and that matters which ought to be determined by committee are indeed brought before committee for a decision. It should be noted that, where the Guidance refers to *consultation* with members, it is referring to seeking the views of members *prior* to the potential exercise by that officer of a delegated power. Where officers merely *share information* with members (e.g. making them aware that something has happened) this does not in itself amount to consultation - even if the information happens to be of a politically sensitive nature.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 Approval of the proposed Guidance should support legally-competent decision-making.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified	N/A	N/A	N/A
Compliance	Non-compliance with Powers Delegated to Officers.	The proposed Guidance supports such compliance.	L	Yes
Operational	Officer uncertainty around whether they ought to exercise delegated powers in certain situations may lead to delay or inefficiency.	The proposed Guidance offers a proportionate way forward.	L	Yes
Financial	No significant risks identified	N/A	N/A	N/A
Reputational	The taking by officers of decisions on politically sensitive matters has the potential in some cases to create reputational risk.	The proposed Guidance offers a proportionate way forward.	L	Yes
Environment / Climate	No significant risks identified	N/A	N/A	N/A

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals in the report have no direct impact on the Policy Statement
<u>Working in Partnership for Aberdeen</u>	
<u>Local Outcome Improvement Plan 2016-2026</u>	
Prosperous Economy Stretch Outcomes	The proposals in the report have no direct impact on the LOIP stretch outcomes.
Prosperous People Stretch Outcomes	Same as above.
Prosperous Place Stretch Outcomes	Same as above.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Jenni Lawson, Chief Officer Governance on 15 January 2026.
Data Protection Impact Assessment	Not required.
Other	Not required

10. BACKGROUND PAPERS

- 10.1 [External Audit Annual Report 2024-25 - EA/25/002 - 26 June 2025](#) (see item 3.1)
- 10.2 [Council Meeting Structure - CORS/25/164 - 2 July 2025](#) (see item 11)
- 10.3 [Service Update dated 17 December 2025 \(Update on Audit Recommendations\)](#)

11. APPENDICES

- 11.1 Delegated Powers and Political Sensitivity - Guidance for Officers

12. REPORT AUTHOR CONTACT DETAILS

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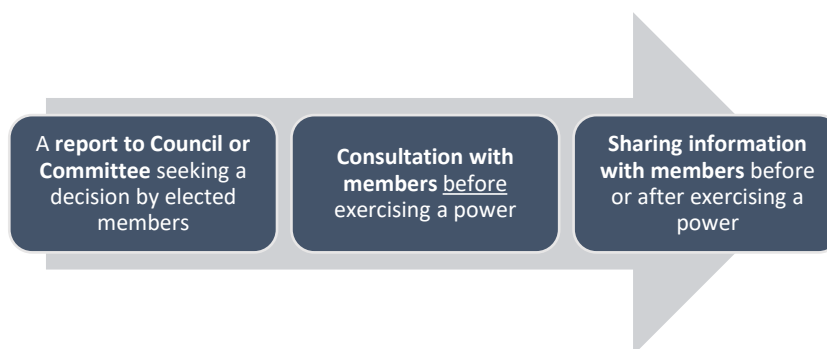
Delegated Powers and Political Sensitivity

Guidance for Officers (1 April 2026)

Principle 6 of the Powers Delegated to Officers provides as follows, albeit in the form of a guideline rather than a mandatory requirement:

In considering the possible exercise of such a power [i.e. a delegated power], the relevant officers should be mindful of any potential for political sensitivity or controversy and, where appropriate, should consider consulting with elected members or referring the matter to Council or one of its Committees or Sub-Committees. Some of the powers contained herein expressly require consultation with elected members.

Matters covered by our Powers Delegated to Officers may be politically sensitive enough to warrant one or more of the following courses of action:



This guidance supports you with your decision and the process you should follow.

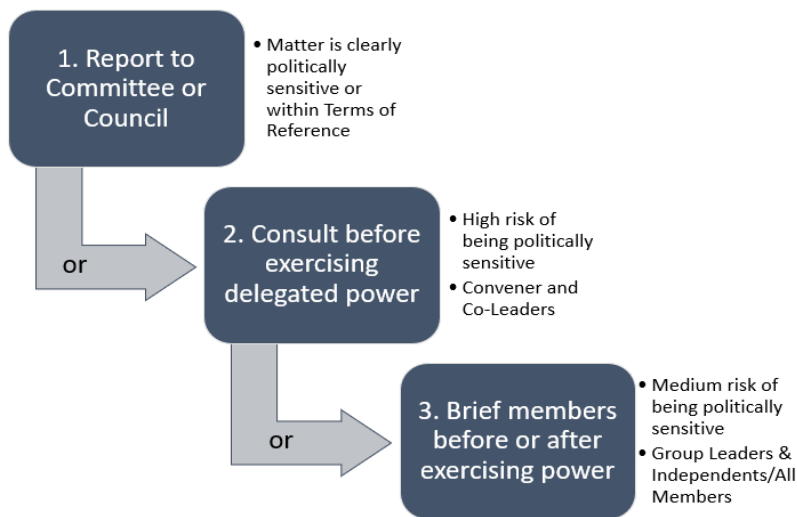
This document is not part of the Powers Delegated to Officers, nor the wider Scheme of Governance. It is instead a guidance and advisory resource to support you in your operation of the Powers Delegated to Officers within the Scheme of Governance.

What should I think about?

In deciding whether a matter (e.g. service change, government consultation, exercise of statutory power or discretion) is politically sensitive enough to warrant either a report to Council or committee for a decision by elected members, or consultation with some (or all) elected members, rather than simply exercising the power in question, you should consider the following questions:

1. Does the matter involve significant deviation from the Council's approved risk appetite statement?
2. Is there a significant impact on public safety, safeguarding or resilience in Aberdeen?
3. Does it significantly impact, or have the clear potential to significantly impact, particular wards or vulnerable groups disproportionately?
4. Is there clear potential to significantly impact the results of an upcoming election or referendum?
5. Does it involve levels of financial, commercial or legal risk significantly greater than those normally encountered by officers in the course of their duties?
6. Is there clear potential to cause significant reputational damage to Aberdeen City Council or significant impact on trust in public services?
7. Does it appear likely to generate political controversy nationally or locally (e.g. where there is a clear policy difference between political groups) or significant public interest, media attention or stakeholder concern at a national or local level?

This is **not an exhaustive list of considerations** and these should individually be considered as indicators of political sensitivity. Should you consider that a matter is (or is likely to be) politically-sensitive, you should where appropriate discuss the matter with your Chief Officer/Executive Director before exercising your power(s) and determine which course of action is required. Advice can also be sought from the Chief Officer – Governance.



1. If your decision is to report to Council or committee seeking a decision by elected members, follow the consultation process applicable to draft Council or committee reports as set out in Standing Order 13.

2. If your decision is to consult with members before exercising the power –

- Take into consideration the urgency of the matter, and the proportionality and practicality of differing levels of consultation.
- If consultation is not a condition of the delegation but you consider it may be wise to seek views from member(s), you should contact the relevant Convener and Co-Leaders in the first instance.
- Where the matter also has (or would have) a *"significant local impact"* (as defined in the Standing Orders) on a particular ward, you may wish to consult with local ward Members, in addition to the Co-Leaders and relevant Convener

3. If your decision is to share information with a wider group of elected members before or after you exercise your delegated power –

- Consider the merits of sharing information with Group Leaders and independent members, or alternatively, with all elected members.
- Consider timing and the method of sharing information. You may wish to email Group Leaders and independent members and ask them to share with their colleagues. You may consider it more appropriate to email all members. You may wish to do both, in sequence.
- This option may be taken in conjunction with option 2, where consultation with the Co-Leaders and relevant Convenor has taken place, and thereafter a decision is taken to share the information with a wider group of Elected Members.

Am I 'consulting' or sharing information?

Our Standing Orders set down rules for **consultation** on committee reports and our Powers Delegated to Officers provide that some delegated powers can only be exercised after consultation with elected member(s). In referring to consultation with elected members, this document (like the Powers Delegated to Officers) is referring to seeking the views of members prior to the potential exercise by officers of delegated powers. Consultation is intended to inform decision making in this case.

Officers may take the decision that it is more appropriate in the circumstances to brief, or **share information** with, elected members, either before or after a delegated power has been exercised, particularly on operational matters which they consider to be politically sensitive. This does not inform decision making but keeps elected members informed on matters which may be considered politically sensitive.

Occasionally the **extreme urgency** of a politically-sensitive matter may mean that neither reporting nor consultation is practicable – in which case an officer will require to exercise a delegated power and notify elected members afterwards.