

ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 6 March 2018

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost Barney Crockett, Chairperson;
Depute Provost Alan Donnelly; and

COUNCILLORS

YVONNE ALLAN
CHRISTIAN ALLARD
ALISON ALPHONSE
PHILIP BELL
MARIE BOULTON
DAVID CAMERON
JOHN COOKE
NEIL COPLAND
WILLIAM CORMIE
STEVEN DELANEY
JACQUELINE DUNBAR
LESLEY DUNBAR
SARAH DUNCAN
STEPHEN FLYNN
GORDON GRAHAM
ROSS GRANT
MARTIN GREIG
DELL HENRICKSON
RYAN HOUGHTON
BRETT HUNT
MICHAEL HUTCHISON
CLAIRE IMRIE

FREDDIE JOHN
JENNIFER LAING
DOUGLAS LUMSDEN
SANDRA MACDONALD
NEIL MacGREGOR
AVRIL MacKENZIE
CATRIONA MacKENZIE
ALEXANDER McLELLAN
CIARÁN McRAE
M. TAUQEER MALIK
THOMAS MASON MSP
ALEXANDER NICOLL
JAMES NOBLE
JOHN REYNOLDS
GILLIAN SAMARAI
PHILIP SELLAR
JENNIFER STEWART
SANDY STUART
GORDON TOWNSON
JOHN WHEELER
and
IAN YUILL

Lord Provost Barney Crockett, in the Chair.

The agenda and reports associated with this minute can be found at:-

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MId=6119&Ver=4>

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

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DECLARATIONS OF INTEREST

1. Councillor Mason MSP declared a general interest as a Member of the Scottish Parliament for North East Scotland.

Councillor Lesley Dunbar declared an interest in relation to agenda item 4 (General Fund Revenue Budget 2018/19 to 2022/23 and General Fund Capital Programme 2018/19 to 2022/23) by virtue her association with Aberdeen Women's Alliance which had submitted an application for funding. Councillor Lesley Dunbar did not consider that the nature of her interest required her to leave the meeting.

ANNOUNCEMENTS

2. The Lord Provost advised that this was the last Council meeting for a number of Chief Officers who were shortly to be leaving the organisation - namely Bernadette Marjoram, Interim Director of Communities, Housing and Infrastructure; John Quinn, Head of Land and Property Assets; Eric Owens, Interim Head of Planning and Sustainable Development; and Judith Proctor, Chief Officer - Aberdeen Health and Social Care Partnership.

The Lord Provost thanked the officers concerned for their service and wished them well in their future endeavours.

The Council resolved:-

to concur with the Lord Provost's remarks.

GENERAL FUND REVENUE BUDGET 2018/19 TO 2022/23 AND GENERAL FUND CAPITAL PROGRAMME 2018/19 TO 2022/23 - CG/18/032

3. The Council had before it a report by the Director of Resources which provided details of (1) the General Fund revenue budget for 2018/19 and high level summary for the following four years; and (2) the General Fund capital programme for 2018/19 to 2022/23.

The report recommended:-

that the Council -

Target Operating Model

- (a) note the alignment of the Council's revenue budget to the interim functional structure approved by Council in August 2017;
- (b) instruct the Chief Officer - Finance to formally notify the approved budget to all of the newly confirmed Chief Officers within the interim functional structure;

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Balance Sheet Recommendations

- (c) note the projected balance sheet position including the reserves as at 31 March 2018;
- (d) approve the General Fund capital programme as attached at Appendix 1 of the report, and by doing so note that the Council will be maintaining the level of debt as advised to Moody's, the Council's credit rating agency;
- (e) approve the Prudential Indicators as attached at Appendix 2 to the report; and by doing so note that this demonstrates the affordability and sustainability of the Council's borrowing levels and therefore ability to sustain its credit rating;
- (f) approve the recommended use of reserves for 2018/19 as detailed in paragraph 3.39 of the report, and by doing so note that the level of uncommitted reserves is in line with CIPFA guidance as noted in its "Local Authority Reserves & Balances" bulletin published in July 2014;
- (g) note the contingent liabilities faced by the Council as detailed in Appendix 3 to the report, which may place future financial liabilities on the Council;
- (h) note that transformation of the Council will require the use of reserves, including capital receipts to fund associated costs;
- (i) delegate to the Chief Officer - Finance to make suitable provision as part of the 2017/18 Annual Accounts for any future VS/ER payments which will be reported back to the relevant committee in due course;
- (j) approve the reserves strategy as outlined in paragraphs 3.37 to 3.39 of the report which will ensure that reserves will increase over the medium term and therefore provide the Council with additional liquidity and financial resilience going forward;
- (k) instruct the Chief Officer - Finance to report back to the relevant committee before December 2018 on a detailed reserves strategy;

Revenue Budget Recommendations**5 Year Revenue Budget Position**

- (l) note the draft financial position for 2019/20 to 2022/23 as shown in paragraph 3.40 of the report;
- (m) instruct the Chief Executive to continue to progress the transformation programme, reporting transformation options and associated financial benefits through the approved transformation governance process, in order to address the future years funding gap;

One Year Revenue Budget Position and Taxation

- (n) instruct officers on whether Council is exercising the flexibility to increase Council Tax under the local government finance circular and if so, to what level;
- (o) set a balanced revenue budget for 2018/19 which is a statutory requirement, by noting and agreeing the proposed options contained in Appendix 5;
- (p) note and accept the conditions of the Local Government Finance Settlement for 2018/19;
- (q) approve the level of funding for 2018/19 as detailed in paragraph 3.63 of the report, in relation to the Integration Joint Board (IJB), and note that it will be for the IJB itself to determine how it will balance its budget;
- (r) note that the IJB budget assumes an uplift on the national care home contract of 3.3%. This uplift has, in the last week, been agreed at 3.39% and therefore,

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instruct the Chief Officer (IJB) to work within the funding provided, taking action as appropriate to identify and implement further budget savings to achieve this; and

- (s) note that the budget assumes a pay award in line with the Scottish Government Public Sector Pay Policy and that in the event of national negotiations exceeding this assumption, instruct the Chief Officer - Finance to report back to the Finance, Policy and Resources Committee on options to finance the additional costs.

Councillor Lumsden moved, seconded by Councillor Laing:-

That the Council -

Target Operating Model

- (1) note the alignment of the Council's revenue budget to the interim functional structure approved by Council in August 2017;
- (2) instruct the Chief Officer - Finance to formally notify the approved budget to all of the newly confirmed Chief Officers within the interim functional structure;

Balance Sheet Recommendations

- (3) note the projected balance sheet position including the reserves as at 31 March 2018;
- (4) approve the General Fund capital programme as attached at Appendix 1 of the report, and by doing so note that the Council will be maintaining the level of debt as advised to Moody's, the Council's credit rating agency;
- (5) approve an additional capital investment of £10million on road maintenance over the next five years;
- (6) approve the Prudential Indicators as below, and by doing so note that this demonstrates the affordability and sustainability of the Council's borrowing levels and therefore ability to sustain its credit rating;
- (7) approve the recommended use of reserves for 2018/19 as detailed in paragraph 3.39 of the report, and by doing so note that the level of uncommitted reserves is in line with CIPFA guidance as noted in its "Local Authority Reserves & Balances" bulletin published in July 2014;
- (8) note the contingent liabilities faced by the Council as detailed in Appendix 3 of the report, which may place future financial liabilities on the Council;
- (9) note that transformation of the Council will require the use of reserves, including capital receipts to fund associated costs;
- (10) delegate to the Chief Officer - Finance to make suitable provision as part of the 2017/18 Annual Accounts for any future VS/ER payments which will be reported back to the relevant committee in due course;
- (11) approve the reserves strategy as outlined in paragraphs 3.37 to 3.39 of the report which will ensure that reserves will increase over the medium term and therefore provide the Council with additional liquidity and financial resilience going forward;
- (12) instruct the Chief Officer - Finance to report back to the City Growth and Resource Committee before December 2018 on a detailed reserves strategy;

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Revenue Budget Recommendations

5 Year Revenue Budget Position

- (13) note the draft financial position for 2019/20 to 2022/23 as shown in paragraph 3.40 of the report;
- (14) instruct the Chief Executive to continue to progress the transformation programme, reporting transformation options and associated financial benefits through the approved transformation governance process, in order to address the future years funding gap;

One Year Revenue Budget Position and Taxation

- (15) instruct officers to implement a 3% Council Tax increase for 2018/19 as allowed under the local government finance circular;
- (16) note the conditions of the local government finance settlement for 2018/19;
- (17) approve the level of funding for 2018/19 as detailed in paragraph 3.63 of the report, as agreed by the IJB on 13 February 2018 in relation to the IJB, and note that it will be for the IJB itself to determine how it will balance its budget;
- (18) note that the IJB budget assumes an uplift on the national care home contract of 3.3%. This uplift has, in the last week, been agreed at 3.39% and therefore, to instruct the Chief Officer (IJB) to work within the funding provided, taking action as appropriate to identify and implement further budget savings to achieve this;
- (19) note that the budget assumes a pay award in line with the Scottish Government Public Sector Pay Policy and that in the event of national negotiations exceeding this assumption, to instruct the Chief Officer - Finance to report back to the City Growth and Resources Committee on options to finance the additional costs;
- (20) approve the balanced revenue budget for 2018/19 as circulated;
- (21) instruct the Director of Resources to enter discussions with the administrators of the North East Scotland Credit Union in terms of how the Council may facilitate the Credit Union's long-term viability;
- (22) note that the level of 2018/19 funding for Sport Aberdeen be held at the same level as 2017/18 providing that they give all staff the same pay awards as Council staff from 1 April 2018;

Other Recommendations

- (23) instruct the Head of Commercial and Procurement Services to bring forward an all options business case report to the September 2018 meeting of the City Growth and Resources Committee on the best way forward for sport in Aberdeen given the imminent contractual 10-year agreement with Sport Aberdeen is about to end;
- (24) as part of our commitment to Civic Leadership and Urban Governance, to instruct the Chief Officer - City Growth to arrange for a state of the city annual conference led by the Co-Leaders to coincide with the independent report by the Economic Panel Report due back before members each year;

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- (25) instruct the Chief Officer - Corporate Landlord to bring forward an all options business case to the Capital Programme Committee in September 2018 on the most appropriate option for the old AECC;
- (26) instruct the Chief Officer - Corporate Landlord to bring an up to date business case and progress report to the Capital Programme Committee on the following:
 - the proposed Tillydrone new Primary School;
 - Torry Primary School Hub;
 - Milltimber Primary School; and
 - Berryden Corridor (all stages);
- (27) instruct the Chief Officer - Corporate Landlord to bring a review of the School Estate report within the next nine months to the Education Operational Delivery Committee and thereafter to forward the report to the Capital Programme Committee;
- (28) instruct the Chief Officer - City Growth to bring forward an all options business case to the Capital Programme Committee in September 2018 on how best to proceed with Queens Square as part of the next phase of the masterplan;
- (29) instruct the Chief Officer - City Growth to enter into dialogue with the United Kingdom and Scottish Government on how best to progress a City Deal 2 noting the Aberdeen Region City Deal said *"In order to realise the full potential of the area a transport appraisal (supported by UK Government and Scottish Government, Transport Scotland and local partners) will take a 20 year strategic view of the transport implications of the investment unlocked by this Deal across all modes including road and rail. This work will commence in 2016 and will be based on Scottish Transport Appraisal Guidance. The appraisal will recognise the priorities of local, regional and national transport plans and programmes as well as the existing work outlined above."*;
- (30) instruct the Chief Executive to write to the Chief Executive of COSLA and Scottish Government calling for a review of the funding mechanism;
- (31) as part of our commitment to Civic Leadership and Urban Governance, instruct the Chief Executive to bring a report to the City Growth and Resources Committee working with partners to include our ALEOs, Aberdeen and Grampian Chamber of Commerce, Aberdeen Burgesses Federation of Small Businesses, Opportunity North East and Scottish Enterprise to assess the impact on Aberdeen of Scottish Government funding in comparison to the funding received by other local authorities and identify how the Council can encourage the Scottish Government to provide a better financial settlement for Aberdeen;
- (32) note that Pupil Equity Funding is allocated by the Scottish Government on the basis of free school meal eligibility. To note the approach to estimating free school meals registrations is being kept under review by the Scottish Government to allow the Scottish Government to improve the quality of data for identifying children living in households affected by poverty. To instruct the Chief Operating Officer to bring a report to the next Education Operational Delivery Committee on how the Council can substantially increase the uptake of free school meals throughout the city;
- (33) note the success of similar projects in UK cities and instruct the Chief Officer - Strategic Place Planning to provide a business case to the Capital

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Programme Committee around the introduction of a cycle hire scheme which would have the potential to bring a real sea-change to transport in the city;

- (34) to agree to ring fence £1,351,000 of the Council Tax increase of £3,389,000 (40%) to be spent on the following growth items:

	£
Towards a Fairer Aberdeen provision of Meals to Children during school holidays	50,000
Set up a Co-operative Business Development fund to support small businesses and their staff to explore new ways of working in the future	75,000
Supported Public Transport	132,000
Mental Health for Child	100,000
Period poverty	40,000
Retention of Pupil Support Assistants	954,000
Total Council Tax ring fence	1,351,000

- (35) instruct the Director of Resources to report back to the City Growth and Resources Committee in April 2018 on the Council's further involvement with the Housing LLP.

**Appendix
1**

Administration Budget Proposals - General Services Revenue

**2018/19
£'000**

Deficit from Council Report **4,883** *

Appendix 5 (Options)

Council Tax Increase (3%) **(3,389)**
Fees & Charges 0

Deficit **1,494**

Appendix 6 (Committee Referrals)

Greyhope Bay - grant award 20
Electric Vehicle Charging 54
Reclaiming Social Work - Revised Staffing (Saving) **(300)**
LED Lighting in Parks 110
Maintenance of Paths in Parks 5
Gaps in Public Transport Network 132
Nuart (3 years) 100
Great Aberdeen Run (2 years) 150
Sale of Pitmedden Road will result in loss of revenue income 106
Lochside Transport 110

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External Partnership Activity	4
Towards a Fairer Aberdeen - Provision of Meals to Children during School Holidays	50

Deficit **2,035**

Appendix 6 (Committee Referrals) - Move to Common Good

LED Lighting in Parks	(110)
Maintenance of Paths in Parks	(5)
Nuart (3 years)	(100)
Great Aberdeen Run (2 years)	(150)

Deficit **1,670**

Appendix 4 (Movements) - Move to Capital Programme

Roads Maintenance £10m investment	(500)
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Support for New Initiatives

Period Poverty	40
Mental Health	100
Co-operative Development Fund	75
Empty Homes Officer	20
Living Streets Dog Fouling Initiative - City wide	10
UNESCO Culture	250
Pride March	5
Alive @ 5	80
North East Sensory Service	15
Woman in Politics	10

Savings

City of Culture bid	(500)
3rd Party Spend (additional)	(810)
Use of Bus Lane Enforcement Surplus	(200)
Advertising	(150)
Lets	(50)
Aberdeen International Youth Festival	(65)

Surplus **(0)**

* this includes Pupil Support Assistants

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**APPENDIX 2
ABERDEEN CITY COUNCIL
2017/18 to 2022/23**

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

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

	Capital Expenditure						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Non HRA	175,275	198,663	269,224	158,400	93,260	46,537	21,471
HRA	42,154	55,318	42,051	45,335	30,204	26,500	21,991

	Ratio of Financing Costs to Net Revenue Stream						
	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non HRA	5.7%	4.8%	7.4%	8.5%	9.1%	9.2%	9.2%
HRA	14.7%	17.2%	16.0%	17.0%	18.2%	18.1%	17.7%

	Capital Financing Requirement						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Non HRA	578,193	713,745	912,923	1,010,136	1,031,118	1,000,014	969,093
HRA	272,091	298,705	312,866	327,757	326,379	319,391	305,886
Total	850,284	1,012,450	1,225,789	1,337,893	1,357,497	1,319,405	1,274,979

	Gross Borrowing						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Borrowing	746,913	866,291	1,031,068	1,247,629	1,362,730	1,384,128	1,349,410

	Authorised Limit for External Debt					
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Operational Boundary	1,145,542	1,358,881	1,470,985	1,490,589	1,452,497	1,408,071
10% Margin	114,554	135,888	147,098	149,059	145,250	140,807
Total	1,260,096	1,494,769	1,618,083	1,639,648	1,597,747	1,548,878

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	Operational Boundary for External Debt					
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Borrowing Other Long Term Liabilities	1,044,569	1,261,130	1,376,231	1,397,629	1,362,911	1,321,676
Total	1,145,542	1,358,881	1,470,985	1,490,589	1,452,497	1,408,071

Councillor Flynn moved as an amendment, seconded by Councillor Nicoll:-
That the Council -

Target Operating Model

- (1) note the alignment of the Council's revenue budget to the interim functional structure approved by Council in August 2017;
- (2) instruct the Chief Officer - Finance to formally notify the approved budget to all of the newly confirmed Chief Officers within the interim functional structure;

Balance Sheet Recommendations

- (3) note the projected balance sheet position including the reserves as at 31 March 2018;
- (4) approve the General Fund capital programme as attached at Appendix 1 of the report, and by doing so note that the Council will be maintaining the level of debt as advised to Moody's, the Council's credit rating agency;
- (5) approve an additional capital investment of £10million on road maintenance over the next five years;
- (6) in addition include the following capital items:
 - £250,000 for land assessment work for a new crossing at the Bridge of Dee and instruct the Director of Resources to instruct these works;
- (7) approve the Prudential Indicators as included below; and by doing so note that this demonstrates the affordability and sustainability of the Council's borrowing levels and therefore ability to sustain its credit rating;
- (8) approve the recommended use of reserves for 2018/19 as detailed in paragraph 3.39 of the report, and by doing so note that the level of uncommitted reserves is in line with CIPFA guidance as noted in its "Local Authority Reserves & Balances" bulletin published in July 2014;
- (9) note the contingent liabilities faced by the Council as detailed in Appendix 3 of the report, which may place future financial liabilities on the Council;
- (10) note that transformation of the Council will require the use of reserves, including capital receipts to fund associated costs;
- (11) delegate to the Chief Officer - Finance to make suitable provision as part of the 2017/18 Annual Accounts for any future VS/ER payments which will be reported back to the relevant committee in due course;
- (12) approve the reserves strategy as outlined in paragraphs 3.37 to 3.39 of the report which will ensure that reserves will increase over the medium term

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and therefore provide the Council with additional liquidity and financial resilience going forward;

- (13) instruct the Chief Officer - Finance to report back to the relevant committee before December 2018 on a detailed reserves strategy;

Revenue Budget Recommendations

5 Year Revenue Budget Position

- (14) note the draft financial position for 2019/20 to 2022/23 as shown in paragraph 3.40 of the report;
- (15) instruct the Chief Executive to continue to progress the transformation programme, reporting transformation options and associated financial benefits through the approved transformation governance process, in order to address the future years funding gap;

One Year Revenue Budget Position and Taxation

- (16) instruct officers to implement a 3% Council Tax increase for 2018/19 as allowed under the local government finance circular;
- (17) note and accept the conditions of the Local Government Finance Settlement for 2018/19;
- (18) set a balanced revenue budget for 2018/19 which is a statutory requirement, by noting and agreeing the proposed options contained in Appendix 5 of the report as amended by Appendix 1 of this amendment and note that this includes:-
- 50% increase in community centre grants
 - 50% lower price increases for parking than officer recommendations
 - no increase in prices for breakfast clubs, after school clubs and lets
 - £100,000 extra for mental health in schools
 - £100,000 extra for homelessness action
 - £100,000 extra for winter maintenance
 - an additional £1million funding to the IJB over and above officer proposals;
- (19) note that the IJB budget assumes uplift on the national care home contract of 3.3%. This uplift has, in the last week, been agreed at 3.39% and therefore, instruct the Chief Officer (IJB) to work within the funding provided, taking action as appropriate to identify and implement further budget savings to achieve this;
- (20) note that the budget assumes a pay award in line with the Scottish Government Public Sector Pay Policy and that in the event of national negotiations exceeding this assumption, instruct the Chief Officer - Finance to report back to the City Growth and Resources Committee on options to finance the additional costs;
- (21) approve the balanced revenue budget for 2018/19 as attached as Appendix 1 of this amendment;
- (22) instruct the Director of Commissioning to report to a future committee with plans to insource Bon Accord Care (noting a required saving of £300,000 in 2019/20);

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- (23) instruct the Chief Officer - City Growth to design and implement a NDR local scheme in relation to Aberdeen fish processing which provides 100% relief to eligible premises for increases above 12.5% less existing reliefs available, calculated to cost up to £0.172million which will be the overall financial cap for the scheme;
- (24) suspend Standing Order 41 with reference to Item 9.17 Proposed Purchase - Ground Wellington Road - CHI/17/216 of the FP&R meeting of 20 September 2017, and instruct the Chief Officer - Corporate Landlord to (a) cease progressing the option detailed at 3.10.2 in that report which was to request that the Scottish Government sell the ground at Wellington Road as referred to in that report to the Council at a value of £5,000; (b) instead to request that the Scottish Government sell the ground at Wellington Road as referred to in that report to the Council at the joint valuation undertaken by the Council and Scottish Government in September 2016 which was £230,000; and (c) and if agreed, instruct the Chief Officer - Governance to conclude the purchase of the ground incorporating appropriate terms to protect the Council's interests;
- (25) instruct the Director of Resources to provide a report to a future relevant committee on the potential of the Council setting up a community bank including the cost implications of such a venture;

Other Recommendations

- (26) instruct the Chief Officer - Corporate Landlord to bring forward an all options business case to the Capital Programme Committee in September 2018 on the most appropriate option for the old AECC;
- (27) instruct the Chief Officer - Corporate Landlord to bring an up to date business case and progress report to the Capital Programme Committee on the following:
- the proposed Tillydrone new Primary School;
 - Torry Primary School Hub;
 - Milltimber Primary School; and
 - Berryden Corridor (all stages);
- (28) instruct the Chief Officer - Corporate Landlord to bring a review of the School Estate report within the next nine months to the Education Operational Delivery Committee and thereafter to forward the report to the Capital Programme Committee;
- (29) instruct the Chief Officer - City Growth to bring forward an all options business case to the Capital Programme Committee in September 2018 on how best to proceed with Queens Square as part of the next phase of the masterplan;
- (30) instruct the Chief Officer - City Growth to enter into dialogue with the United Kingdom and Scottish Government on how best to progress a City Deal 2 noting the Aberdeen Region City Deal said *"In order to realise the full potential of the area a transport appraisal (supported by UK Government and Scottish Government, Transport Scotland and local partners) will take a 20 year strategic view of the transport implications of the investment unlocked by this Deal across all modes including road and rail. This work will commence in 2016 and will be based on Scottish Transport Appraisal Guidance. The appraisal will recognise the priorities of local, regional and*

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national transport plans and programmes as well as the existing work outlined above.”;

- (31) instruct the Chief Executive to write to the Chief Executive of COSLA and Scottish Government calling for a review of the funding mechanism;
- (32) note that Pupil Equity Funding is allocated by the Scottish Government on the basis of free school meal eligibility. To note the approach to estimating free school meals registrations is being kept under review by the Scottish Government to allow the Scottish Government to improve the quality of data for identifying children living in households affected by poverty. To instruct the Chief Operating Officer to bring a report to the next Education Operational Delivery Committee on how the Council can substantially increase the uptake of free school meals throughout the city;
- (33) note the success of similar projects in UK cities and instruct the Chief Officer - Strategic Place Planning to provide a business case to the Capital Programme Committee around the introduction of a cycle hire scheme which would have the potential to bring a real sea-change to transport in the city; and
- (34) instruct the Director of Resources to report back to the City Growth and Resources Committee in April 2018 on the Council’s further involvement with the Housing LLP.

<u>SNP Budget Proposals - General Services Revenue</u>	APPENDIX 1
	2018/19 £'000
Deficit from Council Report	4,883
<u>2b Movement</u>	
Funding to IJB - reduced in line with ACC funding	832
Additional funding to IJB	168
City of Culture	(500)
Deficit	5,383
<u>2c Committee Referrals</u>	
Greyhope Bay - grant award	20
Electric Vehicle Charging	54
Reclaiming Social Work - Revised Staffing (Saving)	(300)
LED Lighting in Parks	110
Maintenance of Paths in Parks	5
Gaps in Public Transport Network	132
Nuart (3 years)	100
Great Aberdeen Run (2 years)	150
Sale of Pitmedden Road, resulting in loss of revenue income	106
Lochside Transport	110
External Partnership Activity	4

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Towards a Fairer Aberdeen - Provision of Meals to Children during School Holidays	50
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Deficit	5,924
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2d Options

Council Tax Increase (3%)	(3,389)
Museum & Galleries	(150)
Corporate Advertising	(150)
School Lettings	(50)
Revised Car Parking Options (as below)	(303)
Officers General Fees and Charges Increases	(850)
EXCLUDING Breakfast Clubs, School Lets, Crem Caskets, Burials	75
EXCLUDING After School Clubs	15
EXCLUDING Memorial benches	4
Reversal of Administration Policy on residents parking permits	(248)
Implementation Alive at Five scheme (multi storey parking)	140
Introduce a Councillor Car parking levy	(16)
Remove funding to Bulawayo Trust	(45)
Remove funding to Gomel Trust	(22)
Remove funding to Mary Garden Prize	(2)
Disestablish Economic Policy Panel	(15)

Deficit	918
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2e Committee Referrals (moved to Common Good)

LED Lighting in Parks	(110)
Maintenance of Paths in Parks	(5)
Nuart (3 years)	(100)
Great Aberdeen Run (2 years)	(150)

Additions

Maintain budget lines for Printing, Stationery, Photocopying, Hospitality, Conferences, Staff Advertising and Uniforms at 2017/18 forecast outturn levels	(310)
35 hour week for new staff	(900)
NDR cap for fish processing businesses	172
Increase community centre grants by 50%	140
Mental health in schools	100
Additional homelessness action	100
Winter maintenance	100

Surplus/Deficit	(44)
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SNP - REVISED PARKING CHARGES

PARKING PERMITS	PROPOSED CHARGES 2018/19	Est. Additional Income
Business Permits (12 months)	£510	£6,000
Contractor Permits (12 months)	£560	£2,000
Monthly Permits	£210	n/a
Residents Permits All Zones (First Permits) (12 months)	£60	£124,000
Residents Permits All Zones (Second Permits) (12 months)	£140	£30,000
		£162,000

PAY & DISPLAY CHARGES	PROPOSED CHARGES 2018/19	
City Centre Parking Zones A, B, C, E, F & G	Up to 20 minute stay - £1.10	£73,000
	Up to 40 minute stay - £2.20	
	Up to 1 hour stay - £3.30	
	Up to 2 hour stay - £4.40	

PAY & DISPLAY CHARGES	PROPOSED CHARGES 2018/19
West North Street, Chapel Street, Frederick Street (part of) & Denburn	Up to 1 hour stay - £1 (Denburn & Frederick Street)
	Up to 2 hour stay - £2.10
	Up to 3 hour stay - £3.10
	Up to 4 hour stay - £4.20
	Up to 5 hour stay - £5.30

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	£'000 Actual	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate	£'000 Estimate
Non HRA	578,193	713,745	913,173	1,010,386	1,031,368	1,000,264	969,343
HRA	272,091	298,705	312,866	327,757	326,379	319,391	305,886
Total	850,284	1,012,450	1,226,039	1,338,143	1,357,747	1,319,655	1,275,229

Gross Borrowing							
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Borrowing	746,913	866,291	1,031,068	1,247,879	1,362,980	1,384,378	1,349,660

Authorised Limit for External Debt							
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
Operational Boundary	1,145,542	1,359,131	1,471,235	1,490,839	1,452,747	1,408,321	
10% Margin	114,554	135,913	147,123	149,084	145,275	140,832	
Total	1,260,096	1,495,044	1,618,358	1,639,923	1,598,022	1,549,153	

Operational Boundary for External Debt							
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
Borrowing	1,044,569	1,261,380	1,376,481	1,397,879	1,363,161	1,321,926	
Other Long Term Liabilities	100,973	97,751	94,754	92,960	89,586	86,395	
Total	1,145,542	1,359,131	1,471,235	1,490,839	1,452,747	1,408,321	

Councillor Yuill moved as a further amendment, seconded by Councillor Greig:-
That the Council -

Target Operating Model

- (1) note the alignment of the Council's revenue budget to the interim functional structure approved by Council in August 2017;
- (2) instruct the Chief Officer - Finance to formally notify the approved budget to all of the newly confirmed Chief Officers within the interim functional structure;

Balance Sheet Recommendations

- (3) note the projected balance sheet position including the reserves as at 31 March 2018;
- (4) approve the General Fund capital programme as attached at Appendix 1 of the report, and by doing so note that the Council will be maintaining the level of debt as advised to Moody's, the Council's credit rating agency;

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- (5) in addition include the following capital items:
 - (i) additional capital investment over the next 5 years of £12.5million in roads and pavement repairs and resurfacing;
 - (ii) allocate £100,000 for a feasibility study into the dualling of the Lang Stracht;
 - (iii) a commitment to increase Aberdeen's resilience to respond to snow and cold weather with an investment of £130,000 in additional winter maintenance equipment;
- (6) confirm that it is committed to the construction of a new bridge over the River Dee and note that the initial STAG process is complete and that a review is to be carried out following the opening of the AWPR to enable changes in traffic patterns to be accurately assessed, that this review is likely to begin in early 2019 and run into 2019/20 and that the STAG reports will be updated with the review outcomes;
- (7) approve the Prudential Indicators as at Appendix 2 below; and by doing so note that this demonstrates the affordability and sustainability of the Council's borrowing levels and therefore ability to sustain its credit rating;
- (8) approve the recommended use of reserves for 2018/19 as detailed in paragraph 3.39 of the report, and by doing so note that the level of uncommitted reserves is in line with CIPFA guidance as noted in its "Local Authority Reserves & Balances" bulletin published in July 2014;
- (9) note the contingent liabilities faced by the Council as detailed in Appendix 3 of the report, which may place future financial liabilities on the Council;
- (10) note that transformation of the Council will require the use of reserves, including capital receipts to fund associated costs;
- (11) delegate to the Chief Officer - Finance to make suitable provision as part of the 2017/18 Annual Accounts for any future VS/ER payments which will be reported back to the relevant committee in due course;
- (12) approve the reserves strategy as outlined in paragraphs 3.37 to 3.39 of the report which will ensure that reserves will increase over the medium term and therefore provide the Council with additional liquidity and financial resilience going forward;
- (13) instruct the Chief Officer - Finance to report back to the relevant committee before December 2018 on a detailed reserves strategy;
- (14) instruct officers to undertake a feasibility study into the dualling of the Lang Stracht;
- (15) instruct the Chief Operating Officer to report to the future committee recommending how the additional capital funding of £2million for road and pavement repairs and resurfacing should be utilised;

Revenue Budget Recommendations**5 Year Revenue Budget Position**

- (16) note the draft financial position for 2019/20 to 2022/23 as shown in paragraph 3.40 of the report;
- (17) instruct the Chief Executive to continue to progress the transformation programme, reporting transformation options and associated financial benefits through the approved transformation governance process, in order to address the future years funding gap;

One Year Revenue Budget Position and Taxation

- (18) instruct officers to implement a 3% Council Tax increase for 2018/19 as allowed under the local government finance circular;
- (19) approve the balanced revenue position for 2018/19 as attached at Appendix 1 of this amendment and note that this includes:
 - (i) an additional £110,000 investment in teachers' CPD
 - (ii) creation of the post of Chief Officer - Education
 - (iii) investment in head teacher recruitment
 - (iv) an increase of £95,000 for leased community centre grants
 - (v) a feasibility study into the transfer of Hazlehead Swimming Pool to community management
 - (vi) increasing funding levels for Sport Aberdeen
 - (vii) funding for the installation of additional bus shelters
 - (viii) £185,000 to increase winter maintenance and road response team capacity
 - (ix) an additional £183,000 for supported bus services in Aberdeen
 - (x) funding to undertake public consultation on a possible Ashley controlled parking zone
 - (xi) the creation of a Community Empowerment Improvements Fund
 - (xii) £200,000 of additional investment in street and urban tree planting
 - (xiii) £200,000 for grass cutting of Council maintained spaces;
- (20) set a balanced revenue budget for 2018/19 which is a statutory requirement, by noting and agreeing the proposed options contained in Appendix 5 of the report as amended by Appendix 1 of this amendment;
- (21) note and accept the conditions of the Local Government Finance Settlement for 2018/19;
- (22) approve the level of funding for 2018/19 as detailed in paragraph 3.63 of the report, in relation to the IJB, and note that it will be for the IJB itself to determine how it will balance its budget;
- (23) note that the IJB budget assumes an uplift on the national care home contract of 3.3%. This uplift has, in the last week, been agreed at 3.39% and therefore, instruct the Chief Officer (IJB) to work within the funding provided, taking action as appropriate to identify and implement further budget savings to achieve this;
- (24) note that the budget assumes a pay award in line with the Scottish Government Public Sector Pay Policy and that in the event of national negotiations exceeding this assumption, to instruct the Chief Officer - Finance to report back to the City Growth and Resources Committee on options to finance the additional costs;
- (25) instruct the Chief Officer - Corporate Landlord to undertake a feasibility study into the transfer of Hazlehead Swimming Pool to community management;
- (26) instruct the Chief Operating Officer to report to a future committee on how the additional investment in supported bus services could best be used to provide bus links to isolated communities;
- (27) instruct the Chief Operating Officer to report to a future committee recommending how the additional CFCR funds for road and pavement repairs should be utilised; and

Council Budget Meeting, Tuesday, 6 March 2018

- (28) agree that the process to be followed to recruit the Chief Officer - Education will be the same as that undertaken for other Chief Officer posts, and instruct the Chief Executive to prepare a job description and person specification for this post and to report on this, together with such consequential changes as may be required to other job descriptions, to the appropriate committee.

Liberal Democrat Budget Proposals - General Services Revenue - Appendix 1

	2018/19 £'000
Deficit from Council Report	4,883
Committee Decisions Referred to Budget Process	
Greyhope Bay - grant award	20
Sale of Pitmedden Road, resulting in loss of revenue income	106
Electric Vehicle Charging	54
Lochside Academy School Transport	110
External partnership activity	4
Towards a fairer Aberdeen - provision of meals to children during school holidays	50
Total Committee Decisions Referred to Budget Process	344
New Initiatives	
Head teacher recruitment initiative	25
Increase schools' devolved budget for teacher continuing professional development (CPD)	110
Create post of Chief Officer - Education	112
Increase Leased Community Centre Grants	95
Feasibility Study into the Transfer of Hazlehead Swimming Pool to Community Management	50
Sport Aberdeen - additional resources	31
Install Additional Bus Shelters	50
Increase Winter Maintenance and Road Response Team Capacity	185
Fill gaps in public transport network using supported bus services	183
Undertake public consultation on possible Ashley CPZ	10
Community Environmental Improvements Fund	100
Street and Urban Tree Planting, Maintenance, Management and Staffing	200
Grass Cutting of Council Maintained Spaces	200
Revenue cost of Additional Borrowing for Capital Programme	109
Total New Initiatives	1,460
Savings / New ways of Working	
Reclaiming Social Work - revised staffing	(300)
Make no City of Culture bid	(500)

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Introduce a new working week of 35 hours for new employees	(900)	
Invest in more council tax staff to increase income	(100)	
Total Savings / New Ways of Working		(1,800)
Commercial Income Review	(1,638)	
No increase in Residents' Parking Permit fees	124	
Inflation only increase in memorial bench charge	4	
Revised Commercial Income Review		(1,510)
Council Tax		
Increase council tax by rate of inflation (CPI Jan 2018) (3%)		(3,377)
Total Shortfall		0

Liberal Democrat Capital Budget proposal 2018/19	
	£000
Officers capital plan PLUS:	
New Initiatives	
Additional investment in road and pavement repairs and resurfacing (5 years @ £2.5M)	2,500
Feasibility study into the dualing of the Lang Stracht	100
Multi-use winter maintenance and response plant	130
	2,730
Funded by:	
Capital borrowing	2,730

**APPENDIX 2
ABERDEEN CITY COUNCIL
2017/18 to 2022/23**

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

Council Budget Meeting, Tuesday, 6 March 2018

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

	Capital Expenditure						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Non HRA	175,275	198,663	271,454	158,400	92,760	45,037	23,971
HRA	42,154	55,318	42,051	45,335	30,204	26,500	21,991

	Ratio of Financing Costs to Net Revenue Stream						
	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non HRA	5.7%	4.8%	7.4%	8.5%	9.1%	9.2%	9.2%
HRA	14.7%	17.2%	16.0%	17.0%	18.2%	18.1%	17.7%

	Capital Financing Requirement						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Non HRA	578,193	713,745	915,653	1,015,366	1,038,848	1,010,244	981,823
HRA	272,091	298,705	312,866	327,757	326,379	319,391	305,886
Total	850,284	1,012,450	1,228,519	1,343,123	1,365,227	1,329,635	1,287,709

	Gross Borrowing						
	2016/17 £'000 Actual	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate	2021/22 £'000 Estimate	2022/23 £'000 Estimate
Borrowing	746,913	866,291	1,031,068	1,250,359	1,367,960	1,391,858	1,359,640

	Authorised Limit for External Debt					
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Operational Boundary	1,145,542	1,361,611	1,476,215	1,498,319	1,462,727	1,420,801
10% Margin	114,554	136,161	147,621	149,832	146,273	142,080
Total	1,260,096	1,497,772	1,623,836	1,648,151	1,609,000	1,562,881

	Operational Boundary for External Debt					
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Borrowing	1,044,569	1,263,860	1,381,461	1,405,359	1,373,141	1,334,406
Other Long Term Liabilities	100,973	97,751	94,754	92,960	89,586	86,395

Council Budget Meeting, Tuesday, 6 March 2018

Total	1,145,542	1,361,611	1,476,215	1,498,319	1,462,727	1,420,801
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There being a motion and two amendments, the Council first divided between the amendment by Councillor Flynn and the amendment by Councillor Yuill.

On a division, there voted:-

For the amendment by Councillor Flynn (19) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Jackie Dunbar, Flynn, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart and Townson.

For the amendment by Councillor Yuill (3) - Councillors Delaney, Greig and Yuill.

Declined to vote (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

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

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

For the amendment by Councillor Flynn (19) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Jackie Dunbar, Flynn, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart and Townson.

Declined to vote (3) - Councillors Delaney, Greig and Yuill.

The Council resolved:-
to adopt the motion.

DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET AND HOUSING CAPITAL BUDGET 2018/19 TO 2022/23 - CG/18/030

4. The Council had before it a report by the Director of Resources which provided information to allow the setting of the rent level for the financial year 2018/19 as well as provisional rents for the financial years 2019/20 to 2022/23, which in turn would allow a

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capital programme for 2018/19 to be set as well as a provisional programme for 2019/20 to 2022/23.

The report recommended:-

that the Council -

- (a) approve the budget as attached in Appendix 1 (pages 5 to 6) of the report;
- (b) approve the setting of the weekly unrebated rents for municipal houses, as detailed in Appendix 1 (pages 5 to 6) of the report, to take effect from 30 April 2018;
- (c) approve the level of revenue contribution to the Housing Capital budget for 2018/19 as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 (pages 19 to 20) of the report;
- (d) approve the proposal to maintain the working balances at 10% to meet future contingencies as detailed in Appendix 1 (pages 5 to 6) of the report;
- (e) approve the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 (pages 16 to 17) of the report;
- (f) approve, based on the rent strategy adopted, the capital programme for the financial year 2018/19 (Appendix 1 - pages 23 to 26);
- (g) note the indicative level of programme for the financial years 2019/20 to 2022/23 (Appendix 1 - pages 23 to 26);
- (h) approve as estimated expenditure in terms of Procurement Regulation 4.1.1, in order for work to commence on the capital programme, the sums shown against each heading of the Housing Capital Expenditure budget for the financial year 2018/19 set out in Appendix 1 (pages 23 to 26) to the report without the need for separate committee approval of each;
- (i) delegate authority to the Director of Resources, following consultation with the Head of Commercial and Procurement Services, to undertake or instruct appropriate procedures in accordance with the ACC Procurement Regulations to procure the works referred to in Appendix 1 (pages 23 to 26) for the capital programme for the financial year 2018/19 and award contracts relating thereto; and
- (j) instruct the Director of Resources to finalise the Housing Business Plan on completion of the Asset Management Plan and present to the relevant future committee.

Councillor Laing moved, seconded by Councilor Macdonald:-

That the Council -

- (1) approve the budget as attached in Appendix 1 (pages 5 to 6) of the report subject to the resolutions below;
- (2) approve that the weekly unrebated rents for municipal houses be increased by 2.6% for 2018/19, to take effect from 30 April 2018;
- (3) continue to cap rent increases due to rent restructuring at a maximum of £3 per week until model rent is achieved;
- (4) reduce the rent of those above the phasing following rent restructuring to the model rent;
- (5) approve the level of revenue contribution to the Housing Capital budget for 2018/19 at £20.6million as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 of the report;
- (6) approve the proposal to maintain the working balances at 10% to meet future contingencies as detailed in Appendix 1 (pages 5 to 6) of the report;

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- (7) agree to freeze the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 (pages 16 to 17) of the report;
- (8) approve, based on the rent strategy adopted, the capital programme for the financial year 2018/19 (Appendix 1 - pages 23 to 26 of the report);
- (9) note the indicative level of programme for the financial years 2019/20 to 2022/23 (Appendix 1 - pages 23 to 26 of the report);
- (10) approve as estimated expenditure in terms of Procurement Regulation 4.1.1, in order for work to commence on the capital programme, the sums shown against each heading of the Housing Capital Expenditure budget for the financial year 2018/19 set out in Appendix 1 (pages 23 to 26) to the report without the need for separate committee approval of each;
- (11) delegate authority to the Director of Resources, following consultation with the Head of Commercial and Procurement Services, to undertake or instruct appropriate procedures in accordance with the Council's Procurement Regulations to procure the works referred to in Appendix 1 (pages 23 to 26) of the report for the capital programme for the financial year 2018/19 and award contracts relating to it; and
- (12) instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment sum of £250million and that each business case must demonstrate the long term affordability and sustainability of the Council's Housing Revenue Account.

Actuals 2016/17	Draft Housing Revenue Account Budget	Budget 2017/18	Out-turn 2017/18	Draft Budget 2018/19
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Based on the rental policy of 2.6% increase

£000s		£000s	£000s	£000s
	Premises Costs			
53	1 Rates	49	63	60
101	2 Rent	102	102	102
26,046	3 Repairs and Maintenance	25,114	26,135	27,685
3,079	4 Maintenance of Grounds	3,279	3,110	3,203
515	5 Gas	663	515	515
2,754	6 Electricity	2,642	2,754	2,754
518	7 Cleaning Service	494	494	500
331	8 Security Service	380	331	341
24	9 Window Cleaning	26	24	26
327	10 Refuse Collection	278	327	337
560	11 Cleaning - Sheltered Housing	566	561	578
239	12 Other Property Costs - Council Tax	282	239	282
34,547		33,875	34,655	36,383
	Administration Costs			
46	13 Tenants Incentive Scheme	102	46	102

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346	14	Legal Expenses	350	350	350
9	15	Office Tel / Rent	14	10	10
2,811	16	Former Tenants Arrears Charges - Services Admin & Management.	2,000	2,000	2,000
9,272	17	General Consultancy	9,484	9,365	9,745
16	18	Training for Front Line Staff	60	60	60
25	19	Benefits Staff	103	100	100
63	20	Charges - Tenants Participation	61	61	63
160	21	Charges for Environmental Health	206	206	206
208	22		201	210	217
12,956			12,581	12,408	12,853

Supplies & Services

166	23	Provision of Meals	155	155	155
5	24	Television Licence	16	8	8
160	25	Integrated Housing System	254	254	254
331			425	417	417

Agencies

81	26	Mediation Service	82	82	83
81	27	Energy Advice	82	82	83
14	28	Benefits Advice	14	14	14
39	29	Disabled Persons Housing Service	39	39	39
0	30	Ethnic Minority Worker	15	0	0
215			232	217	219

Transfer Payments

395	31	Aberdeen Families Project	465	465	645
809	32	Loss of Rent - Council Houses	865	1,078	1,106
417	33	Loss of Rent - Garages, Parking etc	436	430	444
131	34	Loss of Rent - Modernisation Works	109	109	109
268	35	Haudagain Payments	301	301	0
102	36	Supporting People Contribution	0	0	0
22,911	37	CFCR	21,700	21,753	20,641
25,033			23,876	24,136	22,945

Capital Financing Costs

6,001	38	Loans Fund Instalment	6,874	7,034	7,249
6,911	39	Loans Fund Interest	7,999	6,000	6,670
12,912			14,873	13,034	13,919

85,994		Expense Total	85,862	84,867	86,735
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Income

(23)	40	Ground Rentals	(26)	(23)	(23)
(81,866)	41	Dwelling Houses Rent Income	(81,720)	(80,820)	(82,688)
(2,094)	42	Housing - Heat with Rent Income	(2,089)	(2,097)	(2,097)
(1,265)	43	Housing - Garages Rent Income	(1,263)	(1,291)	(1,291)
(223)	44	Housing - Parking Spaces Rent	(220)	(196)	(196)
(4)	45	Housing - Insurance Income	0	(2)	(2)
(621)	46	Housing - Other Service Charge	(547)	(540)	(540)

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(318)	47	Legal Expenses	(350)	(318)	(318)
(80)	48	Revenue Balance Interest	(147)	(80)	(80)
<hr/>			<hr/>		
(86,495)		Income Total	(86,362)	(85,367)	(87,235)
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(501)		Net Expenditure	(500)	(500)	(500)
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Councillor Jackie Dunbar moved as an amendment, seconded by Councillor Nicoll:-

That the Council -

- (1) approve the budget as attached in Appendix 1 (pages 5 to 6) of the report subject to the resolutions below;
- (2) approve that the weekly unrebated rents for municipal houses be increased by 4.6% for 2018/19, to take effect from 30 April 2018;
- (3) approve the level of revenue contribution to the Housing Capital budget for 2018/19 at £22.7million as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 of the report;
- (4) approve the proposal to maintain the working balances at 10% to meet future contingencies as detailed in Appendix 1 (pages 5 to 6) of the report;
- (5) approve the transfer of £1.9million from the working balances to fund the Solid Wall Insulation programme in 2018/19;
- (6) approve the level of miscellaneous rents and service charges excluding Meals at Denmore and Kingswood, including Heat with Rent as detailed in Appendix 1 (pages 16 to 17) of the report;
- (7) approve an increase of £2.50 per week for Demore and Kingswood and instruct the Director of Customer Services to report to a relevant future committee to review the policy to ensure the costs of meals are reflective of the cost of services;
- (8) approve, based on the rent strategy adopted, the capital programme for the financial year 2018/19 (Appendix 1 - pages 23 to 26);
- (9) note the indicative level of programme for the financial years 2019/20 to 2022/23 (Appendix 1 - pages 23 to 26);
- (10) approve as estimated expenditure in terms of Procurement Regulation 4.1.1, in order for work to commence on the capital programme, the sums shown against each heading of the Housing Capital Expenditure budget for the financial year 2018/19 set out in Appendix 1 (pages 23 to 26) of the report without the need for separate committee approval of each;
- (11) delegate authority to the Director of Resources, following consultation with the Head of Commercial and Procurement Services, to undertake or instruct appropriate procedures in accordance with the Council's Procurement Regulations to procure works referred to in Appendix 1 (pages 23 to 26) for the capital programme for the financial year 2018/19 and award contracts relating to it;
- (12) instruct the Director of Resources to finalise the Housing Business Plan on completion of the Asset Management Plan and present to the relevant future committee;
- (13) instruct the Director of Resources to report back to the relevant future committee with a business case for the acquisition of ex-Council properties in buildings where the Council is the majority owner and the income stream

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- generated would cover the cost of acquisition as well as any other properties that were previously Council owned; and
- (14) instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment sum of £250million and that each business case must demonstrate the long term affordability and sustainability of the Council's Housing Revenue Account, and the Council continue the good practice of consulting our tenants as we currently do in regard to any significant change in rent policy or strategy, which is in line with national guidance of involving tenants in the major decision process and with consultation with the Housing Performance and Budget Group and the Tenant Participation Group.

Actuals 2016/17	Draft Housing Revenue Account Budget		Budget 2017/18	Out-turn 2017/18	Draft Budget 2018/19
Based on the rental policy of 4.6% increase					
£000s			£000s	£000s	£000s
Premises Costs					
53	1	Rates	49	63	60
101	2	Rent	102	102	102
26,046	3	Repairs and Maintenance	25,114	26,135	27,685
3,079	4	Maintenance of Grounds	3,279	3,110	3,203
515	5	Gas	663	515	515
2,754	6	Electricity	2,642	2,754	2,754
518	7	Cleaning Service	494	494	500
331	8	Security Service	380	331	341
24	9	Window Cleaning	26	24	26
327	10	Refuse Collection	278	327	337
560	11	Cleaning - Sheltered Housing	566	561	578
239	12	Other Property Costs - Council Tax	282	239	282
34,547			33,875	34,655	36,383
Administration Costs					
46	13	Tenants Incentive Scheme	102	46	102
346	14	Legal Expenses	350	350	350
9	15	Office Tel / Rent	14	10	10
2,811	16	Former Tenants Arrears Charges - Services Admin & Management.	2,000	2,000	2,000
9,272	17	General Consultancy	9,484	9,365	9,745
16	18	Training for Front Line Staff	60	60	60
25	19	Benefits Staff	103	100	100
63	20	Charges - Tenants Participation	61	61	63
160	21	Charges for Environmental Health	206	206	206
208	22		201	210	217
12,956			12,581	12,408	12,853

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Supplies & Services					
166	23	Provision of Meals	155	155	155
5	24	Television Licence	16	8	8
160	25	Integrated Housing System	254	254	254
331			425	417	417
Agencies					
81	26	Mediation Service	82	82	83
81	27	Energy Advice	82	82	83
14	28	Benefits Advice	14	14	14
39	29	Disabled Persons Housing Service	39	39	39
0	30	Ethnic Minority Worker	15	0	0
215			232	217	219
Transfer Payments					
395	31	Aberdeen Families Project	465	465	645
809	32	Loss of Rent - Council Houses	865	1,078	1,128
417	33	Loss of Rent - Garages, Parking etc	436	430	444
131	34	Loss of Rent - Modernisation Works	109	109	109
268	35	Haudagain Payments	301	301	0
102	36	Supporting People Contribution	0	0	0
22,911	37	CFCR	21,700	21,753	22,660
25,033			23,876	24,136	24,985
Capital Financing Costs					
6,001	38	Loans Fund Instalment	6,874	7,034	7,249
6,911	39	Loans Fund Interest	7,999	6,000	6,670
12,912			14,873	13,034	13,919
85,994			85,862	84,867	88,776
		Expense Total			
Income					
(23)	40	Ground Rentals	(26)	(23)	(23)
(81,866)	41	Dwelling Houses Rent Income	(81,720)	(80,820)	(84,229)
(2,094)	42	Housing - Heat with Rent Income	(2,089)	(2,097)	(2,097)
(1,265)	43	Housing - Garages Rent Income	(1,263)	(1,291)	(1,291)
(223)	44	Housing - Parking Spaces Rent	(220)	(196)	(196)
(4)	45	Housing - Insurance Income	0	(2)	(2)
(621)	46	Housing - Other Service Charge	(547)	(540)	(540)
(318)	47	Legal Expenses	(350)	(318)	(318)
(80)	48	Revenue Balance Interest	(147)	(80)	(80)
(86,495)			(86,362)	(85,367)	(88,776)
		Income Total			
(501)		Net Expenditure	(500)	(500)	(0)

Projected Working balance at 1 April 2018	10,737
T/F balance for CFCR for Solid Wall Insulation	-1,900
Projected Working balance at 1 April 2019	8,827

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Councillor Delaney moved as a further amendment, seconded by Councillor Greig:-

That the Council -

- (1) approve the budget as attached in Appendix 1 (pages 5 to 6) of the report subject to the resolutions below;
- (2) approve that the weekly unrebated rents for municipal houses be increased by 4.6% for 2018/19, to take effect from 30 April 2018;
- (3) approve the level of revenue contribution to the Housing Capital budget for 2018/19 at £22.2million as well as a provisional contribution for the subsequent four financial years as detailed in Appendix 1 of the report;
- (4) approve the proposal to maintain the working balances at 10% to meet future contingencies as detailed in Appendix 1 (pages 5 to 6) of the report;
- (5) approve the level of miscellaneous rents and service charges, including Heat with Rent as detailed in Appendix 1 (pages 16 to 17) of the report;
- (6) approve, based on the rent strategy adopted, the capital programme for the financial year 2018/19 (Appendix 1 - pages 23 to 26);
- (7) approve as estimated expenditure in terms of Procurement Regulation 4.1.1, in order for work to commence on the capital programme, the sums shown against each heading of the Housing Capital Expenditure budget for the financial year 2018/19 set out in Appendix 1 (pages 23 to 26) to this report without the need for separate committee approval of each;
- (8) delegate authority to the Director of Resources, following consultation with the Head of Commercial and Procurement Services, to undertake or instruct appropriate procedures in accordance with the Council's Procurement Regulations to procure the works referred to in Appendix 1 (pages 23 to 26) for the capital programme for the financial year 2018/19 and award contracts relating to it;
- (9) instruct the Director of Resources to finalise the Housing Business Plan on completion of the Asset Management Plan and present to the relevant future committee;
- (10) instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment sum of £250million and that each business case must demonstrate the long term affordability and sustainability of the Council's Housing Revenue Account; and
- (11) instruct the Director of Resources to report back to the relevant future committee with a business case for the acquisition of ex-Council properties in buildings where the Council is the majority owner and the income stream generated would cover the cost of acquisition as well as any other properties that were previously Council owned.

During the course of summing up, Councillor Laing agreed to accept part (13) of Councillor Jackie Dunbar's amendment on a case by case basis.

There being a motion and two amendments, the Council first divided between the amendment by Councillor Jackie Dunbar and the amendment by Councillor Delaney.

On a division, there voted:-

Council Budget Meeting, Tuesday, 6 March 2018

For the amendment by Councillor Jackie Dunbar (19) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Jackie Dunbar, Flynn, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart and Townson.

For the amendment by Councillor Delaney (3) - Councillors Delaney, Greig and Yuill.

Declined to vote (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

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

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

For the amendment by Councillor Jackie Dunbar (22) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Delaney, Jackie Dunbar, Flynn, Greig, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart, Townson and Yuill.

The Council resolved:-

to adopt the motion and part (13) of Councillor Jackie Dunbar's amendment on a case by case basis.

COMMON GOOD BUDGET 2018/19 - CG/18/031

5. The Council had before it a report by the Director of Resources which provided details of the draft Common Good budget for 2018/19 for consideration.

The report recommended:-

that the Council -

- (a) approve the Common Good budget for 2018/19 as detailed in Appendix 1 to the report;
- (b) consider and make a decision on each of the new requests for funding detailed in Appendix 3 to the report;
- (c) note the provisional Common Good budget for 2019/20 to 2022/23 as detailed in Appendix 1 to the report;
- (d) note that an initial asset register has been prepared and that work will continue to be undertaken to comprehensively review Common Good assets; and
- (e) note the intention to review the process for dealing with applications to the Common Good Fund from 2019/20.

Council Budget Meeting, Tuesday, 6 March 2018

Councillor Boulton moved, seconded by Councillor Lumsden:-

That the Council -

- (1) approve the Common Good budget for 2018/19 as detailed in Appendix 1 to the report amended to reflect Appendix 1 of this motion;
- (2) note the provisional Common Good budget for 2019/20 to 2022/23 as detailed in Appendix 1 to the report;
- (3) note that an initial asset register has been prepared and that work will continue to be undertaken to comprehensively review Common Good assets; and
- (4) note the intention to review the process for dealing with applications to the Common Good Fund from 2019/20.

Administration Common Good Budget - Appendix 1

	<u>£000</u>
Surplus per Appendix 1 of Committee Report	<u>-592</u>
Remove AIYF Funding from Appendix 1 of the report	<u>-65</u>
Appendix 3 of Committee Report	
Gordon Highlanders	20
Grampian Police/Harlaw Academy	3
Abedeen Illness & disability service	20
Aberdeen Citizens Advice Bureau	35
Mela	22
Ferryhill railway heritage trust	26
Cfine - SFCPA Co-ordinator Post	25
	<u>151</u>
Additions:	
LED lighting	110
Paths in parks	5
Nuart (3 years)	100
Great Aberdeen Run (2 years)	150
Lord Provost Travel	29
Castlegate Arts	35
10 Foot tall	30
Deeside Food Festival	5
Celebrate Aberdeen Awards	10
Rape Crisis	5
Disability Equity Partnership Training	2

Council Budget Meeting, Tuesday, 6 March 2018

	<u>481</u>
Revised Surplus	-25

Councillor Flynn moved as an amendment, seconded by Councillor Jackie Dunbar:-

That the Council -

- (1) approve the Common Good budget for 2018/19 as detailed in Appendix 1 to the report amended to reflect Appendix 1 of the amendment;
- (2) note the provisional Common Good budget for 2019/20 to 2022/23 as detailed in Appendix 1 to the report;
- (3) note that an initial asset register has been prepared and that work will continue to be undertaken to comprehensively review Common Good assets; and
- (4) note the intention to review the process for dealing with applications to the Common Good Fund from 2019/20.

SNP Common Good Budget Proposals - Appendix 1

	<u>£000</u>
Surplus per Appendix 1 of Committee Report	<u>-592</u>
Add in Citizens Advice Bureau to recurring in Appendix 1 of the report	<u>41</u>
Appendix 3 of Committee Report	
Gordon Highlanders	20
Grampian Police/Harlaw Academy	3
Mela	22
Ferryhill railway heritage trust	26
	<u>71</u>
Additions:	
LED lighting	110
Paths in parks	5
Nuart (3 years)	100
Great Aberdeen Run (2 years)	150
Castlegate Arts	35
Deeside Food Festival	5
Rape Crisis	5
Disability Equity Partnership Training	2
	<u>412</u>
Revised Surplus	-68

Council Budget Meeting, Tuesday, 6 March 2018

Councillor Yuill moved as a further amendment, seconded by Councillor Greig:-

That the Council -

- (1) approve the Common Good budget for 2018/19 as detailed in Appendix 1 to the report amended to reflect Appendix 1 of the amendment;
- (2) note the provisional Common Good budget for 2019/20 to 2022/23 as detailed in Appendix 1 to the report;
- (3) note that an initial asset register has been prepared and that work will continue to be undertaken to comprehensively review Common Good assets; and
- (4) note the intention to review the process for dealing with applications to the Common Good Fund from 2019/20.

Lib Dem Common Good Budget Proposals - Appendix 1

	<u>£000</u>
Surplus per Appendix 1 of Committee Report	<u>-592</u>
Appendix 3 of Committee Report	
Gordon Highlanders	20
Grampian Police/Harlaw Academy	3
Abedeen Illness & disability service	20
Aberdeen Citizens Advice Bureau	35
Mela	22
Ferryhill railway heritage trust	26
Cfine - SFCPA Co-ord Post	25
	<u>151</u>
Additions:	
LED lighting	110
Paths in parks	5
Nuart (3 years)	100
Great Aberdeen Run (2 years)	150
Sport Aberdeen outdoor gym equipment	54
Deeside Food Festival	5
Celebrate Aberdeen Awards	10
Rape Crisis	5
Disability Equity Partnership training	2
	<u>441</u>
Revised Surplus	0

There being a motion and two amendments, the Council first divided between the amendment by Councillor Flynn and the amendment by Councillor Yuill

Council Budget Meeting, Tuesday, 6 March 2018

On a division, there voted:-

For the amendment by Councillor Flynn (19) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Jackie Dunbar, Flynn, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart and Townson.

For the amendment by Councillor Yuill (3) - Councillors Delaney, Greig and Yuill.

Declined to vote (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

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

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Allan, Bell, Boulton, Lesley Dunbar, Duncan, Graham, Grant, Houghton, Hunt, Imrie, John, Laing, Lumsden, Macdonald, Avril MacKenzie, Malik, Mason MSP, Reynolds, Sellar, Jennifer Stewart and Wheeler.

For the amendment by Councillor Flynn (19) - Councillors Allard, Alphonse, Cameron, Cooke, Copland, Cormie, Jackie Dunbar, Flynn, Henrickson, Hutchison, MacGregor, Catriona MacKenzie, McLellan, McRae, Nicoll, Noble, Samarai, Sandy Stuart and Townson.

Declined to vote (3) - Councillors Delaney, Greig and Yuill.

The Council resolved:-
to adopt the motion.

NORTH EAST SCOTLAND PENSION FUND BUDGET 2018/19 - 2022/23 - CG/18/027

6. The Council had before it a report by the Director of Resources which provided details of the budget included in the 2018/19 - 2022/23 General Fund budget that related to the North East Scotland Pension Fund (NESPF).

The report recommended:-
that the Council -

- (a) note the provision in respect of the NESPF contained within the Council's General Fund budget for 2018/19 to 2022/23; and
- (b) instruct the Chief Officer - Finance to recover, from the NESPF, the actual costs incurred by the Council in acting as the administering authority for the NESPF.

The Council resolved:-

- (i) to approve the recommendations; and
- (ii) to congratulate staff for their work in relation to the key achievements of NESPF.

Council Budget Meeting, Tuesday, 6 March 2018

- **BARNEY CROCKETT, Lord Provost.**