

Public Document Pack



To: All Members of the Council

Town House,
ABERDEEN Wednesday, 17 August
2022

COUNCIL

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **WEDNESDAY, 24 AUGUST 2022 at 10.30 am.** This is a hybrid meeting, therefore Members may also take part remotely.

VIKKI CUTHBERT
INTERIM CHIEF OFFICER - GOVERNANCE

B U S I N E S S

ADMISSION OF BURGESSES

- 1.1 Admission of Burgesses
No Burgesses to be admitted

DETERMINATION OF URGENT BUSINESS

- 2.1 No urgent business at this time

DETERMINATION OF EXEMPT BUSINESS

- 3.1 Members are requested to determine that the exempt business be considered with the press and public excluded

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

- 4.1 Members are requested to declare any interests or connections

DEPUTATIONS

- 5.1 There are no deputation requests at this time

MINUTES OF PREVIOUS MEETINGS OF COUNCIL

- 6.1 Minute of Meeting of Aberdeen City Council of 29 June 2022 - for approval (Pages 7 - 28)
- 6.2 Minute of Adjourned Meeting of Aberdeen City Council of 13 July 2022 - for approval (Pages 29 - 42)
- 6.3 Minute of Special Meeting of Aberdeen City Council of 13 July 2022 - for approval (Pages 43 - 46)

REFERRALS FROM COMMITTEES

- 7.1 Council Financial Performance - Quarter 1, 2022/23 - RES/22/152 - referred by City Growth and Resources Committee of 3 August 2022 (Pages 47 - 126)

BUSINESS PLANNER AND OTHER MINUTES

- 8.1 Council Business Planner (Pages 127 - 132)

GENERAL BUSINESS

- 9.1 Medium Term Financial Strategy for the Council's General Fund 2022-RES/22/172 (Pages 133 - 212)
- 9.2 Council Target Operating Model (TOM) 1.2 - CUS/22/171 (Pages 213 - 236)
- 9.3 "Working in Partnership for Aberdeen" - Commissioning Intentions and Service Standards 2022/23 - CUS/22/169 (Pages 237 - 246)
- 9.4 Committee Structure and Scheme of Governance - COM/22/161 (Pages 247 - 304)

9.5 City Centre and Beach Masterplan - RES/22/173 (Pages 305 - 450)

9.6 Buffer Zones - COM/22/167 (Pages 451 - 460)

NOTICES OF MOTION

10.1 Councillor Allard

That the Council:-

- (1) Notes that 24th August is Independence Day in Ukraine, celebrating the day in 1991 when Ukraine was re-established as an independent nation.
- (2) Restates its unqualified support for Ukrainian independence and territorial integrity.
- (3) Restates its solidarity with the people of Ukraine.
- (4) Continues to condemn the unprovoked and unacceptable Russian aggression against Ukraine.
- (5) Welcomes the more than 1,000 Ukrainian citizens who have moved to the city since the beginning of the war in Ukraine.
- (6) Thanks the wide range of organisations and individuals across the city who have helped to support those Ukrainian citizens, including through the £13,347 donated to the Lord Provost's Charitable Trust Ukraine Crisis Appeal.
- (7) Notes the need to provide permanent accommodation to those Ukrainian citizens, and the ongoing work being undertaken to provide that.
- (8) Instructs the Chief Officer - Early Intervention & Community Empowerment to outline the work that is ongoing to deliver support from the Council to those Ukrainian citizens, and to provide a Service Update on this matter.

10.2 Councillor Macdonald

To instruct the Chief Executive to report to the December 2022 Council meeting on the feasibility of offering free bus travel to every resident of Aberdeen, by fully funding those residents who are not eligible for existing concessionary schemes.

10.3 Councillor Tissera

That the Council:-

1. note that many Aberdeen citizens, like citizens from other cities, towns and villages in Scotland are reliant on food banks;
2. note the good work that is done by many community leaders and volunteers within Aberdeen, who offer foodbank facilities within their communities, thus helping those most in need;
3. note that falling incomes and inflation has left many food banks struggling to survive, however, thanks to the prudent financial management of the last Administration the Council achieved an underspend of £1.3m last year and therefore additional funds are available to the Council that hadn't been anticipated when the budget was set for 2022/23 and has not been allocated as part of the Quarter 1 Financial Performance Report. In addition, over £35m of cashable reserves are retained within the Common Good. All in all, cash is available to help struggling food banks if the political will is there;
4. agree that with many citizens being unable to feed their families sufficiently and properly due to the high cost of food and with food banks in the city complaining that they are running out of food to help the most needy and vulnerable in Aberdeen, the time has come for the Council to stop counting the interest on its money and put some of that money into helping the most vulnerable in our city;
5. agree therefore to allocate £500,000 from the General Fund 2022/23 contingency budget to be distributed to the various food bank charities within the city to allow them to help protect our most needy and vulnerable citizens; and
6. agree to delegate authority to the Chief Officer - Early Intervention and Community Empowerment, following consultation with the Chief Officer - Finance, to make appropriate arrangements for the urgent distribution of £500,000 from General Fund contingencies for the mitigation of food poverty across Aberdeen.
7. appoint a Food Champion to focus on this crucial and complex issue in the immediate and longer term for the benefit of all Aberdeen citizens.

10.4 Councillor Tissera

Aberdeen City Council:-

- (1) congratulates England's Women's Football team on winning the European Championship.
- (2) agrees that the Lionesses are an inspiration to all girls and women right across the United Kingdom.
- (3) acknowledges the work that Sport Aberdeen is currently doing and agrees that the Council continues to work with Sport Aberdeen, Aberdeen Football Club's Women's Team and other women's football teams to promote girls' and women's participation in football and sport in our schools and communities, thus helping with the mental well-being of all those participating in sport.

EXEMPT / CONFIDENTIAL BUSINESS

- 11.1 North East of Scotland Green Freeport - Update - COM/22/170 (Pages 461 - 518)
- 11.2 Committee Structure and Scheme of Governance - Appendix 12 (Pages 519 - 536)

Website Address: www.aberdeencity.gov.uk

Should you require any further information about this agenda, please contact Martyn Orchard, tel 01224 523097 or morchard@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 29 June 2022

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
DESMOND BOUSE
RICHARD BROOKS
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
SANDRA MACDONALD
NEIL MacGREGOR
AVRIL MacKENZIE
ALEXANDER McLELLAN
KEN McLEOD
CIARÁN McRAE
M. TAUQEER MALIK
DUNCAN MASSEY
JESSICA MENNIE
ALEX NICOLL
MIRANDA RADLEY
JENNIFER STEWART
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](#).

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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ADMISSION OF BURGESSES

1. The persons undermentioned were admitted into the presence of the Council and passed as Burgesses of Guild in respect of their respective Acts of Admission in the Guild Burgess Book:-

Abhishek Agarwal, Associate Professor, Aberdeen
Roy Burnett, Retired Managing Director, Aberdeen
Anne Milne, Administrator, Aberdeen
Jonathan Tyler, University Lecturer, Aberdeen
William Wright, Communications Worker, Aberdeen

DETERMINATION OF EXEMPT BUSINESS

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

- 11.1 City Centre Masterplan Update - exempt appendix
- 11.2 Beachfront Masterplan Update - exempt appendix

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 items 11.1 and 11.2 so as to avoid disclosure of exempt information of the classes described in paragraphs 6 and 9 of Schedule 7A of the Act.

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3. Councillor Copland advised that he had a connection in relation to agenda item 7.1 (Urgent Notice of Motion by Councillor Houghton) by virtue of his employer Jackie Dunbar MSP having signed a letter on the matter, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Houghton advised that he had a connection in relation to agenda item 10.3 (Notice of Motion by Councillors Cooke and Houghton) by virtue of being a veteran of the Royal Air Force, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Allard advised that he had a connection in relation to agenda item 7.1 by virtue of his employer Stephen Flynn MP having signed a letter on the matter, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Radley advised that she had a connection in relation to agenda item 7.1 by virtue of her employer Jackie Dunbar MSP having signed a letter on the matter,

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

Councillor Nicoll advised that he had a connection in relation to agenda item 7.1 by virtue of his wife, Audrey Nicoll MSP, having signed a letter on the matter, 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 agenda items 9.1 (Appointments to Outside Bodies and Appointment of Conveners and Vice Conveners) and 10.3 by reason of having a close family member who served in the Armed Forces, 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 agenda item 9.8 (Piper Alpha Memorial) having been involved in the Piper Alpha Inquiry and the recovery, identification and repatriation of the victims, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Henrickson advised that he had a connection in relation to agenda item 9.5 (Beachfront Masterplan Update) by virtue of being a minor shareholder in 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 Fairfull advised that she had a connection in relation to agenda item 7.1 by virtue of her employer Stephen Flynn MP having signed a letter on the matter, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor McLellan advised that he had a connection in relation to agenda item 7.1 by virtue of his employer Jackie Dunbar MSP having signed a letter on the matter, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Al-Samarai advised that she had a connection in relation to agenda item 7.1 by virtue of her employer Kirsty Blackman MP having signed a letter on the matter, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Grant declared an interest in relation to agenda item 9.4 (City Centre Masterplan Update) by reason of his employment by Aberdeen Inspired. Councillor Grant confirmed that he would be withdrawing from the meeting prior to the Council's consideration of the item.

Councillor Ali advised that he had a connection in relation to agenda item 9.1 by virtue of his position as a Director of Aberdeen Heat and Power Limited, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

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Councillor Farquhar advised that she had a connection in relation to agenda item 7.1 by virtue of her employer Douglas Lumsden MSP having raised the matter previously, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Hutchison advised that he had a connection in relation to agenda item 7.1 by virtue of his employer Kevin Stewart MSP having signed a letter on the matter, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Hutchison advised that he had a connection in relation to agenda item 9.2 (Standards Commission for Scotland - Written Decision - Councillor Hutchison) as he was named in the report. Councillor Hutchison advised that he would withdraw from the meeting if the Council entered into any discussion on the report.

Councillor Hutchison advised that he had a connection in relation to agenda item 9.4 by reason of owning and living in a property within the George Street Masterplan footprint, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Hutchison declared an interest in relation to agenda item 10.3 by reason of his position as an Army Reservist. Councillor Hutchison confirmed that he would be withdrawing from the meeting prior to the Council's consideration of the item.

Councillor Alphonse advised that she had a connection in relation to agenda item 5.1 (Deputations) as she knew Mr Richard Tinto through a business connection, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

DEPUTATIONS

4. The Council was advised that deputation requests had been received from Mr Hussein Patwa and Mr Richard Tinto in relation to agenda item 9.4 (City Centre Masterplan Update).

The Council resolved:-

to hear the deputations immediately prior to consideration of the report, which would be taken as the next item of business.

In accordance with Article 3 of this minute, Councillor Grant left the meeting prior to the following item of business.

CITY CENTRE MASTERPLAN UPDATE - RES/22/137

5. (A) The Council received a deputation from Mr Hussein Patwa which was in the following terms:-

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“My name is Hussein Patwa, a subject matter specialist appointed by the Disability Equity Partnership, a former Scottish Government appointee to the Mobility & Access Committee for Scotland (MACS) and a self-employed accessibility consultant.

I am here today to present a deputation on behalf of Katrina Michie (Acting Chair) of the Disability Equity Partnership and its external members (hereinafter referred to as ‘the parties’), and I thank you for the opportunity to do so.

This deputation covers the future of our City Centre and in particular the discrimination, exclusion, and resulting hardship which will be faced by disabled people if the recommendations in the report are accepted. May I reiterate something which I said at a previous deputation, disabled people, those with reduced mobility and others are not against change, or the idea of progress. We only ask that these changes, and ideas for progress are inclusive, that our needs are taken into account, that they are responded to by incorporation into the design and as part of an iterative process without unduly disenfranchising whole sections of our society, now and over the long term.

The report being presented to you today, and its numerous appendices may be within the letter of the Council instruction given in February but it isn't in the spirit of that instruction. Nor indeed does DEP feel that the engagement was carried out in good faith. There have been a great many meetings, but at no time was the intention of officers made clear, DEP was kept under the impression that their concerns would be valued and addressed and that the process and options were open to change. This was clearly never the case and the original option preferred by the previous administration was always going to be presented as the best deal for the city. DEP would argue that this is not the case for the reasons contained in the documentation which has been provided to Council along with this deputation.

From the “sifted” options, options 1 and 4 were never going to be viable options as one was no change with a bit of a tidy up and the other would make the usability for all worse than doing nothing, which begs the question why were they presented to us for discussion? All that remained was option 2 which is incorrectly being called pedestrianisation and option 3 which has buses, taxis and private hire vehicles operating in the central section.

As stated in the report, option 3 is the only option which is acceptable to DEP and NESS as it is the only one which affords anything close to equality of access to the city centre for disabled and elderly people. Option 3 causes no material harm to the general public, unlike option 2 which causes great harm to our most vulnerable and marginalised citizens.

There are overarching themes which must be addressed prior to any decision being made:

Access to the area by Bus and Taxi/private hire is non-negotiable, there is no other way that those who need to be dropped off in close proximity to their destination could possibly navigate the space.

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The infrastructure that goes along with buses must also be in place, if the current versions cannot be accommodated, then different styles can be procured.

The Blue Badge criteria as set by the Government is clear, in order to qualify for a Blue Badge, applicants must only be able to travel 50m unaided. This isn't guidance, it's a material fact. To put the ramifications of this into perspective, the central section of Union Street is approximately 350m long, seven times longer than blue badge holders can travel. It is equivalent to asking an average person to walk 11Km (7 miles). These numbers are based on a poll carried out by Cancer Research UK. Many of the people who use public transport or taxis/private hire vehicles meet the qualifying criteria for a Blue Badge. The Systra plan which shows the 50m isochrones where Blue Badge spaces are currently and where proposed spaces might be created left large gaps in the central section of Union Street, making any businesses or services located in these areas unreachable by a disabled driver.

Arguments have been made that under option 3 the stopping areas for buses would be overcrowded. This may well be the case if the current under worked design for option 3 is used, however there are many places throughout the city where several buses use the same stop, and this will most certainly be the case if option 2 is pursued, the only difference being that they will be crowded and also in the wrong place.

Servicing times proposed have heavy vehicles in the area at the busiest times of the day, 6pm (when people are leaving work) and before 10am (when people are going to work and school) this makes the area its most dangerous for everyone, but especially disabled people, just when most people want to use it.

NESS have said: For many of the people DEP represents, access does mean for all transport modes, as different people will have different needs for support with their mobility. Restricting two of the main modes of (buses and taxis) therefore restricts access. Our greatest concern is that without buses travelling the length of Union Street, people who have mobility difficulties, for a variety of reasons, including people who are visually impaired, will find travelling the longer distances difficult and will therefore stop coming to the city centre. DEP concurs with this, as this is a painful lesson learned from Broad Street.

This is the third time DEP has been in the situation of having to prepare a deputation, at very short notice, to Council regarding this issue, the facts have not changed, the solutions and mitigations promised have not been delivered, creating detriment to those we represent.

In our view, this recommendation doesn't fulfil the Council's responsibility under the Public Sector Equality Duty, the process didn't meet the engagement criteria laid down in the Scottish Approach to Service Delivery, will not make Aberdeen a better place for people to live, work, raise a family (especially disabled parents or disabled children) or visit, will increase travel times and therefore the cost adding to the cost of living crisis, is not open to all or inclusive, reduces peoples

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opportunities and choices, is unsafe and is not in keeping with the clear intentions set out in the Partnership document.

We ask that proper attention and thought is given to option 3 which not only benefits disabled and elderly people but will standardise the layout and the look of the whole of Union Street when the time comes to look at improvement to the east and west of this section, giving consistency and the clarity needed by those we represent in order for them to remain as independent and active as possible for longer.

The 'A Vibrant City' section of the Partnership agreement confirmed by council leadership specifically opposes the implementation of any new shared space zones within the city. Although some officers have previously denoted the recommended Option 2 as a pedestrianised area, this is a misnomer. Best practice and evidence from a number of large local and national stakeholders, as well as statutory transport bodies, recognise that any space used by both pedestrians and non-stationary objects (e.g. bicycles or servicing vehicles) are correctly referred to as shared spaces, and thus contrary to the council's partnership agreement.

Finally, the content relating to this specific agenda item in the papers before you today is voluminous. However, we are perturbed and disappointed that despite the significant investment in time and effort with officers, their representatives and consultants over the previous months, including our provision of written responses to questions and issues raised in various meetings, today's papers provide only a cursory mention of our view in inexplicably vague terms, without the evidence base, context and rationale needed to ensure a just and balanced representation of the engagement and its outcome. We have attempted to mitigate this by providing copies of this feedback as part of the written deputation submission, however we would respectfully submit that less than 24 hours provides wholly insufficient time for anyone, council or public, to assimilate, interrogate or audit the important detail contained therein.

The decisions you will reach will have long-lasting implications for all within our city. They must be accountable, audited and be evidenced with reference to specific stakeholder comment to avoid the need for retrospective recursion; something which we respectfully submit would be both counter-productive, politically, financially and morally challenging.

We wholeheartedly agree with the exigent need for certainty over the future design, infrastructure and operation of our city for those in business, tourists, residents, other users and, for those we represent and as seems increasingly likely, to plan the future logistics of their lives by ensuring continued access to inclusive services and resources outside the city centre, should this be their only option. Further delay and uncertainty does not benefit anyone however, nor does a decision taken without complete oversight of all pertinent evidence and supporting detail, as should have been the case today. We therefore ask that Council instruct officers to provide complete and unredacted copies of all meeting and engagement notes, responses from DEP and associated references in good time before a final decision is taken with the explanations and

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full consideration it merits. Such a decision could be taken in August to both allow it to be undertaken judiciously and to minimise further disruption to the overall city centre masterplan timeline. Until then, we ask that the decision to accept or reject the recommendation before you today is deferred pending remediation of the incongruences cited earlier.”

Members asked questions of Mr Patwa and thanked him for his deputation.

(B) The Council next received a deputation from Mr Richard Tinto.

Mr Tinto advised that he was presenting as a local business in architectural practice but also as an Aberdonian who was passionate about the future of Aberdeen city centre, and that he was representing many people and businesses who were unable to be present today but who shared his dismay regarding the uncertainty over pedestrianisation of Union Street Central.

Mr Tinto emphasised that he was deeply disappointed when he saw the return of cars and buses to Union Street Central which brought with it a return to tight pavements and lack of space for pedestrians, which was an increased risk to health and safety and resulted in greater noise and air pollution.

Mr Tinto referred to the letter Aberdeen Inspired had sent to all Councillors recently, which he felt summed up the views of the majority of people who he spoke for and to. He firmly believed that pedestrianisation was the way to unlock a brighter future for the city centre and was the golden thread that would bring positive economic benefit, promote healthier and active living and would encourage more people to move back into the city to live, work and play, which was a key ambition for the current Council.

Mr Tinto stated that the city had been on a downward trajectory well before Covid-19 and that pedestrianisation would create an attractive and vibrant plaza that would allow people to enjoy a café culture they had come to enjoy during the pandemic. It would also allow people to safely stop, take stock and look at the city's granite buildings and appreciate them, as they were simply not being looked after at the moment. He added that additional footfall and dwell time would attract a new generation of businesses to the city centre, and that every firm of surveyors in the city (and nationally) felt that pedestrianisation was one of the best ways to reduce the number of vacant units currently blighting Union Street. He emphasised that the Council needed to listen to such advice.

Mr Tinto stressed that pedestrianisation was the missing piece of the jigsaw and would help maximise the benefits of the City Centre Masterplan, including the much anticipated redevelopment of the old BHS site, the Aberdeen Indoor Market and Union Terrace Gardens. He acknowledged there were legitimate concerns about accessibility, however felt that these could be addressed. Mr Tinto expressed the view that it was deeply regrettable that almost every single vision for Aberdeen city centre seemed to become so divisive, and that the city, its people and the Council needed to come together and work in the best interests of the city.

Mr Tinto urged Councillors to vote for the long term success of Aberdeen city centre and work with the business community, transport companies, consultants, officers and

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disability groups to find solutions. He added that 8,000 people participated in the consultation on the City Centre Masterplan and the majority of people agreed that pedestrianisation was a top priority. Furthermore, over 80% of businesses surveyed by Aberdeen and Grampian Chamber of Commerce backed the proposal for Union Street Central to be pedestrianised.

Mr Tinto acknowledged that a new Administration was in power within the Council, and this was an opportunity to create a long lasting legacy by ensuring the City Centre Masterplan delivered major transformation - it would reduce pollution, make the city centre safer and more attractive and would attract more people to stay in the city centre for longer. It would also attract new businesses to fill vacant units, resulting a new generation of enterprise.

Mr Tinto concluded if pedestrianisation was properly planned it would improve traffic management in the city and urged Councillors to make the right decision for the city and its citizens.

Members asked questions of Mr Tinto and thanked him for his deputation.

(C) The Council had before it a report by the Director of Resources which provided members with the background to the City Centre Masterplan (CCMP) and updates on a number of key projects which would support economic and place-based recovery within the city following the Covid-19 public health emergency.

The report recommended:-

that the Council -

City Centre Masterplan

- (a) note that the City Centre Masterplan was approved unanimously in 2015 and agree the ongoing support of Council to the progression of the Masterplan review, noting that a recalibrated Masterplan to include the Beach would be presented to Full Council in August 2022;

Union Street Central

- (b) note the content of the Union Street Central Options Appraisal (Appendix A) and agree the preferred Option 2: Full Pedestrianisation (with central cycle and service corridor and servicing laybys);
- (c) instruct the Director of Resources to implement the detailed designs for Union Street Central as detailed in Appendix B, and to provide an update on progress to Full Council in December 2022;
- (d) subject to (c) above, instruct the Chief Officer - Operations and Protective Services to progress the necessary statutory processes to support that implementation.

City Centre Traffic Management Plan

- (e) note the outcomes of Phase 2 of the Traffic Management Plan (Appendix C) and agree:
 - (1) that, irrespective of any decisions made in relation to Union Street Central, bus, taxi (and private hire) and cycle priority will require to be implemented on Bridge Street, Market Street and Guild Street to achieve the safe and efficient movement of active travel and public transport users through the city centre;

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- (2) that, should Union Street Central be closed to general traffic, Schoolhill/Uppperkirkgate will require to be pedestrianised between Harriet Street and Flourmill Lane, and right turns prohibited except for buses, taxis (and private hire) and cycles from Union Terrace into Rosemount Viaduct in order to mitigate the impacts of displaced traffic from Union Street Central and to improve the safety of people walking and cycling;
- (3) the detailed designs of the above (as shown in Appendix C) and other necessary interventions, including operational plans for the Merchant Quarter and Belmont Quarter, all as specified in Paragraph 3.18, and instruct the Chief Officer - Operations and Protective Services to progress the necessary Traffic Regulation Orders and thereafter move to delivery of the required measures; and,
- (4) the initial outcomes of the option appraisal and sifting exercise for Union Street East and West (as shown in Appendix C), and that the remaining options proceed to detailed stakeholder engagement prior to final appraisal;

Union Street Building Condition Survey

- (f) instruct the Chief Officer - Strategic Place Planning to undertake the Union Street Building Condition Implementation Plan Pilot (Appendix D) and report progress to Full Council in December 2022;

George Street Mini Masterplan

- (g) note the outcome of the recent engagement exercise on the future of George Street (Appendix E) and instruct the Chief Officer - Strategic Place Planning to report back a Mini Masterplan for the George Street to Full Council in December 2022;

Ongoing Engagement with Stakeholders

- (h) note the ongoing engagement with key stakeholders, including the Disability Equity Partnership and children and young people, that has continued since the last report to Council in February 2022 (Appendix G) and instruct the Director of Resources to continue to engage key stakeholders on City Centre Masterplan projects moving forward, including establishing a City Centre Stakeholder Forum as detailed in Appendix F; and
- (i) instruct the Director of Resources to prepare a “fly through” visualisation of the City Centre Masterplan projects, including links to the Beach, to assist with engagement with stakeholders and to report this back to Full Council in August 2022.

Councillor Yuill moved, seconded by Councillor Cooke:-

That the Council -

City Centre Masterplan

- (i) note that the City Centre Masterplan was approved unanimously in 2015 and agree the ongoing support of Council to the progression of the Masterplan review, noting that a recalibrated Masterplan to include the Beach would be presented to Full Council in August 2022;

Union Street Central

- (ii) note the content of the Union Street Central Options Appraisal (Appendix A) and agree to implement Option 3 (bus lanes with bus laybys);
- (iii) instruct the Director of Resources to develop detailed designs for the implementation of Option 3 and further instruct that these designs where possible should allow for conversion to Option 2 (full pedestrianisation with

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central bicycle and service corridor and servicing laybys) should the Council agree in the future that:-

- (a) suitable 24-hour access arrangements to Union Street Central are in place for people with disabilities and limited mobility; and
- (b) suitable alternative bus and public transport arrangements are available which ensure easy bus passenger access to Union Street Central;
- (iv) subject to (iii) above, instruct the Chief Officer - Operations and Protective Services to progress the necessary statutory processes to support that implementation;
- (v) instruct officers to continue to engage with the UK Government about the developing profile of this project and to report back to Council on the outcome of that engagement;

City Centre Traffic Management Plan

- (vi) note the outcomes of Phase 2 of the Traffic Management Plan (Appendix C) and agree:-
 - (a) that, irrespective of any decisions made in relation to Union Street Central, bus, taxi (and private hire) and cycle priority will require to be implemented on Bridge Street, Market Street and Guild Street to achieve the safe and efficient movement of active travel and public transport users through the city centre;
 - (b) that, should Union Street Central be closed to general traffic, Schoolhill/Upperkirkgate will require to be pedestrianised between Harriet Street and Flourmill Lane, and right turns prohibited except for buses, taxis (and private hire) and cycles from Union Terrace into Rosemount Viaduct in order to mitigate the impacts of displaced traffic from Union Street Central and to improve the safety of people walking and cycling;
 - (c) the detailed designs of the above (as shown in Appendix C) and other necessary interventions, including operational plans for the Merchant Quarter and Belmont Quarter, all as specified in paragraph 3.18, and instruct the Chief Officer - Operations and Protective Services to progress the necessary Traffic Regulation Orders and thereafter move to delivery of the required measures; and
 - (d) the initial outcomes of the option appraisal and sifting exercise for Union Street East and West (as shown in Appendix C), and that the remaining options proceed to detailed stakeholder engagement prior to final appraisal;

Union Street Building Condition Survey

- (vii) instruct the Chief Officer - Strategic Place Planning to undertake the Union Street Building Condition Implementation Plan Pilot (Appendix D) and report progress to Full Council in December 2022;

George Street Mini Masterplan

- (viii) note the outcome of the recent engagement exercise on the future of George Street (Appendix E) and instruct the Chief Officer - Strategic Place Planning to report back a Mini Masterplan for the George Street to Full Council in December 2022;

Ongoing Engagement with Stakeholders

- (ix) note the ongoing engagement with key stakeholders, including the Disability Equity Partnership and children and young people, that has continued since the last report to Council in February 2022 (Appendix G) and instruct the Director of Resources to continue to engage key

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stakeholders on City Centre Masterplan projects moving forward, including establishing a City Centre Stakeholder Forum as detailed in Appendix F;

Aberdeen Performing Arts

- (x) instruct the Director of Commissioning, in conjunction with the Chief Officer - Finance, to agree a capital contribution to Aberdeen Performing Arts of £225,000 for His Majesty's Theatre from the City Centre Masterplan capital budget; and

Cycling Walking Safer Routes

- (xi) welcome the funding earmarked through Cycling Walking Safer Routes (CWSR) and agree that this is deployed as soon as practicable to ensure that the agreed extended CCTV system along George Street is made operational at the earliest opportunity.

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

That the Council approve the recommendations contained within the report, welcome the funding earmarked through Cycling Walking Safer Routes (CWSR) and agree that this is deployed as soon as practicable to ensure that the agreed extended CCTV system along George Street is made operational at the earliest opportunity.

On a division there voted:-

For the motion (25) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Boulton, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (18) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Farquhar, Graham, Houghton, Kuszniir, Macdonald, MacKenzie, McLeod, Malik, Massey, Stewart, Thomson and Tissera.

Absent from the division (2) - Councillors Grant and Watson.

The Council resolved:-

to adopt the motion.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 28 FEBRUARY 2022

6. The Council had before it the minute of meeting of Aberdeen City Council of 28 February 2022.

The Council resolved:-

to approve the minute.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 7 MARCH 2022

7. The Council had before it the minute of meeting of Aberdeen City Council of 7 March 2022.

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The Council resolved:-

to approve the minute.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 18 MAY 2022

8. The Council had before it the minute of meeting of Aberdeen City Council of 18 May 2022.

The Council resolved:-

to approve the minute.

URGENT NOTICE OF MOTION BY COUNCILLOR HOUGHTON - REFERRED BY CITY GROWTH AND RESOURCES COMMITTEE OF 21 JUNE 2022

9. With reference to Article 2 of the minute of meeting of the City Growth and Resources Committee of 21 June 2022, the Council had before it the following urgent notice of motion by Councillor Houghton which had been referred to it for consideration:-

“That the Committee -

1. Notes the announcement of the Eurovision Broadcasting Union that the organisation is considering the United Kingdom as the host of Eurovision 2023 should Ukraine be unable to host the competition due to the unacceptable Russian aggression against Ukraine.
2. Notes the awarding decision will be made by the British Broadcasting Corporation (BBC) should Ukraine be unable to host the competition.
3. Agrees the Event Complex Aberdeen opened in 2019 is the largest capacity venue in Scotland and is well suited to host the event.
4. Notes Aberdeen’s success in hosting previous significant cultural events such as the BBC Sports Personality of the Year Awards.
5. Notes the significant interest shown by politicians of all political parties in hosting this event in Scotland, agreeing that Aberdeen is without doubt the best place to hold such a European event given Aberdeen remains the Energy Capital of Europe.
6. Instructs the Chief Officer - City Growth to engage with all relevant stakeholders including the BBC, UK government, the devolved Scottish Government and others to ensure a bid from Aberdeen is advanced quickly and efficiently should it become clear Ukraine are unable to host the competition.

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7. Agrees to allocate £30,000 from contingencies to support a bid from Aberdeen and instruct the Chief Executive to write to both the UK and Scottish Government notifying them of Aberdeen's intention and asking for their support.

8. Instructs the Chief Officer - City Growth to bring a report back on progress to the next meeting of this Committee."

The Council received a verbal update from the Chief Officer - City Growth in terms of the latest situation and the likely process that would follow.

The Council resolved:-

- (i) to note the announcement of the Eurovision Broadcasting Union that the organisation was considering the United Kingdom as the host of Eurovision 2023 should Ukraine be unable to host the competition due to the unacceptable Russian aggression against Ukraine;
- (ii) to note the awarding decision would be made by the BBC should Ukraine be unable to host the competition;
- (iii) to agree The Event Complex Aberdeen opened in 2019 was the largest capacity venue in Scotland and was well suited to host the event;
- (iv) to note Aberdeen's success in hosting previous significant cultural events such as the BBC Sports Personality of the Year Awards;
- (v) to note the significant interest shown by politicians of all political parties in hosting this event in Scotland, agreeing that Aberdeen was without doubt the best place to hold such a European event given Aberdeen remained the Energy Capital of Europe;
- (vi) to agree that the Chief Officer - City Growth continue discussions with the relevant venue operator and government agencies; and
- (vii) to agree that if the opportunity to respond to tender for hosting Eurovision arose, to instruct the Chief Officer - City Growth to report back to the next appropriate committee or request a meeting of the Urgent Business Committee setting out the implications for Council.

COUNCIL BUSINESS PLANNER

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

The Council resolved:-

to note the business planner.

APPOINTMENTS TO OUTSIDE BODIES AND APPOINTMENT OF CONVENERS AND VICE CONVENERS - COM/22/129

11. The Council had before it a report by the Chief Officer - Governance which sought appointments or nominations to various outside bodies; sought appointments for Convener and Vice Convener of the Urgent Business Committee; and noted the appointments of the Convener and Vice Convener of the Audit, Risk and Scrutiny Committee.

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The report recommended:-

that the Council -

- (a) appoint a Convener and Vice Convener of the Urgent Business Committee;
- (b) note the appointment of Councillors Macdonald and Houghton as Convener and Vice Convener respectively of the Audit, Risk and Scrutiny Committee, and agree that their remuneration as Senior Councillors be backdated to 18 May 2022;
- (c) consider the appointment or nomination (as appropriate) of members to the outside bodies listed in Appendix A, and appoint or nominate members on the basis that names can be provided to the Chief Officer - Governance after the meeting and that he be authorised to finalise the appointments, nominations and memberships where required; and
- (d) note that Robert Gordon's College Board of Governors and Enterprise North East Trust Limited (trading as Elevator) no longer require elected member representation from Aberdeen City Council.

Councillor Yuill moved, seconded by Councillor Allard:-

That the Council -

- (i) agree to appoint Councillors Yuill and Nicoll as Convener and Vice Convener respectively of the Urgent Business Committee;
- (ii) note the appointment of Councillors Macdonald and Houghton as Convener and Vice Convener respectively of the Audit, Risk and Scrutiny Committee, and agree that their remuneration as Senior Councillors be backdated to 18 May 2022;
- (iii) agree the appointments and nominations listed in Appendix A and invite groups to provide names to the Chief Officer - Governance after the meeting and that he be authorised to finalise the appointments, nominations and memberships where required;
- (iv) note that Robert Gordon's College Board of Governors and Enterprise North East Trust Limited (trading as Elevator) no longer require elected member representation from Aberdeen City Council;
- (v) agree to appoint Councillor McLellan as this Council's representative on the Scottish Joint Council for Local Government Employees;
- (vi) agree to appoint the following Council Spokespersons:
 - a. Anti Poverty: Councillor Allard
 - b. City Centre: Councillor Hutchison
 - c. Culture: Councillor Greig
 - d. Inward Migration: Councillor Allard
 - e. Mental Health: Councillor Al-Samarai;
- (vii) agree to appoint the following Council Champions:
 - a. Disability: Councillor Delaney
 - b. Veterans: the Lord Provost; and
- (viii) agree to appoint Councillors Yuill and Hutchison as this Council's representatives on the Northern Roads Partnership and Councillor Radley and one nominee of the Labour Group as substitute members of the Northern Roads Partnership.

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Appendix A

Body	Council Representatives Required	
Aberdeen Airport Consultative Committee	4	4 Local Members
Aberdeen Bulawayo Trust	7	4 Partnership (Alphonse, Cormie, Davidson and Henrickson) 3 Opposition
Aberdeen City Heritage Trust	4	2 Partnership (MacGregor and Yuill) 1 Labour 1 Conservative
Aberdeen Endowments Trust	3	2 Partnership (MacGregor and Mennie) 1 Opposition
Aberdeen Foyer	2	1 Partnership (Allard) 1 Opposition
Aberdeen Gomel Trust	6	4 Partnership (Hazel Cameron, Copland, Fairfull and Greig) 1 Conservative 1 Labour
Aberdeen BID Company Ltd (known as Aberdeen Inspired)	1	No appointment
Aberdeen Lads Club	3	3 Local Members
Aberdeen Outdoor Access Forum	1 + 1 reserve	1 Partnership (Davidson) 1 Labour reserve
Aberdeen Renewable Energy Group	1	1 Partnership (Yuill)
Aberdeen Science Centre	1	1 Partnership (Henrickson)

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Body	Council Representatives Required	
Alcohol and Drugs Partnership	0	No appointments
Association for Public Service Excellence (APSE)	1	1 Partnership (van Sweeden)
Care and Repair Initiative Scotland - Aberdeen Agency	3	2 Partnership (Cooke and Delaney) 1 Opposition
Champions Board	2	2 Partnership (Bouse and Mennie)
Citizens Advice Bureau Management Committee	3	2 Partnership (Clark and Radley) 1 Opposition
Community Food Initiative North East (CFINE) Board	1	1 Partnership (Allard)
CPMR - North Sea Commission	1	1 Partnership (Yuill)
Disabled Persons Housing Service	1	1 Partnership (Delaney)
East Grampian Coastal Partnership Management Group	2	1 Partnership (McRae) 1 Labour
Gordon Highlanders Museum Board	5	3 Partnership (Hazel Cameron, Cooke and Greig) 1 Labour 1 Conservative
Governors of Oakbank School	9	5 Partnership (Cooke, McLellan, Nicoll, Radley and the Lord Provost) 2 Labour 2 Conservative
Grampian Houston	5	3 Partnership (Clark,

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Body	Council Representatives Required	
Association		Copland and Fairfull) 1 Labour Boulton
Grampian Regional Equality Council Ltd (GREC)	2	1 Partnership (Allard) 1 Opposition
Highland Reserves Forces and Cadets Association	1	1 Partnership (Alphonse)
KIMO Kommunernes International Miljøorganisation (Local Authorities International Environmental Organisation)	1	1 Partnership (Yuill)
Macdonald Art Committee	4	2 Partnership (Greig and Henrickson) 1 Labour 1 Conservative
Marguerite McBey Trust	2	1 Partnership (Greig) 1 Opposition
Middlefield Community Project Management Committee	3	3 Local Members
Mitchell's Hospital Trust	2	1 Partnership (Alphonse) 1 Opposition
North East Agricultural Advisory Committee	5	3 Partnership (Clark, MacGregor and van Sweeden) 1 Labour 1 Conservative
North East of Scotland Climate Change Partnership	1	1 Partnership (Yuill)
North East of Scotland	1	1 Partnership (McRae)

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Body	Council Representatives Required	
Port Welfare Committee		
North East Scotland Fisheries Development Partnership	5	3 Partnership (Allard, Davidson and Fairfull) 1 Labour Stewart
Grampian Society for the Blind, known as North East Sensory Services (NESS)	1	1 Partnership (Al-Samarai)
Peacock Visual Arts Ltd	1	Boulton
Printfield Community Project	2	1 Partnership (Copland) 1 Labour
Proctor's Orphanage Trust	5	3 Partnership (Hazel Cameron, Delaney and van Sweeden) 1 Labour 1 Conservative
Robbs Trust	2	2 Partnership (Bouse and Cormie)
Robert Nicol Trust	1	1 Partnership (Greig)
Rubislaw Field Committee	3	3 Partnership (Cooke, Greig and Nicoll)
Scottish Councils Committee on Radioactive Substances	1	No appointment
Shopmobility Management Committee	2	1 Partnership (Delaney) 1 Opposition
Sport Aberdeen	1	Cooke as Observer
St Machar Parents Support Project	1	1 Partnership (Hazel Cameron)
Transition Extreme	1	1 Partnership (Fairfull)

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Body	Council Representatives Required	
Sports Limited		
Veterans Champion	1	Lord Provost
Visit Aberdeenshire	1	1 Partnership (Radley)
William Harvey Trust	2	1 Conservative Stewart
World Energy Cities Partnership	1	Lord Provost

Councillor Macdonald moved as an amendment, seconded by Councillor Houghton:-

That the Council -

- (1) agrees the recommendations contained within the report;
- (2) notes that Sport Aberdeen is a key ALEO, delivering significant services to the people of Aberdeen and others; agrees to put forward up to three elected members to be co-opted onto the Board; and instructs the Chief Officer - Governance to engage with Sport Aberdeen to secure this outcome; and
- (3) agrees that one member of the Opposition be nominated to Aberdeen BID Company Ltd (known as Aberdeen Inspired).

At this juncture, Councillor Grant declared an in interest by virtue of his employment by Aberdeen Inspired. Councillor Grant considered that the nature of his interest required him to leave the meeting and took no part in the Council's deliberations thereon.

On a division there voted:-

For the motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (19) - Councillors Ali, Blake, Bonsell, Boulton, Brooks, Crockett, Cross, Farquhar, Graham, Houghton, Kuszniir, Macdonald, MacKenzie, McLeod, Malik, Massey, Stewart, Thomson and Tissera.

Absent from the division (2) - Councillors Grant and Watson.

The Council resolved:-

to adopt the motion.

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STANDARDS COMMISSION FOR SCOTLAND - WRITTEN DECISION - COUNCILLOR HUTCHISON - COM/22/143

12. The Council had before it a report by the Chief Officer - Governance which presented the written decision made by the Standards Commission for Scotland following a hearing held on 7 June 2022.

The report recommended:-

that the Council -

- (a) consider the content of the written decision; and
- (b) note that the Standards Commission for Scotland held that there had been no breach of the Code of Conduct by Councillor Hutchison.

The Council resolved:-

- (i) to note the content of the written decision; and
- (ii) to note that the Standards Commission for Scotland held that there had been no breach of the Code of Conduct by Councillor Hutchison.

TREASURY MANAGEMENT STRATEGY - YEAR-END REVIEW - RES/22/109

13. The Council had before it a report by the Chief Officer - Finance which provided an update on Treasury Management activities undertaken during financial year 2021/22.

The report recommended:-

that the Council consider and note the Treasury Management activities undertaken in the 2021/22 financial year as detailed in the report.

The Council resolved:-

to note the Treasury Management activities undertaken in the 2021/22 financial year as detailed in this report.

BEACHFRONT MASTERPLAN UPDATE - COM/22/138

14. With reference to Article 17 of the minute of its meeting of 28 February 2022, the Council had before it a report by the Chief Officer - Commercial and Procurement which provided the background to the Beachfront Masterplan and updates on the preparation of a Beachfront Development Framework as well as a number of key projects which were progressing to either Outline Business Case (OBC) or Full Business Case (FBC).

The report recommended:-

that the Council -

- (a) approve the content of the Draft Beachfront Development Framework and Executive Summary (Appendix A and Appendix B);
- (b) note the content of the Draft Beachfront Strategic Environmental Assessment Scoping Report (Appendix C) and recognise that an Environmental Report would be prepared to accompany the Development Framework;

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- (c) instruct the Chief Officer - Strategic Place Planning to publish the Draft Beachfront Development Framework and associated Strategic Environmental Assessment for a 6-week public consultation period;
- (d) instruct the Chief Officer - Strategic Place Planning to report the outcomes of the public consultation on the Draft Development Framework back to a future meeting within the next 6 months, including any recommended revisions to the Draft Framework;
- (e) instruct the Chief Officer - Commercial and Procurement to continue to progress the following short term interventions to FBC: Urban Park, Events Park, Beach Landscaping, Broadhill (Public Realm and Landscaping) and report progress to December 2022 Council;
- (f) instruct the Chief Officer - Commercial and Procurement to continue to progress the following medium term interventions to OBC: New Canopy, Beach Ballroom Plaza, Broadhill structures, Pedestrian spine and report progress to December 2022 Council;
- (g) instruct the Chief Officer - Commercial and Procurement to provide further updates on all longer term interventions to OBC: Beach Boulevard, Surf Village, Beach Ballroom, New Stadium, New Leisure Facility, Boardwalk, New Slipway, Energy Centre, Justice Street Roundabout and report progress to December 2022 Council;
- (h) instruct the Chief Officer - Commercial and Procurement in conjunction with Chief Officer - Operations and Protective Services to progress coastal protection studies and design development to inform OBC and report progress to December 2022 Council; and
- (i) note the development of the engagement plan and instruct the Chief Officer - Commercial and Procurement to report updates on an ongoing basis to the Council.

The Council resolved:-

to approve the recommendations.

ABERDEEN FUEL POVERTY FUND - CUS/22/130

15. The Council had before it a report by the Chief Officer - Early Intervention and Community Empowerment which sought approval of a scheme to deliver the £1,000,000 Aberdeen Fuel Poverty Fund and proposed that the fund be used for wider anti-poverty measures in the city.

The report recommended:-

that the Council approve that the £1,000,000 Fuel Poverty Fund be considered in the wider Cost of Living Support due to be heard at the Operational Delivery Committee on 31 August 2022.

Following questions to officers, the circulation of an amendment by Councillor Houghton and a short adjournment, the Lord Provost, in terms of Standing Order 36.6, advised that he was adjourning the meeting to a later date which would be confirmed and notified to members in due course.

- DAVID CAMERON, Lord Provost.

ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 13 July 2022

MINUTE OF ADJOURNED 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
JENNIFER BONSELL
MARIE BOULTON
DESMOND BOUSE
RICHARD BROOKS
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
SANDRA MACDONALD
NEIL MacGREGOR
ALEXANDER McLELLAN
CIARÁN 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](#).

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.

Council Meeting, Wednesday, 13 July 2022

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

1. Councillor Houghton advised that he had a connection in relation to agenda item 10.3 (Notice of Motion by Councillors Cooke and Houghton) by virtue of being a veteran of the Royal Air Force (RAF), however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Hutchison declared an interest in relation to agenda item 10.3 by reason of his position as an Army Reservist. Councillor Hutchison confirmed that he would be withdrawing from the meeting prior to the Council's consideration of the item.

Councillor Nicoll advised that he had a connection in relation to agenda item 9.8 (Piper Alpha Memorial) having been involved in the Piper Alpha Inquiry and the recovery, identification and repatriation of the victims, 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 further advised that he had a connection in relation to agenda item 10.3 by reason of having a close family member who served in the Armed Forces, 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 declared an interest in relation to agenda items 11.1 and 11.2 (City Centre Masterplan Update - exempt appendix; and Beach Masterplan Update - exempt appendix) by reason of his employment by Aberdeen Inspired. Councillor Grant confirmed that he would be withdrawing from the meeting prior to the Council's consideration of those items.

Councillor Henrickson advised that he had a connection in relation to agenda item 10.3 by virtue of being a veteran of the RAF, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

ANNOUNCEMENT

2. Councillor Boulton advised that former Councillor Andy Finlayson had sadly passed away at the weekend after a short illness. She advised that Andy had been an independent Councillor from 2012 to 2017 for the Kincorth/Nigg/Cove ward and had been a Community Councillor for a very long time in the area as well. Councillor Boulton expressed her sadness at his passing and recorded her thanks for his friendship.

Councillors Yuill, Grant and Nicoll echoed Councillor Boulton's comments on behalf of their respective groups.

The Council resolved:-

to concur with the remarks of Councillor Boulton, to thank Andy for his services to the Council and express condolences to his friends and family.

Council Meeting, Wednesday, 13 July 2022

ABERDEEN FUEL POVERTY FUND - CUS/22/130

3. The Council had before it a report by the Chief Officer - Early Intervention and Community Empowerment which sought approval of a scheme to deliver the £1,000,000 Aberdeen Fuel Poverty Fund, setting out national and local context and proposing that the fund is used for wider anti-poverty measures in the city.

The report recommended:-

that the Council approve that the £1,000,000 Fuel Poverty Fund be considered in the wider Cost of Living Support report due to be heard at the Operational Delivery Committee on 31 August 2022.

Councillor Allard moved, seconded by Councillor Greig:-

That the Council approve the recommendation contained within the report.

Councillor Houghton moved as an amendment, seconded by Councillor Farquhar:-

That the Council -

- (1) note that the previous Administration's budget agreed by Council introduced a £1,000,000 Fuel Poverty Fund for the current financial year;
- (2) agree that residents of Aberdeen will suffer further with SNP/Green austerity measures imposed by the Scottish Government as intimated in the Scottish Government's 2022 Resource Spending Review and oppose any reduction in our funding settlement from the Scottish Government;
- (3) agree with comments by Kate Forbes MSP, Cabinet Secretary for Finance and the Economy, that now is not the time to be holding large reserves, therefore; and
- (4) instruct the Chief Officer - Early Intervention and Community Empowerment to report to Council in August 2022 with details of a scheme to allocate the Fund as part of the wider Cost of Living Support by the Council to help the most vulnerable in our community, setting out the financial implications and options available for different allocations up to the full amount of £3million.

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

That the Council -

- (1) note the decision taken at the Council Budget meeting in March 2022 in relation to establishing a £1million Fuel Poverty Fund which was intended to support thousands of hard-pressed Aberdeen households;
- (2) note that the Chief Officers - Early Intervention and Community Empowerment and Customer Experience were instructed to prepare the details of a scheme in a report for approval by Full Council at its meeting in June 2022 on how those most vulnerable could be further supported with rising energy costs;
- (3) agree that rising energy costs present a significant and immediate challenge to thousands of hard-pressed families; and
- (4) reiterate Council's commitment to the original instruction of the previous Aberdeen Labour-led administration and instruct the Chief Officers - Early Intervention and Community Empowerment and Customer Experience to progress, as soon as possible, options for the disbursement of the funds to households in receipt of means tested benefits.

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At this juncture, Councillor Brooks advised that he had a connection as a Trustee of a Foodbank, following matters that had been raised in debate, however having applied the objective test he did not consider that he had an interest and did not require to withdraw from the meeting.

There being a motion and two amendments, the Council first divided between the amendment by Councillor Houghton and the amendment by Councillor Grant.

On a division there voted:-

For the amendment by Councillor Houghton (6) - Councillors Boulton, Brooks, Cross, Farquhar, Houghton and Massey.

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

Declined to vote (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, Mennie, Nicoll, Radley, van Sweeden and Yuill.

Absent from the division (1) - Councillor McRae.

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

On a division, there voted:-

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

For the amendment by Councillor Grant (11) - Councillors Ali, Bonsell, Boulton, Crockett, Graham, Grant, Macdonald, Malik, Thomson, Tissera and Watson.

Declined to vote (5) - Councillors Brooks, Cross, Farquhar, Houghton and Massey.

Absent from the division (1) - Councillor McRae.

The Council resolved:-
to adopt the motion.

Council Meeting, Wednesday, 13 July 2022

PREVENTING HOMELESSNESS - MEMORANDUM OF UNDERSTANDING BETWEEN ABERDEEN CITY COUNCIL AND THE DEPARTMENT OF WORK AND PENSIONS - CUS/22/144

4. The Council had before it a report by the Chief Officer - Early Intervention and Community Empowerment which set out work that had been undertaken jointly between Aberdeen City Council and the Department of Work and Pensions to develop a Memorandum of Understanding (MoU) aimed at preventing homelessness and improving outcomes and sought approval of the MoU.

The report recommended:-

that the Council -

- (a) approve the MoU;
- (b) agree that a co-leader of the Council countersign the MoU on behalf of the Council; and
- (c) agree that update reports for the MoU be submitted on a six-monthly basis to the relevant committee.

The Council resolved:-

to approve the recommendations subject to both Co-Leaders countersigning the MoU on behalf of the Council.

PIPER ALPHA MEMORIAL - OPE/22/139

5. The Council had before it a report by the Chief Officer - Operations and Protective Services which provided an update on the current situation regarding the Piper Alpha Memorial and the North Sea Memorial Rose Gardens at Hazlehead Park.

The report recommended:-

that the Council -

- (a) note the contents of the report; and
- (b) instruct the Chief Officer - Operations and Protective Services, to connect with, meet with, and agree next steps, with all relevant parties with the outcome of the meeting to be reported back to the Operational Delivery Committee in August 2022.

The Council resolved:-

- (i) to note the contents of the report;
- (ii) to instruct the Chief Officer - Operations and Protective Services to connect with, meet with, and agree next steps with, all relevant parties, including survivors of and families affected by the Piper Alpha disaster and trade unions, with the outcome of the meetings to be reported back to the Operational Delivery Committee in August 2022; and
- (iii) to instruct the Chief Officer - Operations and Protective Services to prepare a cost estimate for the planting of the rose beds as an interim measure and report to the Operational Delivery Committee in August 2022 including the options on how this could be funded.

Council Meeting, Wednesday, 13 July 2022

INTERNATIONAL TRAVEL 2022/23 - COM/22/123

6. The Council had before it a report by the Chief Officer - City Growth which sought approval for immediate overseas travel required to support relevant City Growth activities in 2022/23.

The report recommended:-

that the Council -

- (a) note the current Memoranda of Understanding (MoU) with international partner cities that are supported by the Council;
- (b) note the support provided to international trade activity led by Scottish Development International (SDI) and the Department for International Trade (DIT);
- (c) note the submission of the H2 Twin Cities application under the US Government Clean Energy Ministerial with the city of Kobe in May 2022;
- (d) approve international travel as detailed below and subject to the maximum expenditure as detailed in paragraph 4.2 of the report:
 - (1) two officers to attend ONS event in Stavanger, Norway, between 29 August - 1 September 2022;
 - (2) the Lord Provost and one officer to attend WECP Annual General Meeting in Esbjerg, Denmark, between 5 - 8 October 2022; and
 - (3) up to two officers to attend CERA Week Conference in Houston, USA, between 6 - 10 March 2023;
- (e) delegate authority to the Chief Officer - City Growth to authorise necessary and appropriate travel documentation and associated expenditure for the travel noted in recommendation (d) above, provided the cost thereof does not exceed the budget referred to in section 4 of the report, and note that all international travel was in line with current Council travel policies and international travel and Covid-19 guidance;
- (f) agree that additional international travel would be discussed with the Council Co-Leaders and a report brought to the appropriate committee if a decision to travel was required; and
- (g) agree that an annual service update would be circulated to members reporting on the outcomes of all the overseas activity proposed in the report.

Councillor Radley moved, seconded by Councillor Bouse:-

That the Council approve the recommendations contained within the report.

Councillor Crockett moved as an amendment, seconded by Councillor Houghton:-

That the Council approve the recommendations contained within the report subject to -

- (1) deleting recommendation (d)(1) and replacing with - the Lord Provost (whom failing a political representative nominated by the Lord Provost) and one officer to attend ONS event in Stavanger, Norway, between 29 August and 1 September 2022; and
- (2) deleting recommendation (d)(3) and replacing with - the Lord Provost and one officer to attend CERA Week Conference in Houston between 6 - 10 March 2023.

Council Meeting, Wednesday, 13 July 2022

On a division, there voted:-

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

For the amendment (16) - Councillors Ali, Bonsell, Boulton, Brooks, Crockett, Cross, Farquhar, Graham, Grant, Houghton, Macdonald, Malik, Massey, Thomson, Tissera and Watson.

Absent from the division (1) - Councillor McRae.

The Council resolved:-
to adopt the motion.

NOTICE OF MOTION BY COUNCILLORS ALPHONSE AND MENNIE

7. The Council had before it a notice of motion by Councillors Alphonse and Mennie in the following terms:-

“That Council -

1. notes the B999/Shielhill Road junction improvements project is to be part-funded by developer contributions, provided by the developers of the ongoing north Dubford housing development;
2. agrees the B999/Shielhill Road junction improvements project is a priority investment within the Council’s Capital Programme;
3. instructs the Chief Officer - Capital to review the project’s current planned timeline and identify options to accelerate its delivery; and
4. instructs the Chief Officer - Capital to report these options to Council in August, identifying any impacts these may have on the wider Capital Programme.

The Council resolved:-
to approve the notice of motion.

NOTICE OF MOTION BY COUNCILLORS COOKE AND GREIG

8. The Council had before it a notice of motion by Councillors Cooke and Greig in the following terms:-

“That Council instructs the Chief Officer - Operations and Protective Services, to take the necessary steps to amend the current advisory 20mph speed limit on Angusfield Avenue, between its junctions with Queen’s Road and King’s Gate, to a mandatory 20mph speed limit.”

The Council resolved:-
to approve the notice of motion.

Council Meeting, Wednesday, 13 July 2022

In accordance with Article 1 of this minute, Councillor Hutchison left the meeting for the following item of business.

NOTICE OF MOTION BY COUNCILLORS COOKE AND HOUGHTON

9. The Council had before it a notice of motion by Councillors Cooke and Houghton in the following terms:-

“That this Council:

- (i) renews its commitment to the Armed Forces Covenant, which is based on the premise that those who serve or have served, and their families deserve respect, support and fair treatment. In particular, it states that: “Those who serve in the Armed Forces, whether regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of public and commercial services. Special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.”;
- (ii) notes the Gold accreditation for the Council’s Armed Forces Covenant through the Defence and Employer Recognition Scheme (ERS);
- (iii) is proud to be Armed Forces friendly and recognises the enormous contribution and sacrifices that members of the Armed Forces and their families make every day for the safety and security of our country;
- (iv) values the service of all British Armed Forces personnel, past and present, including those from Commonwealth Nations;
- (v) agrees to re-establish an Advisory Working Group, with its purpose being to ensure the commitments contained in the Armed Forces Covenant continue to be met, to appoint five Councillors (three partnership/two opposition) to the Advisory Working Group and invite the Chief Officer - Early Intervention and Community Empowerment to appoint three officers from education services, housing services and social work services to join the Advisory Working Group;
- (vi) requests the Chief Officer - Early Intervention and Community Empowerment to report to the relevant committee setting out what the Council is doing to support our serving and veteran community across the full range of services we provide and strengthen partnerships with the Armed Forces Community; and
- (vii) prepares for the new duty to give due regard to the Armed Forces Covenant in policy development and decision making.”

The Council resolved:-

to approve the notice of motion subject to an invitation being extended to the NHS to be represented on the Advisory Working Group.

Council Meeting, Wednesday, 13 July 2022

NOTICE OF MOTION BY COUNCILLOR HUTCHISON

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

"That the Council -

- (a) notes the role of the Council in protecting tenants in the private rented housing sector through licensing, registration and enforcement;
- (b) agrees that everyone living in the rented sector should be able to have an expectation of safe, secure and good-quality housing, and that this is undermined where landlords fail to meet their legal obligations; and
- (c) instructs the Chief Officer - Early Intervention and Community Empowerment to report to a future committee on the operation of the private landlord registration and HMO licensing schemes, and short term lets legislation preparedness in Aberdeen. This should include the action taken when complaints are received about unlicensed landlords, and options to ensure that the public are aware of how to raise complaints."

The Council resolved:-

to refer the notice of motion to the Operational Delivery Committee in the first instance, noting that it may also need to be considered by the Licensing Committee thereafter.

At this juncture, Councillor Crockett declared an interest in relation to the following item of business by virtue of his close friendship with Sir Jimmy Milne. Councillor Crockett advised that the nature of his interest required him to leave the meeting and took no part in the Council's deliberations thereon.

NOTICE OF MOTION BY COUNCILLOR MALIK

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

"That Council -

Congratulates Lower Deeside resident Sir Jimmy Milne CBE, DL, DHC Hon, FRIAS on his recent honour of a Knight Bachelor in the Queen's Platinum Jubilee Birthday Honours 2022 for services to business and charity.

Notes the success of the Balmoral Group under the leadership of Sir Jimmy Milne.

Agrees that Sir Jimmy Milne's charity work as joint founder and chairman of Friends of ANCHOR, a charity established in 1997 which supports Aberdeen's cancer and haematology care unit, as well as financing many ground-breaking research programmes makes Sir Jimmy Milne a worthy recipient of this honour.

Council Meeting, Wednesday, 13 July 2022

Further notes that since 1997 the Balmoral Group has funded all the fundraising team and administrative costs of Friends of ANCHOR. The charity, being in its 25th year, is on course to reach a record project target of £2m that will help make the difference in Aberdeen's new cancer care centre due to open in 2023."

The Council resolved:-

to approve the notice of motion.

NOTICE OF MOTION BY COUNCILLORS NICOLL AND YUILL

12. The Council had before it a notice of motion by Councillors Nicoll and Yuill in the following terms:-

"That Council notes the Policy Statement considered at its meeting on 18 May 2022, and instructs the Chief Officer - Governance to bring forward proposals to the meeting of Full Council on 24 August 2022 with recommended changes to the Scheme of Governance to incorporate the following:-

Terms of Reference

- Dis-establish the Capital Programme Committee and transfer the remit to the City Growth and Resources Committee
- Dis-establish the Strategic Commissioning Committee and transfer the remit to Full Council and any other committee as appropriate
- Extend the scope of the Education Operational Delivery Committee to include children's services and rename it Education and Children's Services Committee to reflect its expanded remit
- Dis-establish the Operational Delivery and Public Protection Committees, and create:
 - Communities, Housing and Public Protection Committee; and
 - Net Zero, Environment and Transport Committee
- Establish an Anti Poverty Committee for addressing poverty in the city
- Rename the City Growth and Resources Committee as the Finance and Resources Committee

Powers Delegated to Officers

- To review the Planning Scheme of Delegation with a view to exploring the possibilities for ward members to direct that applications be determined by the Planning Development Management Committee rather than be determined under officer delegation.

Standing Orders

- Amend Standing Order 13 to remove Administration Leaders from the list of people to whom draft reports must be submitted except for reports to the Council and City Growth and Resources Committee
- Amend Standing Order 16 to reflect that any local member can speak at a committee without the need for consent from the Convener
- Amend Standing Order 34 to reflect that where one third of committee refers a matter to Full Council, and the next Full Council meeting is too late, the matter can be considered at a meeting of the Urgent Business Committee

Council Meeting, Wednesday, 13 July 2022

- Amend Standing Order 40 regarding the length of meetings to reflect that meetings cannot last any longer than 6 hours (including, for the avoidance of doubt, any adjournments), unless Standing Orders are suspended

Scheme of Governance

- Remove all references to Business Manager and Depute Business Manager

Council Diary

- Meetings to be on an eight-week cycle, including Full Council, other than those which meet more frequently (e.g. PDMC) or less frequently (e.g. Pensions Committee)
- Change all committee start times to 10.00am

Webcasting

- Bring forward a proposal on how all Full Council and committee meetings could be made hybrid and webcast from the Chamber or Committee Room 2.”

Councillor Nicoll moved, seconded by Councillor Yuill:-

That the Council -

- (1) approve the notice of motion;
- (2) note that at the Budget Meeting in March 2022 as noted in the Business Planner, Council agreed to instruct the Chief Executive to bring forward a refreshed Target Operating Model to the August Council meeting; and
- (3) agree the Chief Executive’s refreshed Target Operating Model report should set out in a manner which allows for the discharge by the Council of its different functions taking into consideration the financial climate the Council finds itself in and taking into consideration the agreed Partnership’s Council 2022-2027 policy document adopted at the May 2022 Council meeting.

Councillor Grant moved, seconded by Councillor Macdonald:-

That the Council -

- (1) Terms of Reference
 - (a) Agree to dis-establish the Capital Programme Committee and transfer the remit to the City Growth and Resources Committee;
 - (b) Note that both the 2021 Strategic Commissioning Committee’s Annual Effectiveness Report and the Audit Scotland 2021 Best Value Assurance Report highlight the importance of the committee and its functions in developing and progressing local priorities as well as in helping to align the Council’s transformation programme and delivery plans with the Local Outcome Improvement Plan and local priorities.

Welcome the important role that the Strategic Commissioning Committee has played in giving elected members the chance to scrutinise procurement processes as well as internal and external work plans and business cases.

Note with concern proposals to remove this committee and the associated risk that the commissioning-led function could be compromised as a result.

Council Meeting, Wednesday, 13 July 2022

- Agree therefore to retain the Strategic Commissioning Committee along with its remit and functions in order to continue to drive the change and transformation required to deliver services for the people of Aberdeen;
- (c) Extend the scope of the Education Operational Delivery Committee to include children's services and rename it Education and Children's Services Committee to reflect its expanded remit;
 - (d) Agree to dis-establish the Operational Delivery and Public Protection Committees, and create:
 - Communities, Housing and Public Protection Committee; and
 - Net Zero, Environment and Transport Committee;
 - (e) Establish a Poverty Reduction Committee for addressing poverty in the city;
 - (f) Rename the City Growth and Resources Committee as the Finance and Resources Committee;
- (2) Scheme of Governance
 - (a) Remove all references to Business Manager and Depute Business Manager;
 - (3) Council Diary
 - (a) Meetings to be on an eight-week cycle, including Full Council, other than those which meet more frequently (e.g. PDMC) or less frequently (e.g. Pensions Committee);
 - (4) Standing Orders
 - (a) Amend Standing Order 13 to remove Administration Leaders from the list of people to whom draft reports must be submitted except for reports to the Council and City Growth and Resources Committee;
 - (b) Amend Standing Order 16 to reflect that any local member can speak at a committee without the need for consent from the Convener;
 - (c) Amend Standing Order 34 to reflect that where one third of committee refers a matter to Full Council, and the next Full Council meeting is too late, the matter can be considered at a meeting of the Urgent Business Committee;
 - (d) Amend Standing Order 40 regarding the length of meetings to reflect that meetings cannot last any longer than 6 hours (including, for the avoidance of doubt, any adjournments), unless Standing Orders are suspended; and
 - (5) Webcast
 - (a) Bring forward a proposal on how all Full Council and committee meetings could be made hybrid and webcast from the Chamber or Committee Room 2.

On a division, there voted:-

For the motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Boulton, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (15) - Councillors Ali, Bonsell, Brooks, Crockett, Cross, Farquhar, Graham, Grant, Houghton, Macdonald, Malik, Massey, Thomson, Tissera and Watson.

Council Meeting, Wednesday, 13 July 2022

Absent from the division (1) - Councillor McRae.

The Council resolved:-
to adopt the motion.

ANNOUNCEMENT

13. The Lord Provost noted that the reports in relation to the exempt appendices had been dealt with at the Council meeting on 29 June 2022, therefore the Council did not require to consider them with the press and public excluded.

The Lord Provost thanked members for their attendance and highlighted that the Lord Dean of Guild had been unable to attend the meeting as she was receiving an honorary degree from the Robert Gordon University, and congratulated her on the achievement.

In accordance with Article 1 of this minute, Councillor Grant left the meeting for the following two items of business.

CITY CENTRE MASTERPLAN UPDATE - EXEMPT APPENDIX

14. With reference to Article 5 of the minute of its meeting of 29 June 2022, the Council had before it an exempt appendix relating to the City Centre Masterplan Update report.

The Council resolved:-
to note the exempt appendix.

BEACHFRONT MASTERPLAN UPDATE - EXEMPT APPENDIX

15. With reference to Article 14 of the minute of its meeting of 29 June 2022, the Council had before it an exempt appendix relating to the Beachfront Masterplan Update report.

The Council resolved:-
to note the exempt appendix.
- DAVID CAMERON, Lord Provost.

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ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 13 July 2022

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
JENNIFER BONSELL
MARIE BOULTON
DESMOND BOUSE
RICHARD BROOKS
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
SANDRA MACDONALD
NEIL MacGREGOR
ALEXANDER McLELLAN
CIARÁN McRAE
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](#).

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.

Council Meeting, Wednesday, 13 July 2022

ABORTIONS - BUFFER ZONES

1. The Council had before it the wording of the written request for this special Council meeting which had been signed by 20 members in accordance with Standing Order 8.2.2:-

“That this Council

- (1) Agree that the decision taken in the Supreme Court of America to overturn the landmark ruling of Roe V Wade is a step backwards for human rights.
 - (2) Agree that this decision in the American Courts does not affect the rights of women in Great Britain it is nevertheless a decision not worthy of the United States of America.
 - (3) Agrees with Dr Edward Morris, president of the UK’s Royal College of Obstetricians and Gynaecologists who said: “Limiting access to abortions won’t reduce the number of abortions happening, it will just make abortions less safe.
 - (4) Notes American-based anti-choice group *40 Days for Life* have held a ‘prayer vigil’ at Aberdeen Royal Infirmary hospital earlier this year.
- (1) Therefore, agrees that Council should liaise with the Scottish Government in order to bring forward a byelaw to introduce buffer zones as a short-term measure to prevent fear, harassment or intimidation for any women using clinics that provide abortion services until such time as the Scottish Government legislate on the matter.

With a report coming back to the next Council on progress.”

Councillor Radley moved, seconded by Councillor Fairfull:-

That this Council -

- (1) agrees that the decision taken by the Supreme Court of the United States in the case of Dobbs v Jackson Women’s Health Organisation to overturn the landmark ruling of Roe v Wade, which has now removed access to safe abortion for millions of women in the United States of America, is a step backwards for human rights;
- (2) notes that the decision in Dobbs v Jackson Women’s Health Organisation will not have legal implications beyond the United States of America, but believes that this will embolden those around the world who seek to restrict access to safe abortions;
- (3) agrees with Dr Edward Morris, president of the UK’s Royal College of Obstetricians and Gynaecologists, who said “Limiting access to abortions won’t reduce the number of abortions happening, it will just make abortions less safe”;
- (4) notes with concern that protests, by groups and individuals who seek to restrict access to safe abortions, have already taken place at Aberdeen Royal Infirmary this year, and further notes that some of these have been organised under the guise of being ‘prayer vigils’;
- (5) understands that protests outside abortion clinics can cause those seeking access to services to feel distressed, alarmed, intimidated and/or harassed;
- (6) agrees that nobody seeking to access abortion services in Aberdeen should be subject to harassment and intimidation;

Council Meeting, Wednesday, 13 July 2022

- (7) believes that a restriction on protests, within close proximity to abortion clinics, that seek to influence the behaviour of abortion service users and providers, often described as a 'buffer zone', would be a necessary and proportionate measure;
- (8) believes that a 'buffer zone' should be established at any appropriate healthcare sites that provide abortion services in Aberdeen;
- (9) notes the email sent by Councillor Radley, Convener of the Operational Delivery Committee, to Nicola Sturgeon, the First Minister; and
- (10) instructs the Chief Officer - Governance to liaise with the Scottish Government and COSLA to explore options to establish protest-free buffer zones including but not limited to potentially implementing a local byelaw, and to report back to the next meeting of Full Council.

From: Miranda Radley
Sent: 01 July 2022 18:04
To: FirstMinister@gov.scot
Subject: Aberdeen Buffer Zone

Dear Nicola,

Like thousands of other women across the country, I am heartbroken at the recent decision of the United States Supreme Court to overturn Roe v Wade, which has denied millions of women access to safe abortion.

While the judgement may not have any legal implications for Scotland, it will embolden those who wish to change our laws, who wish to take away women's access to safe abortions, and who are protesting outside of hospitals to make that happen.

We have already seen, in Aberdeen and across Scotland, protests outside of maternity clinics. These protests intimidate and harass those who are seeking to access safe and legal abortions in Scotland. They cause distress and alarm to those accessing services through our NHS.

We pride ourselves in Scotland that our NHS is free at the point of use, and we need to take all possible steps to ensure that this extends to being free of harassment or intimidation.

I ran on a manifesto which included a pledge to establish protest-free buffer zones around abortion clinics in the city. I appreciate that the journey to doing this is complex and challenging but I am resolute in belief that we need to see a buffer zone established in Aberdeen, by whatever means.

I noted with great interest that the recent summit on abortion access that you suggested a 'test council', or perhaps more than one council, could potentially proceed with a byelaw.

I would be grateful if you could consider Aberdeen City Council to be a 'test council', and I would welcome any support that you could offer to help establish a buffer zone in Aberdeen.

Council Meeting, Wednesday, 13 July 2022

I look forward to hearing from you.

Kind regards,

Miranda

Miranda Radley
Convener of Operational Delivery
Aberdeen City Council

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

That this Council -

- (1) agrees that the decision taken in the Supreme Court of United States to overturn the Landmark ruling of Roe v Wade is a step backwards for human rights;
- (2) agrees that this decision in the Supreme Court of United States does not affect the rights of women in Great Britain it is nevertheless a decision not worthy of the United States of America;
- (3) agrees with Dr Edward Morris, president of the UK's Royal College of Obstetricians and Gynaecologists, who said: "Limiting access to abortions won't reduce the number of abortions happening, it will just make abortions less safe";
- (4) notes American-based anti-choice group *40 Days for Life* have held a 'prayer vigil' at Aberdeen Royal Infirmary hospital earlier this year;
- (5) agrees that no person should fear judgement, harassment or intimidation while seeking healthcare services in Aberdeen; and
- (6) therefore, instructs the Chief Officer - Governance to liaise with the Scottish Government in order to bring forward a byelaw to introduce buffer zones as a short-term measure to prevent fear, harassment or intimidation for any women using clinics that provide abortion services until such time as the Scottish Government legislate on the matter, and to report back to the next Full Council meeting on any progress.

On a division, there voted:-

For the motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (15) - Councillors Ali, Bonsell, Boulton, Brooks, Crockett, Cross, Farquhar, Graham, Grant, Houghton, Macdonald, Massey, Thomson, Tissera and Watson.

The Council resolved:-

to adopt the motion.

- DAVID CAMERON, Lord Provost.

CITY GROWTH AND RESOURCES COMMITTEE MEETING OF 3 AUGUST 2022

MINUTE EXTRACT

COUNCIL FINANCIAL PERFORMANCE – QUARTER 1, 2022/23 – RES/22/152

The Committee had before it a report by the Director of Resources which provided details of the financial position of the Council as at Quarter 1 (30 June 2022) and the full year forecast position for the financial year 2022/23, including:-

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

The report also provided information on the outcome of the reprofiling of the Capital Programmes, as instructed by the Committee at its meeting on 21 June 2022.

The report recommended:-

that the Committee –

- (a) note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 1 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 1 as detailed in Appendix 3, specifically the £2m reduction in cash balances due to investment volatility;
- (c) note that the General Fund full year forecast position, as detailed in Appendix 2, is expected to show a balanced position overall for 2022/23, based on the assumption that the Scottish Government will fund any increase to the current pay offer made by Cosla and through the other mitigations contained within the report, including the use of one-off funding streams;
- (d) note the initial information provided in the report about the fire at Altens East Waste and Recycling Centre and instruct the Chief Officer – Operations and Protective Services to report back to the next meeting of the Committee with details of the contractual, financial, and operational implications, including assurance about how the council has mitigated financial exposure;
- (e) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, making a contribution to HRA reserves for 2022/23;
- (f) note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that it retains reserves in the event of unplanned additional costs arising during the year;
- (g) note that the forecast for General Fund capital expenditure is that there will be lower spend than had been budgeted in 2022/23, and for Housing, capital expenditure will be in line with 11% slippage on the programme, as described in Appendix 2;
- (h) note that officers have completed the work required to reprofile the capital programmes, following instruction by the Committee on 21 June 2022 (Appendix 5), and that this has led to the following recommendations:-

Referral to Council

- (h1) note that almost all capital projects can be paused, delayed or ultimately cancelled though there would be implications related to such decisions;
- (h2) note that for reprofiling purposes there are projects/programmes within the approved Capital Programmes which have been excluded;
- (h3) note the legal status of the contracts involved in delivery of the projects as this to an extent dictates the level of flexibility that the Council has in terms of reprofiling, pausing or cancelling projects;
- (h4) note the General Fund Capital funded projects/programmes recommended for reprofiling are shown in Appendix 5 – Table 1, which shows the current budget profile;
- (h5) instruct the Chief Officer – Finance to remove the Early Learning & Childcare - St Josephs and Garthdee Link Road projects from the General Fund Capital Programme;
- (h6) approve the reprofiled General Fund Capital funded projects/programmes as shown in Appendix 5 – Table 2. Noting the use of the existing contingency in the programme;
- (h7) in light of the best value consideration referred to in the report, instruct the Chief Officer – Capital to retender the 3-stream Tillydrone Primary School project, and report back to the next appropriate City Growth and Resources Committee;
- (h8) in light of the best value consideration referred to in the report, instruct Chief Officer – Capital to pause the four Housing Capital Council-led new build projects as recommended in Appendix 5, to evaluate the actions to be taken, assess best value and where appropriate retender work packages. The outcome of this exercise will be reported to the next appropriate meeting of City Growth and Resource Committee; and
- (h9) approve the inclusion of additional budgets to the Housing Capital Programme for improvements to void properties, in support of displaced Ukrainians, subject to funding being confirmed by the Scottish Government.

The Convener, seconded by Councillor Bouse moved:-
that the Committee –

- (1) approve the recommendations contained within the report with the exception of recommendation (h9);
- (2) agree to instruct the Chief Officer – Corporate Landlord to enter in discussions with the Scottish Government to acquire the land at Wellington Road (per the attached plan) and to report back the outcome of those discussions at the next City Growth and Resources Committee;
- (3) agree to instruct the Director of Resources to bring back an Outline Business Case for Queen Street to a future City Growth and Resources Committee meeting, which includes design proposals for an Urban Park which includes an option that incorporates the demolition of the former Police Scotland building; and
- (4) agree that Aberdeen City has gone above and beyond and should be proud to have welcomed more than 1,000 Ukrainian citizens to the city since the outbreak of the War in Ukraine. Approve the inclusion of additional budgets to the Housing Capital Programme for improvements to void properties, in support of displaced Ukrainians, subject to funding being confirmed by the Scottish Government. In light of the longer term

Referral to Council

proposals to accommodate these citizens, instruct the Chief Officer – Early Empowerment & Community Empowerment to prepare a report on the wider supply of critical services and opportunity for Ukrainian citizens to ensure that sufficient supply is available and Ukrainian citizens have access to good quality living and access to opportunity.

Councillor Kuszniir, seconded by Councillor Farquhar moved as an amendment:-
that the Committee –

- (1) note with concern the reprofiling of the Capital Programme, which, does not bode well for Aberdeen City moving forward and casts huge doubt into the current Administration's commitment to the City Centre and Beach Masterplan projects;
- (2) note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 1 as detailed in Appendix 1, noting the healthy position of our Usable Reserves at £108.2 Million and Net Asset Value of £1.4 billion, notes income from Council Tax is forecast to be £1m above budget;
- (3) note with disappointment that our Operations budget net expenditure for the year is above budget mainly because of the Council not yet receiving the specific Early Learning Childcare expansion grant from the Scottish Government, understands from officers that payment is to be made on 10 August 2022, agrees that the Chief Officer – Finance provides an update to the Committee on 10 August 2022 as to whether payment has been made or not given previous delays of payment from the Scottish Government;
- (4) note the definition of Contingency as laid out by Council Officers in the 2022/23 budget, notes that officer recommendations for Contingencies within that budget was £60m Therefore, Committee has grave concerns as to why Capital Contingencies is now only £8.368M when the SNP and Liberal Democrat's budget in March 2022 recommended Contingencies of £60m;
- (5) agree to continue with the Early Learning Campus; Childcare - St Joseph's project from the General Fund Capital Programme as agreed by Council on 10 March 2022;
- (6) note the previous administration budget agreed to spend £100 million for the building of 4 Schools, in Tillydrone, Torry, Countesswells and Milltimber;
- (7) note that despite the failure of the Administration to bring forward a School Estate plan to the last Education Operational Delivery Committee, the report highlights that the current school roll forecasts are suggesting that the current primary education provision in Tillydrone is sufficient;
- (8) agree that Tillydrone was promised a new state of the art school by Council administrations from 2007 onwards and that it would be a retrograde step for this administration to go back on that promise;
- (9) agree the previous Administration made a commitment to secure the building of 2,000 Council homes and invested £250 million for that purpose. Notes at the Council budget in March 2022 it was reported "*The Council has entered Construction Services Agreements with contractors for Kincorth delivering 212 units, Craighill delivering 99 units, and Tillydrone delivering 70 units, work has commenced on all sites with site*

set up and enabling works being undertaken.” Agrees therefore that social housing is required in Aberdeen and that regeneration areas like Kincorth and Torry deserve Council houses being built in their communities and as such instructs the Chief Officer Capital to bring a report to the next City Growth and Resources Committee detailing a timeline of substantive decisions and actions to provide assurance around concerns raised by the Convener of City Growth and Resources in terms of contract awards regarding these 4 sites and how he intends to fulfil the Council’s previously agreed commitment to build Council homes on the 4 Council led sites;

- (10) agree that other Councils in Scotland are facing similar challenges from world events as outlined in the report, yet none appear to be reprofiling their budgets like Aberdeen City Council; and
- (11) agree the inclusion of additional budgets to the Housing Capital Programme for improvements to void properties, in support of displaced Ukrainians, subject to funding being confirmed by the Scottish Government.

Councillor Grant, seconded by Councillor Macdonald moved a further amendment:-
that the Committee –

- (1) with the exception of recommendation (g), agrees recommendations (a) to (h4) and thanks council officers from across the council for managing the council’s finances up to Q1 and commends them for doing so while working within the context of numerous unprecedented volatile factors;
- (2) note that the forecast for General Fund capital expenditure is that there will be lower spend than had been budgeted in 2022/23, and for Housing, capital expenditure will be in line with 11% slippage on the programme, as described in Appendix 2 and instruct the Chief Officer – Early Intervention & Community Empowerment to report on the introduction of a cyclical maintenance plan to ensure that the council is maximising the use of its housing capital budget and report back to the next appropriate committee;
- (3) note that the approved 2022/23 budget set in March 2022 made a cost neutral provision for the Garthdee Link Road proposals to be brought forward and reported back with an outline business case which was to be reported back by the Chief Officer – Capital. Agrees to retain this project and this instruction within the General Fund Capital Programme;
- (4) note that the approved 2022/23 budget set in March 2022 made provision of £500,000 in 2022/23 for Early Learning and Childcare provision at St Josephs RC school and a further £2.5 million to be provided in 2023/24 and 2024/25 and for a business case to be produced on this project. Agrees to retain this project within the General Fund Capital Programme and this to be funded from the Capital Programme contingency budget;
- (5) note that by agreeing to officer recommendations to retender the 3 stream Tillydrone Primary School project will delay progressing with work to complete the project and delay the opening of the new school until at least August 2024. Note that such a delay will subsequently delay the improvement works at Riverbank Primary to make possible the relocation of St Peters RC school which is currently Category C “Poor” in its current location;
- (6) having given due regard to the requirements for the Council to obtain best value as highlighted within the report, note that a full retender does not

guarantee that costs will come back lower than the quote provided through the procurement framework mechanism. Notes the unknown risk, due to factors highlighted within the report, that quotes may be returned higher than the quote provided through the procurement framework mechanism and agrees therefore to proceed with the project at the reprofiled cost of £36.187million and progresses work in accordance with the original timescales;

- (7) note that while in administration in 2017-2022, the previous administration had completed or had under construction a total of 3,613 council or affordable homes and calls upon the council and all political groups to reaffirm the council's commitment to complete both all remaining developer led and council led housing developments to ensure the council can provide the best places to live for the people of Aberdeen;
- (8) in light of the best value consideration referred to in the report, instruct Chief Officer – Capital to pause the four Housing Capital Council-led new build projects as recommended in Appendix 5, to evaluate the actions to be taken, assess best value and where appropriate retender work packages. The outcome of this exercise will, as far as possible, be reported to the September 2022 meeting of City Growth and Resources Committee;
- (9) agree that Aberdeen City has gone above and beyond and should be proud to have welcomed more than 1,000 Ukrainian citizens to the city since the outbreak of the War in Ukraine. Approve the inclusion of additional budgets to the Housing Capital Programme for improvements to void properties, in support of displaced Ukrainians, subject to funding being confirmed by the Scottish Government. In light of the longer term proposals to accommodate these citizens, instruct the Chief Officer – Early Empowerment & Community Empowerment to prepare a report on the wider supply of critical services and opportunity for Ukrainian citizens to ensure that sufficient supply is available and Ukrainian citizens have access to good quality living and access to opportunity;
- (10) note that the Council submitted cost estimates (for P6/7 expansion) to the Scottish Government in October 2021 and that no response has yet been provided despite nearly 10 months passing. Agrees that in that time, it is reasonable to assume that the £11million requested in order to deliver the Scottish Government pledge may not now be sufficient to expand the school catering and dining facilities and equipment and therefore agrees to instruct the Chief Officer – Capital, to re-appraise these costs and instruct the Chief Officer Finance to submit this re-appraisal to the Scottish Government and seek clarity on when funding might be provided to deliver these improvements;
- (11) note with concern the reprofiling of the Capital Programme, which, does not bode well for Aberdeen City moving forward and casts huge doubt into the current Administration's commitment to the City Centre and Beach Masterplan projects;
- (12) note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 1 as detailed in Appendix 1, noting the healthy position of our Usable Reserves at £108.2 Million and Net Asset Value of £1.4 billion, notes income from Council Tax is forecast to be £1m above budget;

Referral to Council

- (13) note with disappointment that our Operations budget net expenditure for the year is above budget mainly because of the Council not yet receiving the specific Early Learning Childcare expansion grant from the Scottish Government, understands from officers that payment is to be made on 10 August 2022, agrees that the Chief Officer – Finance provides an update to the Committee on 10 August 2022 as to whether payment has been made or not given previous delays of payment from the Scottish Government;
- (14) note the definition of Contingency as laid out by Council Officers in the 2022/23 budget, notes that officer recommendations for Contingencies within that budget was £60m Therefore, Committee has grave concerns as to why Capital Contingencies is now only £8.368M when the SNP and Liberal Democrat's budget in March 2022 recommended Contingencies of £60m;
- (15) note the previous administration budget agreed to spend £100 million for the building of 4 Schools, in Tillydrone, Torry, Countesswells and Milltimber; and
- (16) note that despite the failure of the Administration to bring forward a School Estate plan to the last Education Operational Delivery Committee, the report highlights that the current school roll forecasts are suggesting that the current primary education provision in Tillydrone is sufficient

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

On a division, there voted:- for the amendment by Councillor Kuszniir (2) - Councillors Farquhar and Kuszniir; for the amendment by Councillor Grant (3) - Councillors Blake, Grant and Macdonald; declined to vote (8) - the Convener, the Vice Convener and Councillors Al-Samarai, Bouse, Cooke, Fairfull, Hutchison and Radley.

The Committee then divided between the motion and the amendment by Councillor Grant.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Al-Samarai, Bouse, Cooke, Fairfull, Hutchison and Radley; for the amendment by Councillor Grant (5) – Councillors Blake, Farquhar, Grant, Kuszniir and Macdonald.

The Committee resolved:-

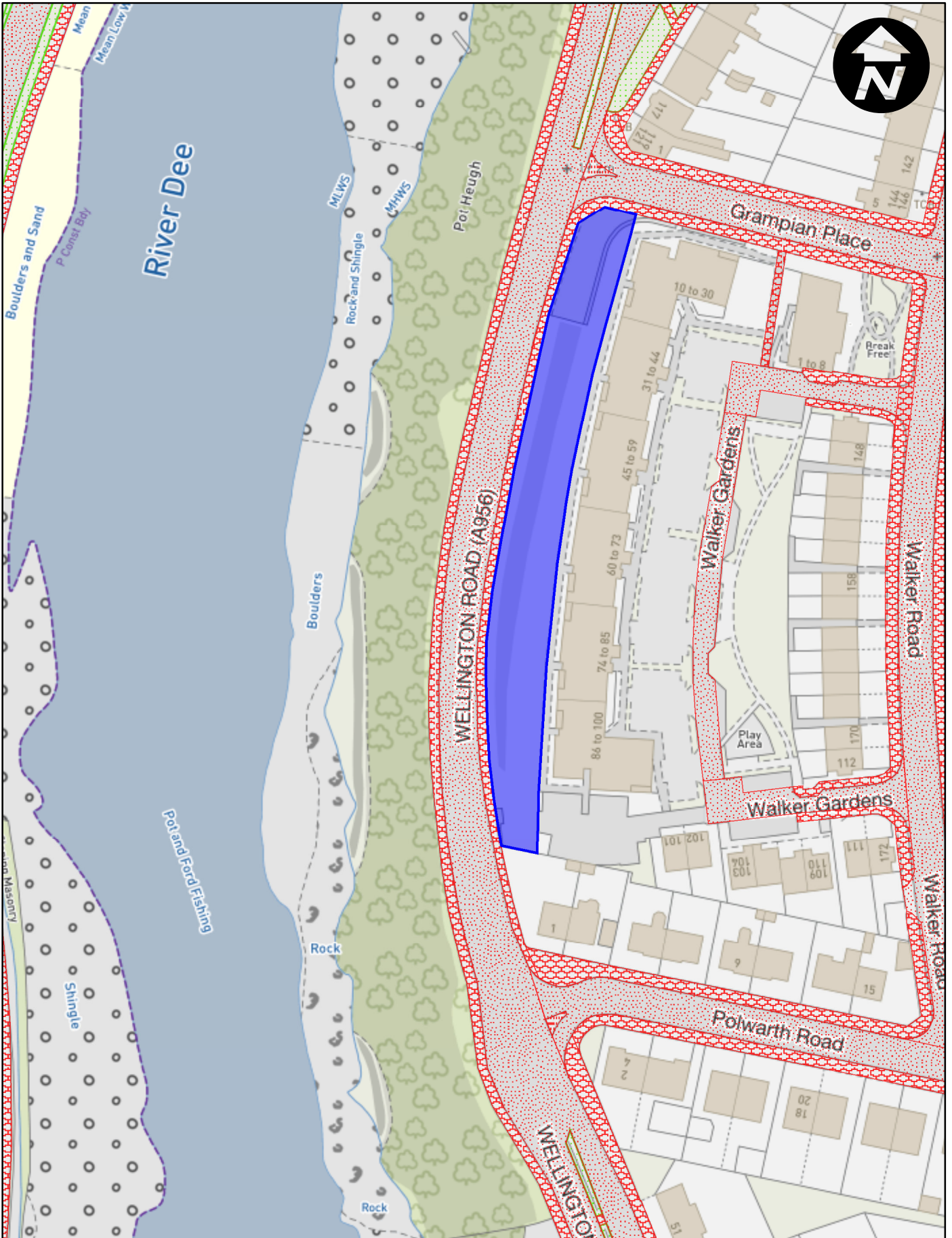
- (i) to adopt the motion;
- (ii) to instruct the Chief Officer – Early Intervention and Community Empowerment to circulate to members of the Committee further details in relation to free school meals;
- (iii) to instruct the Chief Officer – Corporate Landlord to provide further details to the Committee in relation to the timescales and next steps for the Clinterty site; and
- (iv) to instruct the Chief Officer – Corporate Landlord to provide further details in relation to the Council Led Sites.

Referral to Council

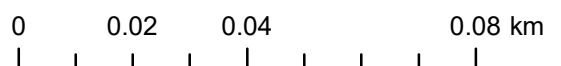
In terms of Standing Order 34.1, Councillors Blake, Farquhar, Grant, Kuznir and Macdonald requested that the matter be referred to Full Council for decision.

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Required land acquisition for Wellington Road



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ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	3 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Council Financial Performance – Quarter 1, 2022/23
REPORT NUMBER	RES/22/152
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Lesley Fullerton
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 To provide the financial position of the Council as at Quarter 1 (30 June 2022) and the full year forecast position for the financial year 2022/23, including:
- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
 - Common Good revenue account and Balance Sheet
- 1.2 Report the outcome of the reprofiling of the Capital Programmes, as instructed by the Committee at its meeting on 21 June 2022.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 1 as detailed in Appendix 1;
- 2.2 Note the Common Good financial performance to the end of Quarter 1 as detailed in Appendix 3, specifically the £2m reduction in cash balances due to investment volatility;
- 2.3 Note that the General Fund full year forecast position, as detailed in Appendix 2, is expected to show a balanced position overall for 2022/23, based on the assumption that the Scottish Government will fund any increase to the current pay offer made by Cosla and through the other mitigations contained within the report, including the use of one-off funding streams;
- 2.4 Note the initial information provided in the report about the fire at Altens East Waste and Recycling Centre and instruct the Chief Officer – Operations and Protective Services to report back to the next meeting of the Committee with details of the contractual, financial, and operational implications, including assurance about how the council has mitigated financial exposure;

- 2.5 Note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, making a contribution to HRA reserves for 2022/23;
- 2.6 Note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that it retains reserves in the event of unplanned additional costs arising during the year;
- 2.7 Note that the forecast for General Fund capital expenditure is that there will be lower spend than had been budgeted in 2022/23, and for Housing, capital expenditure will be in line with 11% slippage on the programme, as described in Appendix 2;
- 2.8 Note that officers have completed the work required to reprofile the capital programmes, following instruction by the Committee on 21 June 2022 (Appendix 5), and that this has led to the following recommendations:-
- 2.8.1 Note that almost all capital projects can be paused, delayed or ultimately cancelled though there would be implications related to such decisions;
- 2.8.2 Note that for reprofiling purposes there are projects/programmes within the approved Capital Programmes which have been excluded;
- 2.8.3 Note the legal status of the contracts involved in delivery of the projects as this to an extent dictates the level of flexibility that the Council has in terms of reprofiling, pausing or cancelling projects;
- 2.8.4 Notes the General Fund Capital funded projects/programmes recommended for reprofiling are shown in Appendix 5 – Table 1, which shows the current budget profile;
- 2.8.5 Instruct the Chief Officer – Finance to remove the Early Learning & Childcare - St Josephs and Garthdee Link Road projects from the General Fund Capital Programme;
- 2.8.6 Approves the reprofiled General Fund Capital funded projects/programmes as shown in Appendix 5 – Table 2. Noting the use of the existing contingency in the programme;
- 2.8.7 In light of the best value consideration referred to in the report, instruct the Chief Officer – Capital to retender the 3-stream Tillydrone Primary School project, and report back to the next appropriate City Growth and Resources Committee;
- 2.8.8 In light of the best value consideration referred to in the report, instruct Chief Officer – Capital to pause the four Housing Capital Council-led new build projects as recommended in Appendix 5, to evaluate the actions to be taken, assess best value and where appropriate retender work packages. The outcome of this exercise will be reported to the next appropriate meeting of City Growth and Resource Committee;

- 2.8.9 Approve the inclusion of additional budgets to the Housing Capital Programme for improvements to void properties, in support of displaced Ukrainians, subject to funding being confirmed by the Scottish Government.

3. CURRENT SITUATION

- 3.1 The Local Government Finance Act 1992 provides that the Council must set its Council Tax amount by 11 March each year for the next financial year. The amount set must be sufficient to meet total estimated expenditures. This means that having taken account of expenditure, agreed savings and income from other sources, the level of Council Tax must ensure that a balanced budget is set by the Council. Aberdeen City Council set the Council Tax for 2022/23 on 7 March 2022 to ensure a balanced budget for year ahead, in accordance with its statutory duty.
- 3.2 This report focuses on both the financial performance for the year to 30 June 2022 and the forecast financial position for the full year for the Council's General Fund, Housing Revenue Account and Common Good.
- 3.3 Across the General Fund the recovery from the Covid-19 pandemic continues to impact the financial position, and the need to address ongoing cost pressures remains a feature of the Quarter 1 position and forecasts.
- 3.4 Further financial risks from the war in the Ukraine resulting in supply chain volatility, and rising inflation, to levels not seen for four decades, are now also affecting the Council, and where these are known they have been taken into account in the financial forecasts.
- 3.5 The appendices show that the IJB is forecasting a balanced position as at Quarter 1. The Board continue to rely on some Covid-19 related costs being met by Scottish Government however retain reserves to use to support operations as the impact of the pandemic changes. The Council continues to rely on the financial position of the IJB to mitigate any exposure the Council has to additional funding.
- 3.6 The Council retains a contingency budget to address unexpected and unplanned expenditure, as well as costs that could arise as a result of the identified contingent liabilities coming to fruition or from risks included on the corporate and operational risks registers. The Risk Board routinely reviews the risk registers, and the Chief Officer - Finance tracks the contingent liabilities, and these are included in Appendix 1.
- 3.7 As referenced above, a balanced position is currently forecast based on this latest data, and this will be achieved by the use of earmarked reserves held on the Council Balance Sheet and utilising the financial flexibility offered by Scottish Government to defer payment of the loans fund instalment for 2022/23.
- 3.8 While the earmarked reserves provide part of the solution at this time, these are finite and if the situation changes then further consideration would have to be made.

- 3.9 Changes that could benefit the Council in the short to medium term continue to be discussed at a national level. The Council has budgeted to make use of those that have been put in place (i.e. the loans fund repayment deferral) but the impact on the Council finances in relation to the Service Concession flexibilities (i.e. changes proposed in accounting treatment for the Public & private Partnership contracts) has yet to be calculated, with guidance only recently being issued. Consultation on the terms of reference for a review of Capital Accounting is currently taking place. I have not assumed the use of this fiscal flexibility in forecasting the outturn for 2022/23.
- 3.10 Turning to the General Fund Capital Programme, all capital works were affected by the lockdown restrictions. Budgets were reprofiled when the budget was set on 7 March 2022 and substantial progress is being made on key sites. Spending is expected to be less than had been profiled but consideration will have to be given to the rising costs in some areas of the programme, as detailed in Appendix 2. A report on the impact of the supply chain volatility and inflation on the Capital Programmes and potential reprofiling options is included as Appendix 5.
- 3.11 The Capital Programme spend being lower than budget, primarily due to the timing of expenditure, will reduce the requirement for borrowing during this financial year and will defer the revenue cost until future years. Project progress is monitored through the Capital Programme Committee.
- 3.12 The Housing Revenue Account is forecasting to be on budget and the associated Housing Capital Programme is currently expected to be on budget, anticipating an 11% slippage included in the programme for the year.
- 3.13 The Common Good is expected to be on budget. The investment of cash balances in a Multi-asset Income Fund has been put in place with Fidelity as the fund manager since last year. This continues to deliver the level of income the Common Good was expecting, however the value of the underlying investment has continued to fall, and at the end of Quarter 1, this amounted to a further £2m since March 2022. The investment remains a long-term financial instrument and performance should be measured over a period of 3 to 5 years rather than a single year.
- 3.14 Summary of Financial Statement Appendices
1. The financial statements reflect the income and expenditure of the General Fund and Housing accounts for the period to 30 June 2022 and, where the impact of statutory accounting adjustments can be calculated, these have been reflected in the financial statements as required by International Financial Reporting Standards (IFRS). The position at 30 June 2022 is positive as the profile of income from Scottish Government supports expenditure levels.

The Balance Sheet figures at 30 June 2022 show an overall increase in net worth of the Council to £1.5 billion. The figures shown include statutory

adjustments where these have been made, and where this is not possible the figure as at 31 March 2022 has been used.

2. This provides an overview of the forecast outturns for revenue and capital across the General Fund, Housing Revenue Account and Common Good. These financial statements provide a comprehensive summary of where the Council expects to be at the end of the financial year. These forecasts indicate that the General Fund will be on budget, making use of the one-off funding streams approved in the budget, such as earmarked reserves and using fiscal flexibility put in place by Scottish Government. The Council will continue to manage cost pressures across the whole portfolio of services whilst all other revenue accounts are expected to be on budget. Capital investment expenditure is forecast to be lower for the year, which will be funded by a mixture of Scottish Government Capital Grants, contributions from other partners and borrowing, as well as a substantial contribution from revenue to support the Housing Capital programme.
3. This presents the Common Good position as at 30 June 2022 and provides an overview of performance.
4. This provides information on the Group Entities. Due to the timing of this report not all performance reports are available in relation to financial year 2022/23 and in the absence of the latest data 2021/22 information has been provided where appropriate.

4. FINANCIAL IMPLICATIONS

- 4.1 The full year financial position is provided in Appendix 2 to this report and the revenue positions are summarised below:

Revenue	2022/23 Budget £'000	2022/23 Forecast (Surplus) / Deficit exc. Group £'000	Variance (Under) / Over Budget £'000
General Fund	0	0	0
HRA	(500)	(500)	0
Common Good	(319)	(319)	0

- 4.2 The capital position can be summarised as follows:

Capital	2022/23 Budget £'000	2022/23 Forecast Expenditure £'000	Variance (Under) / Over Budget £'000
General Fund	262,539	219,500	(43,039)
HRA	182,473	182,473	0

- 4.3 Details of key variances for the capital budgets can be found in Appendix 2.

4.4 Appendix 1 includes a Management Commentary providing information on the 2022/23 financial position, including details of the movement between Reserves.

4.5 The usable reserves have moved as follows:

Usable Reserves	Balance at 31 March 2022 £'000	Balance at 30 June 2022 £'000	Movement £'000
General Fund	(72,152)	(161,807)	(89,655)
HRA	(15,215)	(15,215)	0
Statutory & Other	(20,859)	(20,966)	(107)
Total	(108,226)	(197,988)	(89,762)

5. LEGAL IMPLICATIONS

5.1 While there are no direct legal implications arising from the recommendations of this report, there are additional reporting requirements due to the London Stock Exchange listing, for example the requirement to notify them ahead of publication of the report.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

7.1 The risks detailed within Appendix 2 are reflected across the Council's risk registers and are managed in accordance with the Council's risk management arrangements. The risks are mitigated and managed by the establishment of control actions in addition to existing control measures and activities to achieve a risk score that is consistent with the Council's risk appetite.

7.2 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) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Failure to manage Council finance and resources could lead to	Robust financial reporting and monitoring activities, combined with a rigorous financial planning process as	M	Yes

	failure to achieve strategic objectives.	part of the commissioning cycle prepare the Council for the years ahead. Financial resilience to address financial pressures arising in-year is maintained and monitored.		
Compliance	There is the risk that the accounts do not comply with legal and accounting legislation.	Annual external audits are undertaken to review the financial transactions and controls. Ongoing internal audits also review specific financial and service data.	L	Yes
Operational	There is the risk that there may be an IT system failure.	Daily backups taken and held offsite for security purposes. Constant review and update of security systems for IT.	M	Yes
Financial	The main financial risk the Council is managing is the supply chain and inflation impact on costs. In relation to capital projects there is a risk that following the procurement process tendered costs will vary from that assumed at the time of project approval.	Reviewing all areas of expenditure with a view to only incurring essential expenditure. Forecasts have taken account of known implications Regular reporting and action taken where appropriate. Quantification and review of indicative projects costs by suitable qualified staff or external body, where appropriate. Review of capital programme and options for reprofiling is included at Appendix 5.	M M	Yes Yes

	The risk that workforce management options are not affordable in the future, such as the cost of the VS/ER scheme described in Appendix 2 (page 5).	Current permission from Scottish Government to use capital receipts for voluntary severance / early retirement revenue costs ends on 31 March 2023. Unless extended, alternative revenue funding would have to be found or changes made to the scheme.	H	Yes
Reputational	There is a risk that through the reduction of expenditure the Council may be criticised that spending isn't in line with public expectation of service delivery.	The Council has continued to address priority spending areas, and to protect people. It is equally accountable for the use of public funds and to ensure that they are managed robustly. There are a wide range of unknown external factors that require to be balanced to deal with the current operating environment. Regular reporting during the year provides an ongoing description of the position the Council is in and the situations it faces.	M	Yes
Environment / Climate	None identified			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	The proposals in this report have no impact on the Council Delivery Plan
<u>Aberdeen City Local Outcome Improvement Plan</u>	

Prosperous Economy Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Prosperous People Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Prosperous Place Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Regional and City Strategies	The proposals in this report have no impact on Regional and City Strategies

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	not required
Other	not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Appendix 1 – Financial Statement for the period ending 30 June 2022

Appendix 2 – Forecast Financial Position for the year 2022/23

Appendix 3 – Common Good Financial Statement for the period ending 30 June 2022

Appendix 4 – Group Entities Forecast Financial Position for the year 2022/23

Appendix 5 – Reprofitting of Capital Programmes

12. REPORT AUTHOR CONTACT DETAILS

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**FINANCIAL STATEMENT
FOR THE PERIOD ENDING
30 JUNE 2022**

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Management Commentary

The purpose of the Management Commentary is to inform readers, helping them to assess how the Council is performing and understand our financial performance for the 3-month period to 30 June 2022.

Combined with Appendix 2, it also provides an insight into the expected financial performance for the remainder of the financial year 2022/23, the challenges we face and how we will address these challenges to provide stability, financially, thus allowing our citizens to have confidence that we can continue to provide the diverse portfolio of services on which they rely. Appendices 3 and 4 present the latest information in relation to the Common Good and Group entities.

Background

The Council must comply with a wide range of legislation and regulation in the course of its work. Since 2016/17 the issue of bonds on the London Stock Exchange (LSE) has placed an increased level of regulation around council finances in particular. Maintaining a credit rating, annually assessed, and compliance with the reporting and disclosure requirements of the LSE means an extra level of scrutiny is placed on the Council.

Moody's (the credit rating agency) published their latest credit rating assessment of the Council in January 2022 maintaining a rating of 'A1 with a stable outlook', in line with the recent change to the UK's rating in October 2020 remaining one notch below the UK Government.

The Council's 2021-22 Annual Accounts are currently undergoing audit by KPMG LLP, independent external auditor. The outturn position achieved as at 31 March 2022 was in line with forecasts, carrying forward a large value of grant funding, received to support the continued response, but predominantly for recovery from the Covid pandemic. This placed the Council in a strong place to move into 2022/23 and tackle the financial pressures that it faces.

As at 1 April 2022 the Council held Usable Reserves of £108.2 million and had a Net Asset Value of £1.4 billion.

The Council set its 2022/23 budgets on 7 March 2022, approving for the General Fund a range of budget savings options to set a balanced budget for the year. This included a Council Tax increase of 3%. The Council also agreed to use a proportion of the earmarked reserves to maintain services and fund priorities.

The General Fund budget took account of a range of pay and price inflation pressures, in particular the pay award of c.2%, which was in line with the stated Public Sector Pay Policy of the Scottish Government when the budget was set. This was an estimate, as the pay deal came to an end on 31 March 2022.

Proposals to make use of Scottish Government approved fiscal flexibilities to manage the cost of capital financing costs were included in the budget – a one-off funding solution for 2022/23. There were conditions attached to the Scottish Government financial settlement in relation to funding for Community Health and Social Care and to support maintaining teacher numbers across Scotland. Demand and emerging pressures from higher school rolls and out of authority placements were also incorporated.

Since the budget was approved there have continued to be changes to the financial environment. The impact of Covid-19 continues to be felt by the Council, both in supporting our citizens and our city, and in terms of the impact on Council finances. The rising cost of energy will affect almost all of the Council's services during 2022/23 and the influence of increasing inflation will affect the cost of goods and services to the Council.

The Housing Revenue Account budget was approved and as agreed at the Council meeting on 10 March 2021 there was a two year rent freeze, with no increase to rents charges for 2022/23, which was a deviation from the approved Council fixed term rent policy.

Our Financial Performance: General Fund

• Performance in Quarter 1

In March 2022, the Council set its General Fund and Housing Revenue Account (HRA) revenue and capital budgets for the financial year 2022/23. Performance for the year is measured against these budgets with the projected full year position considered in Appendix 2 of this report. This section focuses on the actual financial results for the period from 1 April to 30 June 2022 presented in the format of our Annual Accounts on pages 6 to 13.

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

1. Operations

At 27% against the full year budget, the function's net expenditure for the year is above budget mainly as a result of not yet receiving the specific Early Learning and Childcare expansion grant. While, encouragingly the majority of services are on target or under budget there are a number of significant areas that are over budget, such as Out of Authority Placements, which is being offset in part by lower spend on Fostering, and Fleet Management.

2. Customer

At 24% against the full year budget, the function's net expenditure for the year to date is under budget. Most services are showing small underspends at this stage of the year.

3. Commissioning

At 28% against the full year budget, the function's net expenditure for the year is above budget. This relates to project funding yet to be received and the allocation of savings to services not yet having been achieved due to pressure on contracts from inflation and prices increase, risk of these savings not being met are highlighted in Appendix 2 regarding the full year.

4. Resources

The function has a budget where a significant proportion of costs are recharged to other accounts of the Council and to external customers. The recharges are directly related to the progress of specific projects in the capital programme and are usually undertaken later in the year. Corporate energy and utility costs have immediately emerged in quarter 1.

5. Integration Joint Board (IJB) / Adult Social Care.

The function's net expenditure is 13% against the full year budget. This relates to the carry forward of income from 2021-22.

6. Corporate

Includes the cost of councillors, contingencies, funding to Grampian Valuation Joint Board and the repayment of capital debt. Expenditure is generally in line with budget where expenditure is being incurred, but contingency budgets, including for pay as described above, are held for the purpose of being used if needed.

Contingencies are critical to the effective and resilient operation of the Council, risks over the next nine months that might arise include weather events such as storms, flooding and snow;

pay negotiations are not yet settled for 2022/23; the impact of inflation may be greater than forecast; the crystallisation of contingent liabilities.

7. Other Income and Expenditure

Includes interest payable and receivable, income and expenditure from trading operations (car parking, investment property and building services) and income received through council tax, non-domestic rates and government grants.

Income from Non-Domestic Rates (NDR) is 19% of full year budget. There continues to be challenges in collection as businesses continue to be impacted by fallout from COVID-19. This position may improve as we progress throughout the year. The Scottish Government will top up any shortfall at the end of the financial year, through a net payment received as an adjustment to the Council's General Revenue Grant.

As at quarter 1 income from Council Tax is forecast to be £1m above budget for the full year based on the income levels achieved last year and the expectation of a number of new properties being added to the valuation roll. Income is currently sitting at 41% of budget.

Income from Scottish Government is above budget, which is due to the profiling of Grant and NDR across the year. The Scottish Government front load General Revenue Grant payments, before adjusting for NDR income estimates. Further adjustments will be made following any redeterminations advised by the Scottish Government.

The Council receives a substantial income from the commercial tenanted non-residential property (TNRP) portfolio. The income to the TNRP portfolio is invoiced regularly but it is not in even quarters as timing depends on individual leases. The level of collection for 2022/23, and therefore provision for bad debt, in the current market conditions, is under review. This is exacerbated by the energy and supply costs for commercial facilities, including the TECA energy centre and anaerobic digestion plant.

Income from car parking has not returned to pre Covid-19 levels, however it is hoped that this will improve for 2022/23 with all restrictions having been removed. This continues to be monitored on an ongoing basis.

Our Financial Performance: Housing Revenue Account

• Performance in Quarter 1

8. Housing Revenue Account (HRA) is responsible for the provision of council housing to over 20,000 households with the most significant areas of expenditure being on repairs and maintenance and the servicing of debt incurred to fund capital investment in the housing stock. This is a ring-fenced account such that its costs must be met by rental income which at this stage in the year exceeds expenditure incurred. Rental income remains a regular source of funding. The HRA is ahead of budget at Quarter 1 because the capital financing charges have yet to be charged through the account and low spend on Repairs and Maintenance, which is billed in arrears. The loss of income arising from voids continue to be a pressure, depriving the account of income, improvement plans are in place to address the availability of void properties. The rented housing market in Aberdeen remains competitive, offering more choice to prospective tenants. Tenant arrears remain a concern too, with the aged debt analysis showing that tenants are taking longer to pay their debts.

Our Financial Performance: Full Year Forecasts

A comprehensive forecast of revenue and capital budget performance for the General Fund, Housing Revenue Account and the Common Good is provided in Appendix 2 to this report.

Conclusion

This is the first quarterly financial performance report being presented to the City Growth & Resources committee for consideration of the financial year 2022/23.

Following a further year of restrictions early in the year caused by the Covid-19 pandemic, there were continued pressures over many areas of the Council's finances. The year ended positively with the easing of almost all restrictions and the Council recording a small operational surplus, and carrying a level of grant funding, directly related to the Covid-19 pandemic, into the new financial year.

The Council agreed in its budget for 2022/23 to use some of that grant funding, £5m, to support Council Services, the service standards and commissioning intentions in place. This was in addition to taking advantage of fiscal flexibilities agreed with Scottish Government to reduce capital financing costs on a one-off basis.

The impact of the pandemic continues to have a lasting effect on the Council and this means 2022/23 will be uncertain, particularly in relation to income levels.

It is likely that the areas of income such as car parking, Council Tax, planning and building fees which were impacted by the pandemic will continue to make a recovery in 2022/23. This appears less certain for commercial property income.

The Council at the end of Quarter 1 has cash to support it through a large part of the year, with grant funding being front-loaded, however with one-off funding streams being approved as part of the budget for 2022/23 the Council will rely on its own resources in the final quarter.

Emerging risks, not seen on the same scale for decades are rising inflation levels and supply chain volatility, in the first quarter there is evidence of this having a real impact, such as utility cost increases, forecasts for the year include for no improvement over the year.

Spend levels are high in certain areas of the budget that will be familiar in respect of children and education services, and there has been an increased recruitment and retention of teachers in schools to support higher school rolls.

During the remainder of the year the Council will continue to review and assess the changes that the local financial environment and pandemic has brought about and will re-evaluate the position to ensure that expenditure and income is being monitored and managed as required, taking appropriate action when required. The next reporting period will be Quarter 2, which will be prepared for Committee on 2 November 2022.

Movement in Reserves Statement

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

	General Fund	Housing Revenue Account	Statutory and Other Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000		£'000	£'000	£'000
Balance at 31 March 2022 brought forward	(72,152)	(15,215)	(20,047)	(812)	(108,227)	(1,326,312)	(1,434,539)
Movement in Reserves during 2022/23							
Total Comprehensive Income & Expenditure	(107,237)	(8,573)	0	0	(115,810)	0	(115,810)
Adjustments between accounting basis & funding basis under regulations	16,050	4,263	0	0	20,312	(20,312)	0
Net (Increase)/Decrease before Transfers to Reserves	(91,187)	(4,311)	0	0	(95,498)	(20,312)	(115,810)
Transfers to/from Earmarked Reserves	476	0	(476)	0	0	0	0
(Increase)/Decrease in Year	(90,711)	(4,311)	(476)	0	(95,498)	(20,312)	(115,810)
Balance at 30 June 2022	(162,863)	(19,526)	(20,523)	(812)	(203,725)	(1,346,624)	(1,550,349)

Expenditure and Funding Analysis

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

Quarter 1 2022/23				
Services	Net Expenditure chargeable to General Fund & Housing Revenue Account	Adjustments between funding & Accounting basis	Net Expenditure in the CIES £'000	Notes
	£'000	£'000	£'000	
Operations	74,039	(12,844)	61,195	1
Customer	9,703	0	9,703	2
Commissioning	6,402	0	6,402	3
Resources	(3,810)	0	(3,810)	4
Integration Joint Board	15,293	0	15,293	5
Corporate	(20,875)	(337)	(21,212)	6
Net Cost of General Fund Services	80,753	(13,181)	67,571	
Housing Revenue Account	(4,311)	(3,170)	(7,481)	7
Net Cost of Services	76,442	(16,351)	60,091	
Other Income and Expenditure	(171,939)	(3,962)	(175,901)	8
(Surplus) or Deficit on Provision of Services	(95,498)	(20,312)	(115,810)	
Opening General Fund and HRA Balance at 31 March 2022	(87,367)			
(Surplus) or Deficit on General Fund and HRA Balance in Year	(95,498)			
To/From Other Statutory Reserves	476			
Closing General Fund and HRA Balance at 30 June 2022	(182,389)			

Notes

- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £12.844m accounting adjustment relates to the removal of Annual Service Payments for the 3R's schools and Lochside Academy which for accounting purposes are required to be split into its component parts, payment for services; repayment of capital; and financing costs.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
- See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £0.337m accounting adjustment relates to CFCR.
- See page 3 for information relating to Net Expenditure chargeable to the Housing Revenue Account. The £3.170m accounting adjustment relates to CFCR.

8. See page 4 for information relating to Net Expenditure chargeable to the General Fund. The £3.962m adjustment comprises the following three elements, which realign costs from other parts of the budget:

£8.317m is the element of the 3R's and Lochside Annual Service Payments which is reallocated as per note 1 above to bring together financing costs which flow into the Financing and Investment Income and Expenditure line in the CIES below.

(£0.498)m that is the allocation of the Marischal Square finance lease payment.

(£11.781)m that is the allocation of capital grant income which flows into the Taxation and Non Specific Grant Income line in the CIES below

Comprehensive Income and Expenditure Statement

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

Services	Quarter 1, 2022/23			Notes
	Gross Expenditure	Gross Income	Net Expenditure	
	£'000	£'000	£'000	
Operations	74,372	(13,177)	61,195	
Customer	22,119	(12,416)	9,703	
Commissioning	9,027	(2,625)	6,402	
Resources	12,418	(16,228)	(3,810)	
Integration Joint Board	32,705	(17,412)	15,293	
Corporate	(20,580)	(632)	(21,212)	
Cost of General Fund Services	130,062	(62,491)	67,571	
Housing Revenue Account	18,498	(25,978)	(7,481)	
Cost of Services	148,560	(88,469)	60,091	
Other Operating Expenditure	0	0	0	1
Financing and Investment Income and Expenditure	55,125	(13,365)	41,760	2
Taxation and Non Specific Grant Income	0	(217,661)	(217,661)	3
(Surplus) or Deficit on Provision of Services	203,685	(319,495)	(115,810)	
(Surplus)/deficit on revaluation of Property, Plant and Equipment assets			0	4
Impairment losses on non current assets charged to the Revaluation Reserve			0	4
(Surplus)/deficit on revaluation of available for sale financial assets			0	4
Actuarial (gains)/losses on pension losses/liabilities			0	4
Other (gains)/losses			0	4
Other Comprehensive Income and Expenditure			0	
Total Comprehensive Income and Expenditure			(115,810)	

Notes

1. This line will be used to reflect gains or losses on the disposal of assets which take place during the year.
2. This largely reflects trading income and interest payable and receivable.
3. Income in relation to Council Tax, Non-Domestic Rates collection and Scottish Government General Revenue and Capital Grant.
4. These lines are predominantly used for statutory accounting adjustments.

Balance Sheet

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

The values as at 31 March 2022 are based on the Council's unaudited Annual Accounts 2021/22. The audit of the 2021/22 Annual Accounts has not yet been finalised.

31 March 2022 £'000		30 June 2022 £'000	Note
2,492,551	Property, Plant & Equipment	2,548,422	1
196,272	Heritage Assets	196,272	1
217,712	Investment Property	217,712	1
15,503	Long Term Investments	15,503	2
657	Long Term Debtors	779	3
2,922,695	Long Term Assets	2,978,688	
102,593	Cash and Cash Equivalents	94,585	4
20,025	Short Term Investments	6,116	5
113,029	Short Term Debtors	69,228	6
2,906	Inventories	2,946	7
11,993	Assets Held for Sale	11,993	8
250,547	Current Assets	184,868	
(223,359)	Short Term Borrowing	(181,218)	9
(122,608)	Short Term Creditors	(50,871)	10
(3,533)	Short Term Provisions	(3,400)	11
(4,527)	PPP Short Term Liabilities	(5,332)	12
(7,224)	Accumulated Absences Account	(7,224)	13
(1,438)	Grants Receipts in Advance - Revenue	(77)	14
(31,257)	Grants Receipts in Advance - Capital	(26,732)	14
(393,947)	Current Liabilities	(274,855)	
(1,043,105)	Long Term Borrowing	(1,042,568)	15
(56,643)	Finance Lease	(56,107)	16
0	Long Term Creditors	0	17
(551)	Long Term Provisions	(551)	11
(126,038)	PPP Long Term Liabilities	(120,706)	12
(118,419)	Pension Liabilities	(118,419)	18
(1,344,756)	Long Term Liabilities	(1,338,351)	
1,434,539	Net Assets	1,550,349	
	Usable Reserves:		
(72,152)	General Fund Balance	(162,863)	19
(15,215)	Housing Revenue Account	(19,526)	19
(20,047)	Statutory and Other Reserves	(20,523)	19
(812)	Capital Grants and Receipts Unapplied	(812)	
(1,326,312)	Unusable Reserves	(1,346,625)	20
(1,434,539)	Total Reserves	(1,550,349)	

Balance Sheet Notes

1. Depreciation is calculated annually and therefore no depreciation has been applied in Quarter 1. Capital expenditure to the end of Quarter 1 totalling £55.871m has been applied to Property, Plant & Equipment (this includes £37.901m of general fund expenditure and £17.970m of HRA expenditure). Disposals, revaluations and transfers have not been accounted for in Quarter 3.
2. Long Term Investments comprises the council's interest in Aberdeen Sports Village.
3. Long term debtors reflects the movement based on transactions for the period.
4. Cash and cash equivalents include short term investments of £78.984m (because they can be called up at short notice i.e. 0 to 35 days) and developer's contributions of £24.642m. See the cash flow statement for an analysis of how this is used.
5. Short term investments have been adjusted as described in Note 4.
6. Short term debtors reflects the movement based on transactions for the period.
7. Inventories are adjusted at year end for inter-related account balances.
8. Assets held for sale reflect the position at March 2022. This will be reviewed in Q4
9. Short term borrowing reflects the current position based on transactions for the period.
10. Short term creditors reflects the current position based on transactions for the period.
11. Short term provisions reflects the current position with an adjustment to split this total into long and short term provisions based on year-end figures. This split will be updated in future quarters.
12. PPP short and long-term liabilities has been adjusted to reflect the projected position at March 2023.
13. The accumulated absences account is reviewed annually and will therefore be updated in Quarter 4.
14. The grants received in advance totals reflect the position at the end of Quarter 1.
15. Long term borrowing reflects the current position based on transactions for the period.
16. Finance Lease reflects the closing position as at March 2023.
17. Long term creditors reflect the current position based on transactions for the period.
18. Pension liabilities are only reviewed annually and will therefore be updated in Quarter 4.
19. Usable Reserves reflects the current position based on transactions for the period. Usable Reserves includes uncommitted reserves and earmarked reserves, and due to the positive cashflow have increased to a level that is higher than forecast for the end of

the year, the cashflow being used to fund expenditure that will be incurred in the second half of the year.

20. Unusable reserves have been adjusted for statutory accounting adjustments as detailed above.

Cash Flow

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

	Quarter 1 2022/23
	£'000
Net Surplus or (Deficit) on the provision of services	115,810
Adjust net surplus or deficit on the provision of services for non cash movements	(6,834)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(11,781)
Net cash flows from Operating Activities	97,195
Net cash flows from Investing Activities	(57,998)
Net cash flows from Financing Activities	(47,205)
Net increase or decrease in cash and cash equivalents	(8,008)
Cash and cash equivalents at the beginning of the reporting period	102,593
Cash and cash equivalents at the end of the reporting period	94,585
Cash held by the Authority	39
Bank current accounts	94,546
	94,585

Contingent Liabilities

In addition to amounts recognised on the Balance Sheet, the Council is aware of the following contingent liabilities at 30 June 2022:

Guarantees

Aberdeen Science Centre (formerly Satrosphere)

The Council has agreed to provide a guarantee to the Bank of Scotland for the sum of £127,654 in support of an overdraft facility and card guarantee facility until 30 September 2022, as approved at a meeting of full Council on 10 March 2021.

Transition Extreme Sports Ltd

The Council has agreed to provide a guarantee to the Bank of Scotland in respect of a maximum overdraft facility of £250,000, as approved at Council on 10 March 2021. This guarantee will remain in force until 30 September 2022.

Sport Aberdeen

The Council agreed to provide a bank guarantee to Sport Aberdeen up to a maximum of £5 million as approved at the 7 June 2016 Finance, Policy and Resources Committee. There is currently a Revolving Credit Facility for £1.4 million in place.

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

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

SEEMIS Group LLP

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

Integration Joint Board (IJB)

The IJB is responsible for the strategic planning of the functions delegated to it by Aberdeen City Council and NHS Grampian. The Aberdeen City IJB Integration Scheme provides the framework in which the IJB operates including information on funding and what should happen if the IJB is projecting to overspend its budget at the year-end. Whilst steps will be taken to address this (through a Recovery Plan), ultimately the parties to the arrangement may be potentially liable should the IJB overspend.

Contractual

Waste Disposal

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

The fire at Altens East Recycling and Resource Facility on 8 July 2022 has resulted in business continuity plans being implemented and changes made to the processing of some waste streams. There have therefore been a wide range of the implications arising from the events. It is not yet known what the financial implications are and the Council continues to work closely with the Contractor and representatives to determine the full extent of those implications.

The Council is lead partner in a three-authority project with Aberdeenshire and Moray Councils to procure an energy from waste facility which will deal with all residual waste from the three authorities. The contract commenced on 8 August 2019 with the facility expected to come online in 2022/23 and will run for 20 years.

Landfill Allowance Scheme (LAS)

The Scottish Government had previously introduced a scheme under which Local Authorities were to be penalised for exceeding landfill tonnage targets. The Landfill Allowance Scheme in Scotland is currently suspended, and it is expected that the Waste (Scotland) Regulations 2012 will take over the requirement for the control of landfilling biodegradable municipal waste. However, until such a repeal is formalised there remains a potential liability on the Council.

Section 75 agreements

Section 75 agreements (developer obligations) are frequently sought by the Council in relation to the award of planning permission. The possibility of liabilities arises in cases where the developer is not adhering to the agreed payment schedule and the Council elects to proceed with a project where that developer obligation funding is due. In these cases, unless a resolution can be found with the developer, the Council may be exposed to additional costs due to higher levels of borrowing than originally anticipated in order to “cashflow” a legally committed project. Costs could apply to the short, medium or long-term depending on the circumstances.

The Council’s Risk Board agreed that the Developer Obligations working group would escalate to Corporate Management Team any developers who fall behind on payments, and where necessary this will be reported to City Growth & Resources Committee. This is a risk which may crystalize in the current housing market conditions due to high supply costs and reduced supply of labour.

The inherent risk with all developer obligation funded projects is whether the build rate of the development is triggering financial contributions at the rate required to fund the Council projects involved. Where the Council project advances more quickly than the development, the Council may have to step in to “cashflow” the necessary funding requirement. Where a project has not been legally committed, a failure to receive the supporting developer obligation funding may require a discussion to determine whether the project should be paused, or even stopped completely. More detailed

monitoring is therefore required by the Planning service to forecast expected build rates on developments and map out the timelines of expected trigger points for release of funding.

Impact of Covid on Working Practices, Social Distancing and the Capital Programmes

The emergence of Covid resulted in new working practice guidelines being issued by the Scottish Government, to set new standards to allow consultants, contractors, sub-contractors and their suppliers to work safely during the pandemic. These unforeseen changes resulted in the construction industry incurring additional costs for compliance with the risk of delays to projects. These measures also restricted numbers of staff on site which slowed down progress on works. These impacts have manifested in projects which were on site at the time of the initial lockdown, and discussions between the Council and the relevant contractors are on-going to determine liability for additional costs.

The Council are also aware that the construction industry is experiencing shortage of products, raw materials, staffing and logistical support which is impacting on current and future costs across the UK. Ordering lead times are extending across the sector with the risk of increased delay impacts to projects. There is evidence of a contraction in the construction industry particularly in terms of small to medium sized suppliers. The war in Ukraine and resulting economic sanctions placed on Russia and Belarus has further exacerbated supply chain issues for some commodities e.g. bituminous materials, steel etc. which were sourced from eastern Europe.

Taken altogether, this has manifested as the highest level of cost inflation experienced for around 30 years. This is creating new risks around capital projects. A review of project timeline delivery and financial viability was instructed by the City Growth and Resources committee at its meeting of 21 June 2022 and is reported at Appendix 5.

Aberdeen Art Gallery

A contractual dispute exists in relation to who bears the cost of the delays in respect of the refurbishment of the Art Gallery. A Court of Session action was raised against the Council by McLaughlin & Harvey "MCLH", the main contractor, following adjudication in favour of the Council.

A proof in the Court action has been fixed to take place in the Court of Session from 26 July 2022 for 6 weeks. Any financial liability remain uncertain.

Scottish Child Abuse Enquiry

The Scottish Parliament introduced a redress Bill on 13 August 2020 for survivors of abuse in care in Scotland. Survivors as an alternative to civil litigation may choose to apply for redress. Local Authorities, as a Local Government sector, will pay financial contributions towards the redress scheme and this has now been agreed as part of the Local Government Settlement and will be applied for the next 10 years.

Some Civil Litigation claims are still being received by the Council, both as lead authority for the former Grampian Regional Council and Aberdeen District Council as well as claims solely against Aberdeen City Council.

Any uninsured claims or associated costs against Grampian Regional Council will require to be met in part by Aberdeenshire and Moray Councils. Any uninsured claims or associated costs in respect of Aberdeen District Council or Aberdeen City Council will require to be met by Aberdeen City Council. The costs of these are unquantifiable at this time, but will give rise to a future financial liability.

Structural Safety (RAAC)

As a result of the Standing Committee on Structural Safety (SCPSS) releasing an alert in connection with Reinforced Autoclaved Aerated Concrete (RAAC) Planks, which were commonly used in public buildings in the 1960's, 1970's and 1980's, the Council has put in place a programme of inspections to give some assurance over whether these materials are present within any of their properties. At this time, it is not known the extent of the issue (if any) or any remedial costs. This may create a future financial liability.

COVID-19 Impact

Almost all restrictions that were in place for the Covid-19 pandemic have now been lifted, the virus continues to circulate, with new variants emerging, The Council prepared it's 2022/23 budget to include known Covid-19 related implications, however there remains the possibility that further costs may arise that were not previously identified.



**PROJECTED FINANCIAL POSITION
FOR THE YEAR 2022/23**

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MANAGEMENT COMMENTARY

This is the first reporting point in the year for the Council's finances, following approval of the budgets in March 2022. The full year budgets reflected in the table below differ from those set by Council in March 2022 for a number of reasons. This is normal practice during the year as variations are identified and budget responsibilities change. In common with previous years there are pressures on the organisation that emerge during the year and this year the Council continues to be impacted by changes, response and recovery arising from the Covid-19 pandemic. As reported to the Committee in June 2022, supply chain volatility [RES/22/131] is significant at present and expected to continue and inflation is at a level not seen for decades and these are further factors that are having a major impact on our financial position.

The financial position is kept under regular review in relation to progress and forecasting and the conclusions included in Appendix 1 describe the overarching controls that the Council has in place to manage the financial position. There is an underlying commitment from Senior Management to pursue options to mitigate cost pressures and to work with the Chief Officer – Finance to ensure the overall agreed budget is adhered to.

Appendix 1 provides the Income and Expenditure Statement and Balance Sheet of the Council as at 30 June 2022. The forecast for the year is built on the information that was available at this time.

The General Fund, Housing Revenue Account and Common Good are all forecast to deliver in line with budgets set for 2022/23.

General Fund

With reference to the table below, key areas of the budget that the Council is managing are as follows:

The rising cost in gas and electric will affect all Council services to some degree. This is forecast to be £5.3m more than had been budgeted, before being offset in part by the centrally held inflation contingency. (Operations £3.265m, Customer £0.451m, Commissioning £0.161m and Resources £1.430m). These forecasts are included in the table below.

Beyond the quarter end, the Council's Waste and Recycling Facility at Altens East, operated by Suez, suffered a severe fire on 8 July 2022. The forecasts contained in this report were supplied before this event had occurred. The fire has implications for the Council balance sheet in respect of the impairment of asset value, and I am assured that insurance is in place to address the damage that has been done and reinstatement of the facilities. Insurance excess means cover is provided above £250,000, the excess will be funded by the Insurance Fund in the first instance.

There are also implications operationally and while arrangements have been made to continue services, further work must be done to fully understand the implications and changes that need to will need to be implemented while facilities are reinstated. At this time, it is too early in the process to assess how this will affect the costs and income of the waste service. An update will be provided in the Quarter 2 Financial Report due to be presented to the Committee on 2 November 2022.

Based on the forecasts for the year key highlights are as follow.

1. The main areas of pressure within Operations are:
 - Higher than budgeted spend on Out of Authority Placements. This is partly offset by lower spend on the Fostering service. Spend on Out of Authority Placements is lower

compared to that in 2020/21 & 2021/22 which indicates the service is returning to normal following the Covid-19 restrictions.

- Car Parking income was severely affected by the pandemic, and whilst it is now recovering there is a risk that it will not achieve the budgeted income.
- For Education the service is managing a substantial increase in children who have arrived in the city. This has been unexpected and is driven by two factors, the post-Covid increase of students from other countries to the two Universities, who are bringing their families with them. It is expected to continue through the forthcoming and future admission cycles. Secondly the number of children (and families) in the city seeking refuge from Ukraine.
- Also within Education there are increased costs of the 3R's unitary charge due to the inflationary uplift that will apply and there is a risk that long term absence spend will continue at 2021/22 levels creating higher than budgeted spending in 2022/23, however this is being closely monitored.
- In Education there are a relatively small number of teaching vacancies that are mainly in secondary schools in subjects which continue to be hard to recruit to, or in demand, for example: Design Technology, Maths, English and some Sciences.
- There is a risk that Early Years will not achieve the budgeted income from Cross Boundary Charging as the difference in the number of children between local authority areas is not as significant as anticipated. This will become clearer in Quarter 2.

2. The main areas of pressure within Customer are:

- There is a risk that the level of rental income from Homeless Flats may be lower than budget due to the levels of in year activity to the end of the quarter.

3. The main areas of pressure within Commissioning are:

- Governance is expecting an under recovery of licencing income.
- Commercial services will be monitored, now that Covid restrictions have been removed it is anticipated a return to pre-pandemic levels of business could be achieved.
- There is a risk that procurement budget savings will not be allocated across services as the savings may not be achieved due to the market position for most goods and services.

4. The main area of pressure within Resources is:

- Commercial property trading account income has been revised to reflect current conditions this will continue to be monitored closely and the Council may be affected by bad debt provisions at the year end. This includes the additional costs of energy for corporate facilities and also the Energy Centre and AD Plant at The Events Complex Aberdeen, and related contracts.

5. The main areas of pressure within Integrated Joint Board (IJB)/Adult Social Care are:

- The recovery of the services from the impact of Covid-19 in areas such as supplier sustainability.
- There is a risk that there will be higher than anticipated spend on direct payments to clients in areas such as homecare as the IJB's care providers are operating at maximum capacity.

The IJB is still incurring additional costs due to the impact of Covid-19. For 2022/23 the Scottish Government will only cover specific categories of covid costs relating to supplier sustainability payments, extra staff costs and Personal Protective Equipment (PPE). Other

categories of covid costs such as extra care home placements and lost income will not be covered by the Scottish Government as it was in previous years.

The Council is forecasting that additional costs will be covered by additional Scottish Government grant for eligible costs, savings achieved elsewhere, or by using Reserves held at the start of the financial year. Therefore, no additional pressure is expected on the General Fund from the IJB.

6. The Joint Boards budget and forecast outturn is based on the amount requisitioned by Grampian Valuation Joint Board. This is currently forecast to be on budget.
7. Miscellaneous Services includes capital financing costs, the cost of repaying the borrowing received in the past for General Fund Capital Programme investment. Capital Financing Costs is the most significant budget within Miscellaneous Services, and includes the impact of accounting for loans fund repayments on a prudent basis, approved by the Audit Risk and Scrutiny Committee in April 2019.

To respond to the financial pressures faced by local authorities as a result of the pandemic, the Scottish Government provided a package of financial flexibilities that could be used by local authorities to address funding pressures. One of these was the option to defer the repayment of debt for one year. The Council has opted to utilise this option for 2022/23. This will provide a saving of £9.1m. The repayment of this debt must then be made within 20 years from the end of the 2022/23 financial year.

The bad debt provision has been updated to take account of latest data, which shows a significant value of general invoices that remain unpaid. This budget sits within Miscellaneous Services and is under regular review. The council reinstated income recovery processes in 2021 following deferral of action due to the pandemic.

8. Across the whole of the Council the planned reduction in the number of posts that are affordable is being managed through voluntary and natural processes, i.e. no compulsory redundancy. This means that there is expected to be continued reduction in the total workforce during the year. The corporate saving for a reduced workforce is captured in the "Corporate Budgets". The full value of the staff savings is forecast to be above budget at this time; however, the education staffing vacancy figures are not included in Quarter 1 figures.

Local Government pay negotiations are ongoing at this time, and while the Council has made provision within its budget for an average award of 2% across the workforce, without additional, recurring, Scottish Government financial support there is the risk that when agreed, the pay award will add cost to the bottom line.

Contingencies also holds the in-year revenue contingency for the General Fund and the forecast includes the use of that contingency later in the year. The actual position will depend on future unplanned events or from those arising from the risk registers and, where identified, contingent liabilities becoming more certain (see Appendix 1). It means the Council is resilient to changes that might happen in the future that have not been able to be quantified financially.

9. Council Expenses include the budgets for all councillors' costs, including salaries and expenses. These are forecast to be on budget.
10. The Non-Domestic Rates figure is set by the Scottish Government as part of its overall funding support package rather than the amount billed and receivable by the Council. The forecast amount receivable by the Council is in line with Government distribution information.

11. The General Revenue Grant is set by the Scottish Government as part of its funding support package for Local Government.
12. Council Tax income is forecast to be above budget for 2022/23 based on better than expected income levels in 2021/22, along with the 3% increase agreed by the Council in setting the 2022/23 budget.
13. Use of Reserves. The Council approved in its 2022/23 budget that a sum of £5.519m will be used from earmarked General Fund reserves to fund the budget. The Council expects to draw down this amount in full.

Housing Revenue Account

14. The overall HRA budget is balanced however there are several areas of pressure. These are the potential increases in repairs and maintenance from the cost of materials, utilities, and housing voids. The higher costs in these areas will be offset by a reduced contribution to Capital from Current Revenue (CFCR).

Earmarked Reserves

As at 1 April 2022 the Council held £62.9m of earmarked reserves across the General Fund and HRA and expenditure is estimated to be incurred over a period of years.

Expenditure in relation to the delivery of other specific projects, funded by the earmarked reserves is not included in the figures in the tables above, the expenditure being set against the finite reserves held at the start of the year. As an example, the Council expects to continue to incur expenditure from the Transformation Fund in 2022/23 progressing the digital programme of transformation.

The other significant earmarked reserves to draw attention to at this time is the Second & Long-term Empty Properties reserve (£13.110m), which is set aside for affordable housing. Expenditure in 2022/23 will depend on the progress with a number of developments including Summerhill and Wellheads and the amount of Scottish Government funding and Section 75 income (developers' contributions) to be used as this funding is time limited, these funds support the delivery of additional social housing by the Council.

As referenced earlier in the report, the earmarked Covid-19 Grants (£19.016m) are for areas such as Education recovery, income shortfall and General COVID funding. It is anticipated at this stage this funding will be fully utilised to employ additional teachers, support staff within Education, support income shortfalls in such areas such as car parking, commercial properties, and council tax, essentially using the sums available to balance the budget – and this is subject to the ongoing review and further refinement of spending and income forecasts in line with Council financial management arrangements.

Balancing the Budget through Controls and Monitoring Structures

Specific actions that will continue, to manage spending and work towards reducing the operating deficit include:

- Ongoing review and analysis of the Covid-19 impact on council budgets, income in particular costs associated with protecting customers and staff.
- Detailed and effective management of turnover of staff and vacancies and an underlying assumption that the overall cost of staff will continue to reduce during the remainder of the year. The Chief Officers for People & Organisation and Finance following consultation with the Convener of City Growth and Resources Committee, are currently part of the vacancy advertising process.
- Ongoing review and scrutiny of the out of authority placements for children by the Chief Officer – Integrated Children's Services.

- Specific work in relation to the Service Income policy to ensure full cost recovery is achieved from a range of services that the Council delivers, such as support services, housing services, accommodation and building services.
- Monitoring and management of council long-term debt in light of the agreed policy and capital spend forecasts for 2022/23.
- The voluntary severance / early retirement scheme is how the Council has incentivised workforce reductions. This is an expensive scheme, funding must be found and accounted for up front from revenue resources. For the last few years, it has been permitted, by Scottish Government Ministers, for Local Government to use Capital Receipts to fund this revenue cost. This scheme has been extended until 31 March 2023. The Council has seen limited capital receipts since the March 2020, with a retained balance of £0.8m on the balance sheet at 31 March 2022. To maintain robust financial controls, and with such tight financial constraints on the funding of the scheme, consideration should be given to the parameters of the current scheme.

To ensure tight controls are in place over expenditure, management have created the following control boards, through which requests to spend must be cleared:

The Demand Management Control Board captures the commissioning and procurement intentions for revenue expenditure as they arise and provides an environment for demand-based challenge – this is co-chaired by the Chief Officers for Early Intervention & Community Empowerment and Data & Insight.

Similarly, the Capital Board oversees the progress and emerging aspects of capital planning and delivery, but also connects to the asset elements of the revenue budget and capital financing requirements – this is chaired by the Chief Officer for Capital.

The Performance Board has oversight of the financial performance reporting, this is co-chaired by the Directors of Resources and Chief Operating Officer and brings together the emerging and escalated issues from overall Council performance and agrees actions.

Balancing the Budget through the monitoring and control of risks.

Risks are reviewed on a regular basis at a strategic level by the Risk Board on a monthly basis and at an operational level by Chief officers and their teams daily.

The main risks to the Council remains the recovery of income and reduction in resources directed towards recovery from the impacts of Covid-19, the high inflation level and extremely high increases experienced in the cost of energy supplies as these will continue to have a substantial impact on Council services.

It is predicted that the increased cost of supplies and services in the trades maybe a significant risk in areas such as Building Services and Roads.

Contingent Liabilities are noted to try and capture potential liabilities which could result in costs being incurred in the future. As part of the budget process, contingent liabilities are reviewed and described within the budget pack presented to Council. The Corporate Management Team continues to monitor the status of these. A review of the contingent liabilities, listed in Appendix 1, has not established any significant shift in certainty or in the Council's ability to quantify the financial exposure. On that basis there is no adjustment included in the forecasts for the year, they will continue to be reviewed quarterly and any change reported as appropriate.

Conclusion

Based on the information available, and set out in this report, the forecast for the overall position of the General Fund is a balanced budget. The Housing Revenue Account is also in a balanced position, and this is captured in the tables set out below.

General Fund Financial Reporting Summary 2022/2023 - Quarter 1

As at 30 June 2022	Budget 2022/2023	Outturn 2022/2023 Quarter 1	Variance from Budget		Notes
	£'000	£'000	£'000	%	
Operations	277,850	282,969	5,119	1.8	1
Customer	42,013	42,262	249	0.6	2
Commissioning	22,867	24,234	1,367	6.0	3
Resources	(2,785)	5,425	8,209	(294.8)	4
Integrated Joint Board	116,639	116,639	0	0.0	5
Total Functions Budget	456,584	471,528	14,944	3.3	
Joint Boards	1,858	1,858	0	0.0	6
Miscellaneous Services	63,431	54,510	(8,921)	(14.1)	7
Contingencies	3,756	(1,218)	(4,973)	(132.4)	8
Council Expenses	1,518	1,518	1	0.0	9
Total Corporate Budgets	70,562	56,669	(13,894)	(19.7)	
Non Domestic Rates	(268,557)	(268,557)	0	0.0	10
General Revenue Grant	(123,833)	(123,833)	0	0.0	11
Government Support	(392,391)	(392,391)	0	0.0	
Council Tax	(129,237)	(130,288)	(1,051)	0.8	12
Local Taxation	(129,237)	(130,288)	(1,051)	0.8	
Contribution from Reserves	(5,519)	(5,519)	0	0.0	13
Contribution from Reserves	(5,519)	(5,519)	0	0.0	
Deficit/(Surplus)	0	(0)	(0)	0.0	

Housing Revenue Account Summary 2022/2023 - Quarter 1

Deficit/(Surplus)	(500)	(500)	0	(0)	14
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General Fund Capital Programme

As instructed by the report RES/22/136 – Council Financial Performance – Quarter 4 2021/22, at City Growth and Resources committee on 21 June 2022 this update incorporates the outcomes of the completed financial year into the reprofiled programme for 2022/23 to 2026/27.

The Capital Programme also now includes additional projects following confirmation of external funding awards:

- £1.310 million towards improvements in Chapel Street, Car Park under the terms of the agreed lease;
- £3.000 million for Photovoltaics;
- £0.847 million from the Place Based Investment Fund for 2022/23;
- £0.074 million towards Active Travel plans;
- An increased Cycling Walking Safer Routes grant for 2022/23, now raised to £1.467 million;
- £0.684 million towards creation of additional recycling capacity at Sclattie Waste Transfer Station

Further reprofiling is recommended in this report, based on the conclusions contained in Appendix 5.

As at Period 3 2022/23	2022/23					
	Original Approved Budget	Adjustments & Carry Forwards	Revised Budget for Year	Actual Expenditure for Year	Forecast Outturn	Outturn Variance from Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000
AECC Programme Board	3,206	(1,098)	2,108	1,023	2,108	0
Asset Management Programme Board	75,298	(937)	74,361	12,096	72,034	(2,327)
Asset Management Programme Board Rolling Programmes	30,135	2,885	33,020	3,963	32,997	(23)
City Centre Programme Board	32,124	5,729	37,853	5,208	15,108	(22,745)
Energy Programme Board	70,777	(13,651)	57,126	13,810	40,587	(16,539)
Housing and Communities Programme Board	1,240	4	1,244	(1)	1,020	(224)
Housing and Communities Programme Board Rolling Programme	863	135	998	149	600	(398)
Transportation Programme Board	25,174	(2,078)	23,096	767	22,503	(592)
Transportation Programme Board Rolling Programmes	2,917	(1,043)	1,874	360	1,874	0
Strategic Asset & Capital Plan Board	28,011	968	28,979	273	28,615	(364)
Strategic Asset & Capital Plan Board Rolling Programmes	1,996	(115)	1,881	177	1,996	115
Developer Obligation Projects & Asset Disposals	0	0	0	76	58	58
Total Expenditure	271,741	(9,202)	262,539	37,901	219,500	(43,039)
Capital Funding:						
Income for Specific Projects	(79,443)	18,328	(61,115)	(6,309)	(48,299)	12,816
Developer Contributions	0	0	0	(57)	(58)	(58)
Capital Grant	(18,638)	0	(18,638)	(4,660)	(18,638)	0
Other Income e.g. Borrowing	(173,660)	(9,126)	(182,786)	(26,876)	(152,505)	30,281
Total Income	(271,741)	9,202	(262,539)	(37,901)	(219,500)	43,039

Profiling of project budgets and forecasting of outturns remains challenging given the wide range of factors now affecting construction supply chains. As such the forecast outturns quoted above represent a point in time and there is a strong probability that they will be subject to change as the financial year progresses and additional information becomes available.

Further details of these factors were included in the report Supply Chain Volatility – RES/22/131 presented to the City Growth and Resources committee on 21 June 2022. A more detailed report

presenting the outcomes of a review conducted by the Chief Officer – Capital on projects included in the Capital Programme is included as Appendix 5 to this report.

Capital expenditure for Quarter 1 2022/23 includes purchase of further hydrogen double decker buses for the Aberdeen fleet, continued construction works related to the Energy from Waste (EfW) facility in East Tullos and associated Torry Heat Network, and the on-going refurbishment of Union Terrace Gardens. Expenditure was also incurred on progressing the New Schools programme, with the New Milltimber Primary opening at the end of May. The City Centre Masterplan also achieved a significant milestone with the demolition of the former Aberdeen Market.

Further legal commitments entered into during Quarter 1 2022/23 include the contract for the dualling of South College Street, funded through the Bus Partnership Fund, which was awarded at the end of June 2022. The legal agreements governing the Hydrogen Joint Venture with bp were also formally completed in June 2022.

Housing Capital Programme

The Housing Programme is also subject to the review instructed by City Growth and Resources Committee on 21 June resulting from the external cost and time pressures, this will consider the timeline delivery, financial viability, and the impact on service delivery because of revised delivery timelines.

Spend is low in the rolling programme in areas such as kitchen, bathroom, structural repairs, lift and window replacements. The kitchen and window contract has experienced supply chain issues however both have now moved to framework contracts which will result in improved performance in these areas.

The assumption at Quarter 1 is that budgeted expenditure will be achieved in 2022/23, this will be updated following the review.

Housing Capital Programmes	Approved Budget	Expenditure to date	Forecast Expenditure
As at 30 June 2022	£'000	£'000	£'000
Compliant with the tolerable standard	1,590	(30)	1,590
Free from Serious Disrepair	12,859	636	12,859
Energy Efficient	9,655	1,791	9,655
Modern Facilities & Services	5,277	226	5,277
Healthy, Safe and Secure	8,796	835	8,796
<i>Non Scottish Housing Quality Standards</i>			
Community Plan and Local Outcome Improvement Plan	6,225	412	6,225
Service Expenditure	4,783	111	4,783
2000 New Homes Programme	138,698	13,990	138,698
less 11% slippage	(5,410)		(5,410)
Net Programme	182,473	17,970	182,473
Capital Funding			
Borrowing	(131,425)	(13,698)	(131,425)
Other Income - Grants Affordable Homes etc	(35,074)	(1,102)	(35,074)
Capital Funded from Current Revenue	(15,974)	(3,170)	(15,974)
Total	(182,473)	(17,970)	(182,473)

Common Good

As at June 2022	Full Year Budget 2022/23	Forecast Actual Expenditure	Variance from Budget
	£'000	£'000	£'000
Recurring Expenditure	3,436	3,436	0
Recurring Income	(4,431)	(4,431)	0
Budget after Recurring Items	(995)	(995)	0
Non Recurring Expenditure	676	676	0
Non Recurring Income	0	0	0
Net (Income)/Expenditure	(319)	(319)	0
Cash balances as at 1 April 2022	(38,301)	(38,301)	
Net Expenditure from Income & Expenditure	(319)	(319)	0
Investment Revaluation (Increase)/Decrease	0	2,012	2,012
Net Capital Receipt	0	0	0
Cash Balances as at 31 March 2023	(38,620)	(36,608)	2,012

Notes

- The Common Good is forecast to be on budget as at 30 June 2022.
- The investment of cash balances in a multi-asset income fund, approved by Council on 10 March 2021 has now been implemented. The value of the investment may fall as well as increase, this will be reported quarterly. As at 30 June 2022 the value of the investments was £25.8m, a reduction on the quarter of £2.012m. Cash balances will be affected by this change as will the overall Net Value of the Common Good.
- The investment with Fidelity remains a long-term investment and should be measured over a 3 to 5 year period.
- Income levels expect to be maintained and the budgeted income achieved
- Recurring expenditure is generally forecast to be on budget, with events expecting to proceed this year, uninterrupted by Covid-19 restrictions, and grants payable throughout the year to the wide range of approved organisations.
- The budgets to support Civic activities are subject to review following the election of the new Council and Lord Provost, and forecasts in future reports will be updated to reflect and changes. A budget virement of £2,500 within the Civic budgets provides some additional support to the Burgesses of Guild.



**COMMON GOOD
FINANCIAL STATEMENT
FOR THE PERIOD ENDING
30 JUNE 2022**

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Common Good

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

Following the decision of Council to seek alternative investment opportunities for the cash balances, an investment of up to £30m has been placed in a Multi-Asset Income Fund with Fidelity. Returns on this investment are now reported on a quarterly basis in Appendix 2.

Movement in Reserves Statement

	Common Good Fund £'000	Reserves Fund £'000	Total Common Good £'000
Balance at 31 March 2022	(131,873)	(68)	(131,941)
Movement in Reserves during 2022/23			0
(Surplus) or Deficit on provision of services	(206)	0	(206)
(Surplus) or Deficit on revaluation of investment property	2,012	0	2,012
Total Comprehensive Expenditure and Income	1,806	0	1,806
Balance at 30 June 2022	(130,067)	(68)	(130,135)

Comprehensive Income and Expenditure Statement

	<u>Quarter 1, 2022/23</u>			Notes
	Gross	Gross	Net (Income)	
	Expenditure £'000	Income £'000	Expenditure £'000	
Grants & Contributions to External Organisations	128		128	
External Organisations Rents	28		28	
Promoting Aberdeen	63		63	
Grants/Services Provided by Aberdeen City Council	16		16	
Civic Service Funding	179		179	
Duthie Park HLF	0		0	
Specific Projects	109	(2)	107	
Earmarked Reserves	23		23	
Cost Of Services	546	(2)	544	1
Other Operating Expenditure			0	2
Financing and Investment Income and Expenditure			(750)	3
(Surplus) or Deficit on Provision of Services			(206)	
(Surplus) or Deficit on revaluation of investment property/long term investment			2,012	4
Total Comprehensive Income and Expenditure			1,806	

Notes

1. This is project expenditure to 30 June 2022.
2. This reflects any gains or losses on the disposal of assets during the year. Disposals will be accounted for at year end.
3. This reflects income receivable from investments and land and properties net of associated expenditure.
4. This figure represents the decrease in value of the long term investment. The revaluation of investment property will be undertaken in Quarter 4.

Balance Sheet

31 March 2022 £'000		30 June 2022 £'000	Notes
27,780	Long Term Investments	25,768	1
93,639	Investment Property	93,639	1
121,419	Long Term Assets	119,407	
10,504	Investments in Aberdeen City Council Loans Fund	12,918	2
0	Investment Property Held for Sale	0	3
482	Short Term Debtors	(1,307)	4
10,986	Current Assets	11,611	
(464)	Short Term Creditors	(883)	5
(464)	Current Liabilities	(883)	
131,941	Net Assets	130,135	
(131,873)	Common Good Fund	(130,067)	6
(68)	Reserve Fund	(68)	6
(131,941)	Total Reserves	(130,135)	

Notes

1. This represents the long term investments as at 30 June 2022. The revaluation of investment property will be undertaken in Quarter 4, at which time this figure will be updated.
2. Reflects current cash balances held following transactions to 30 June 2022.
3. Will be reviewed and updated accordingly in Quarter 4.
4. Based on transactions to 30 June 2022.
5. Based on transactions to 30 June 2022.
6. Reflects the accounting value of the funds, based on transactions to 30 June 2022.

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**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2022/23**

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

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

For the Financial Year 2022/23	ACC Control	ACC Commitment to meet accumulated deficits	Annual Turnover
	%	%	£m
Subsidiaries			
Common Good	100	100	4
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	10
Bon Accord Care Limited	100	100	26
Bon Accord Support Services Limited	100	100	34
Joint Ventures			
Aberdeen Sports Village Limited	50	50	5
Aberdeen City Integration Joint Board	50	50	273
Associates			
Grampian Valuation Joint Board	39	39	5

The Council has agreed to include information only when it has been reported through a group entities governance structure.

For the Financial Year 2022/23	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	30.06.22	206	672	
Trust Funds	31.03.22	(18)	-	Full year forecast not yet internally reported as at Q1
Sport Aberdeen Limited	31.03.22	704	-	Full year forecast not yet internally reported as at Q1
Bon Accord Care Limited and Bon Accord Support Services Ltd	30.06.22	6	0	Break even
Joint Ventures				
Aberdeen Sports Village Limited	31.05.22	(916)	-	Full year forecast not yet internally reported as at Q1
Aberdeen City Integration Joint Board	30.06.22	0	0	Break even
Associates				
Grampian Valuation Joint Board	30.06.22	49	-	Full year forecast not yet internally reported as at Q1

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

Subsidiaries

Common Good

The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. It is invested in land and buildings, such as industrial estates and farms, with any surplus being placed on cash deposit, which will change during 2022/23 to be substantially invested in a multi-asset income fund managed by Fidelity.

The Common Good is currently forecasting an operational surplus of £319k for 2022/23, this will offset the reduction in value of long term investments of £2m - see Appendix 2. The financial statements for the quarter are shown in Appendix 3.

Trust Funds

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

At the end of March 2022, the Trusts reported a net deficit of £18k.

The Trusts are not expected to have a material impact on the Council's financial position for 2022/23.

Sport Aberdeen

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

The results for the period ended 31st March 2022 show net income for the year of £704k.

Bon Accord Care and Bon Accord Support Services

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

The consolidated position of Bon Accord Care and Bon Accord Support Services shows a surplus of £6k as at 30th June 2022. This is mainly due to large spend on equipment incurred in the earlier half of the financial year. Furthermore, there are corrective actions being undertaken to reduce expenditure.

BAC and BASS are forecasting a break-even position for 2022-23.

Joint Ventures

Aberdeen Sports Village Limited (ASV)

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

The financial year end for ASV Ltd is not aligned to the Council's with its year end being 31 July. The latest available financial information for Aberdeen Sports Village is for the period ended 31 May 2022. This showed that ASV Ltd reported a deficit of £1,832m. The share of the deficit being attributed to the Council is £916k.

Aberdeen City Integration Joint Board (IJB)

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

As at 30 June 2022, the IJB is forecasting a break-even position for financial year 2022/23.

Further analysis of the IJB variance can be seen in Appendix 1

Associates

Grampian Valuation Joint Board

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

The Board has reported a surplus of £126k as at 30th June 2022 mainly due to underspends in staffing and other supplies and services.

This is a favorable variance of £155k compared to the budgeted deficit of 29K.

The portion of the underspend attributable to ACC is £49k.

Non-Material Interest in Other Entities

On the grounds of materiality, Aberdeen Heat and Power Limited (AH&P Ltd), the North East Transport Partnership (NESTRANS), Grampian Venture Capital Fund Ltd, Strategic Development Planning Authority, Scotland Excel and bp Aberdeen Hydrogen Energy Limited (BAHEL) have to date been excluded from the Group Accounts, and therefore are not disclosed in the quarterly monitoring.

More information on these relationships can be found in the Council's Draft Annual Accounts for 2021/22.



2022/23
REPROFILING OF CAPITAL PROGRAMMES

1. PURPOSE OF REPORT

- 1.1 At the City Growth & Resources Committee meeting held on Tuesday 21 June 2022 the Committee instructed the Chief Officer Capital to review the General Fund (GFCP) and Housing Capital (HCP) programmes.
- 1.2 This report presents the outcome of the review.

2. CURRENT SITUATION

Background

- 2.1 At the City Growth and Resources Committee meeting on Tuesday 21 June 2022 the Committee considered the report Supply Chain Volatility - RES/22/131. It was determined that the Chief Officer – Capital should conduct a review of the approved General Fund and Housing Capital programmes/projects in terms of timeline delivery and financial viability and to consider the impact on service delivery as a result of revised delivery timelines.
- 2.2 The Committee took into account the need to review the purpose of the projects in the Capital Programmes and to pause to consider the implications of rising cost and supply chain issues that had been highlighted by the report. Seeking assurance that continuing to progress, to delay or to stop projects was seen as an important action to take to test best value, the deliverability of projects and appropriateness of scope prior to proceeding.
- 2.3 The review has therefore been informed by the following criteria:
- Investment, why are we doing it / meeting outcomes;
 - Economic, value for money;
 - Commercial, procurement / delivery mechanism;
 - Environmental, inclusive of Net Zero;
 - Timing, where in the project lifecycle – feasibility, design, under contract, in construction;
 - Interdependencies, between projects and outcomes.
- 2.4 The programmes/projects which are considered as being suitable or need to be reprofiled are shown in Tables 1-2 for the General Fund.

General Fund Capital Programme (GFCP)

- 2.5 The GFCP is divided into the following sections for budgeting purposes;
- Projects Due for Completion
 - Rolling Programmes
 - City Region Deal
 - Fully Legally Committed Projects
 - Partially Committed Legal Projects
 - Projects with Indicative Budgets
- 2.6 These headings reflect the legal status of the contracts involved in delivery of the projects. To an extent this dictates the level of flexibility that the Council has

in terms of reprofiling, pausing or cancelling projects. This is explained in more detail in the following sections.

- 2.7 Projects Due for Completion: The projects listed within this section are expected to complete in the current financial year. In many cases, the works are already physically complete, and the budgets relate to payment of final fees or outstanding contractor claims. For this reason, these projects are effectively excluded from this reprofiling exercise.
- 2.8 Rolling Programmes: These programmes relate to the on-going investment in sustaining the Council's existing asset base i.e. investment in buildings, roads, fleet and ICT. It is proposed to maintain budget levels as originally approved in March 2022.
- 2.9 What this means in practice is, given current market conditions and commodity cost inflation pressures, if the approved budgets are retained unchanged, it is likely the volume of work delivered under each project line is likely to be reduced.
- 2.10 With no certainty of if or when the disruption to the supply chain and inflation levels will change, and with an ongoing annual need to replace, reinstate and renew assets through the rolling programmes, whilst not ideal, it is considered appropriate to recommend this course of action. To delay works that may very likely lead to emergency or unplanned repair and maintenance work is not an affordable or attractive alternative either.
- 2.11 Therefore, it is not proposed to reprofile these programmes regarding this risk. It could be 1 - 2 years before we see any real retraction in costs, but this will be dependent on the construction sector and how it copes with external factors such as, but not limited to:
- the Covid-19 pandemic
 - Brexit
 - the Russia / Ukraine war
 - Inflation
- 2.12 City Region Deal: This section of the GFCP relates to the Council's funding commitment to the Aberdeen City Region Deal (£10m). It also includes those projects funded by the City Region Deal that the Council has been asked to lead on as they directly relate to investment in Council-owned infrastructure.

The current 5-year total of this section of the GFCP is just under £30m.

Decisions in relation to the City Region Deal programme are reserved to the Aberdeen City Region Deal Joint Committee. No re-profiling of City Region Deal projects is proposed under this report.

- 2.13 Fully Legally Committed Projects: This section contains those projects which have progressed to tender and subsequent engagement of a contractor. Most of these projects are "on site", though a number have already progressed to

Practical Completion; the budgets remaining relate to settlement of final claims from the contractor(s) involved.

- 2.14 If any of these projects were to be terminated it would result in the Council having to invoke termination clauses in legal agreements, which generally result in compensation payments to the contractors involved, as well as payment for any works carried out. This action could also result in the Council being handed incomplete assets which would be unusable without further investment. In any such cases, consideration may have to be given to “writing off” the capital investment incurred, which could result in significant unplanned charges against the Council’s revenue account.
- 2.15 The current 5-year total of this section of the GFCP approved in March 2022 is just under £100m, with all budgets profiled to be utilised by the end of 2023/24.
- 2.16 Having reviewed this section the only projects which require to be reprofiled are as follows (see Table 2);

Provost Skene House - Construction complete. Financial close out on-going.

Aberdeen Art Gallery - Construction complete. Financial close out on-going.

Milltimber Primary School - Construction complete. Financial close out on-going.

TECA - Construction complete. Financial close out on-going.

Early Learning & Childcare - Construction complete. Financial close out on-going.

Union Terrace Gardens - Construction works are well advanced and nearing completion. The latest information is for Practical Completion to be achieved late Autumn 2022.

As this project is incomplete, if the main contractor was instructed to stop works this would lead to the following:

- Gardens would remain inaccessible to the public as there would be health and safety issues due the incomplete nature of walkways and cladding works.
- Pavilions fit-out would be incomplete and the expectation is they would be unable to be let due to the incomplete nature of the gardens.
- Soft and hard landscaping incomplete.

Countesswells Primary - Construction works are well advanced, and the expectation is for the new school to be open in Spring/Summer 2023.

This project is currently around half completed. If the main contractor was instructed to stop work this would lead to the following:

- The site would be unusable, with incomplete works across the full extent of the site. There would be health and safety issues and the on-going cost of security obligations of managing a building site.
- There are existing developer obligations in accordance with an agreed Section 75 agreement, some of which have already been applied to the project and may have to be returned if the project was not completed.
- Not fulfilling the obligations within the Section 75 Agreement would also mean that local children would need to be educated outwith the local community. The existing school at Hazlewood would need to continue to be used.

Considering all the above there would be reputational damage to the Council as it has previously committed to delivering the school, and it would not be fulfilling its role in wider community planning. Terminating the project would also be contrary to the Partnership Policy Statement.

Torry Primary School and Hub - The main contract for this project was let in late March 2022 and is now considered fully legally committed, with the main contractor having been on site for approximately 4 months. The project is circa 25% complete.

If the main contractor was instructed to stop all works this would lead to the following:

- The site would be left in a condition which was unusable, with incomplete works across the full extent of the site. There would be health and safety issues and the on-going cost of security obligations of managing a building site.
- The £2m Regeneration Capital Grant Fund contribution to the project would likely require to be re-paid to the Scottish Government.

Terminating the project would also be contrary to the Partnership Policy Statement.

- 2.17 Partially Legally Committed Projects: This section of the GFPC contains a range of projects which are at various stages of feasibility or design, or payment for advance works, but the main contract has not yet been formally let. It should be recognised that some of these projects have already incurred significant costs to progress to their current position.
- 2.18 This section also requires to be kept under review as there are projects which have now progressed to Fully Legally Committed stage e.g. the main contract for South College Street dualling was let in recent weeks, and the main contractor started on site on 20 June 2022.
- 2.19 As with the Fully Legally Committed projects, if any of these projects were to be terminated it would result in the Council having to invoke termination clauses in legal agreements, which generally result in compensation payments to the contractors involved, as well as payment for any works carried out. The risk of the Council inheriting incomplete assets which would be unusable without further investment also exists here.

- 2.20 The current 5 year total of this section of the GFCP approved in March 2022 is just under £250m.
- 2.21 Having reviewed this section the only projects which require to be reprofiled are as follows (see Table 2):

Tillydrone Primary School - The enabling works are now complete for the proposed 3-stream primary school. This encompasses drainage and ground works such as foundations. The outstanding work packages have been priced but are coming in significantly over budget.

Current school roll forecasts are suggesting that the current primary education provision in Tillydrone is sufficient.

Cancelling the project would mean that the site would be unusable, with incomplete works across its full extent. There would be health and safety issues and the on-going cost of security obligations of managing a building site. It would also contradict the Partnership Policy Statement. The existing Riverbank Primary would not be able to decant to the new site, which would also effectively cancel the planned refurbishment of the existing primary school building for the decant of St Peters RC Primary.

The intention is still to deliver the 3-stream school as part of the wider school estates strategy. Given the current market conditions and the current pricing of work packages the recommendation is to undertake a retendering exercise to test best value. This retender exercise will likely involve a 4-6 month delay to the project delivery timeline.

It is worth noting that this period may have to be extended to align with any statutory consultations should this be required following consideration of the forthcoming School Estate Strategy.

This project needs to be reprofiled.

Berryden Corridor - The new infrastructure delivered by this project will increase corridor capacity & improve its operation, reinforcing its role as a Radial Route within the new Roads Hierarchy, while also accommodating traffic associated with CCMP Public Realm projects rerouting through the northern network. It will reduce congestion, shorten journey times and improve journey time reliability. Thus, it provides much improved access to the city centre and relief on less appropriate routes through adjacent neighbourhoods. The improved standard of design will increase road user safety and the perception of safety along the corridor.

It should be noted that enabling/demolition works need to commence in 2023 to preserve the planning approval.

This project budget was reprofiled as part of the approved General Fund Capital programme in March 2022. No further reprofiling is currently proposed at this time.

Strategic Land Acquisition – provision for the purchase of land across a number of schemes. This has been reviewed and is recommended to be increased and reprofiled to meet current review information. Schemes included are such as but not limited to Berryden Corridor and Wellington Road.

Aberdeen Hydrogen Hub - The General Fund Capital Programme contains two project lines relating to the Aberdeen Hydrogen Hub; one for funding the recently created Joint Venture with BP (H2 JV), and another which deals with the Council's own Hydrogen-related infrastructure.

No reprofiling of either project is currently proposed at this time.

City Centre and Beach Masterplans – At present the CCMP budget contains a limited number of legally committed projects. This is because there is still an extensive amount of work to be carried out and the full extent of current design aspiration is not yet costed, and business cases are required to provide the Council the opportunity to make decisions. In the current construction climate it is easy to foresee that additional funding will be required to deliver the full extent of the ambition.

The Committee will be aware that there is also a funding risk around the £20m Levelling Up (LUF1) funds awarded for the Aberdeen City Centre Masterplan. This follows the recent decision in relation to bus access to Union Street - Central.

Given the volume of work still to be undertaken in design, and also the anticipated delivery timetable, at this stage of project delivery there are no recommendations in this report to reprofile the City Centre and Beach Masterplan budget at this time.

Under the current timeline for delivery, continued investment in the design development is recommended, which will lead to recommended project options with Business Cases for further Committee consideration.

The Council has applied for the second round of Levelling Up Funding, with project proposals included from within the Beach Masterplan.

2.22 Projects with indicative budgets: This section of the GFCP generally contains projects at the earliest stage of development, however it is not unusual for some of these to progress rapidly to either Partial or Fully Legally Committed status. The £25m Contingency approved by the Council in March 2022 is also part of this section.

2.23 Three projects have progressed to Fully Legally Committed since the Budget was set in March 2022:

- Torry Primary and Hub - £24.362m

- Aberdeen Hydrogen Hub Joint Venture – £19.25m
- The Woodies - £0.075m (the project has already been completed)

2.24 There are a range of issues which need to be considered for the projects which remain in this section of the programme (see Table 2).

Bridge of Don Household Waste Recycling Centre (HWRC) - There is a requirement for a new household waste recycling centre within the Bridge of Don locality as the existing site is inadequate and no longer fit for purpose.

The Council has a statutory duty to provide the public with a facility to deposit household waste. Over the past decade and more, the requirement, both legislatively and environmentally, for increased sorting and treatment of materials such as electrical goods, wood, paint, etc have placed significant additional pressure on those facilities which were not designed for this level of separation. The current site is now too small as it does not provide for the required demand and suffers from traffic management issues.

Cancelling the project would likely mean the Bridge of Don area would be unable to meet its recycling targets.

A number of sites are currently under consideration and recognising that recycling will be critical within the Council's strategy of how it deals with its waste it is recommended that this project continues.

This project needs to be reprofiled.

B999 Shielhill Road Junction Improvements - This project has been in the approved programme for a number of years and recognising that the timing of its delivery is linked with developer obligations which have to be committed by 2026.

However, at the Council meeting on 13 July 2022 the Council agreed that the B999 / Shielhill Road junction improvements project is a priority investment within the Council's Capital Programme and instructed the Chief Officer Capital to review the project's current planned timeline and identify options to accelerate its delivery.

It has previously been reported to the Capital Committee that the current delivery timeline is for construction in FY 2023/24. Following the review this is still the case.

Due to cost environment this project has therefore been reprofiled from a cost perspective. The reprofiling has assumed a favourable negotiation for private land purchase which does not require compulsory purchase powers to be enacted. If this was to be the case, then this would delay construction for circa a further year than that profiled.

Torry Development Trust - Former Victoria Road School - This project is fully funded by the Scottish Government Regeneration Capital Grant Fund.

Officers from the City Growth cluster are finalising arrangements to passport the grant funding to Torry Development Trust.

This is the only route available to the Trust to access these grant funds so if the Council withdrew from the project the Trust would need to reconsider the viability of the project.

This project is being reprofiled separately to reflect the update funding profile agreed with the Regeneration Capital Grant fund.

Dyce Library Relocation - This project involves the relocation of the existing Dyce Library to a new location within Dyce Community Learning Centre. There are already £618k developer obligations available for this project from several different obligations

A pre-tender estimate of the relocation has been prepared taking cognisance of expected material and construction costs. Should the pre-tender estimate be correct there is a high likelihood that there will be a need for additional budget provision.

The current library is facing ever increasing demands and cancelling the project will mean the current library will continue to struggle to meet these demands due to a lack of space.

There is also a funding risk that some of the currently available developer obligations may have to be returned to the Developer(s) if the spend by date expires.

Stopping the project will also mean the potential disposal of the existing Dyce Library building to generate a capital receipt will be unable to taken forward.

This project needs to be reprofiled.

Joint Integrated Mortuary - The Scottish Government has paid £18 million towards the costs of the Joint Integrated Mortuary at Aberdeen Royal Infirmary. The funds were received by the Council at the end of 2021/22 on the basis that a partnership approach to the project across the NHS, local government and other public sector bodies would be adopted.

Under the Public Health (Scotland) Act 2008, Local Authorities and NHS Boards have a duty to co-operate to provide mortuary facilities. This provision includes a repository for post-mortem examination facilities. Each Local Authority must provide or ensure the provision of premises and facilities:

- For the reception and temporary storage of the bodies of persons who die in the authority's area; and
- For the post-mortem examination of such bodies, as it considers appropriate.

To date, total funding to the value of £21.576m is expected to be provided by partners for the project. These conversations are on-going. Stopping the project

now will likely mean losing these funding contributions, and repayment of the £18 million grant to the Scottish Government.

Moving the public mortuary from its current location at the rear of the old Police HQ building is essential to progressing with the Queen Street Masterplan aspiration which is currently under development.

If the existing project did not progress, an alternative site would need to be identified for the City's new mortuary. Finding an alternative site has proved difficult in the past.

This project needs to be reprofiled.

St Peters RC Primary Relocation - Progressing this project is currently dependent on completion of the new Tillydrone Primary School, to allow the decant from the existing Riverbank Primary School.

In order to facilitate this relocation, the new Riverbank Primary School will need to be delivered and the existing Riverbank Primary School will need an extensive refurbishment. Only after this work is complete can a decant from St Peters RC primary take place.

The refurbishment of the existing Riverbank Primary School has already been allocated £17m through the GFCP. An application is currently being prepared for submission to the Scottish Government's Learning Estate Infrastructure Programme (LEIP) for funding support for operating the refurbished school. This application requires a high degree of energy efficiency to be achieved and would result in the first 'green school' for the Council.

Enabling the decant would mean the potential disposal of the existing St Peters School to derive a capital receipt.

This project needs to be reprofiled.

Bucksburn Academy Extension (temporary solution) - Officers are working on completing the necessary contracts to purchase the modular accommodation. If the units are not purchased, the school is forecast to remain over capacity from the start of the 2022/23 academic year with the pressure this creates on curriculum choices due to limited classroom space.

It is not proposed to reprofile this budget at this time.

Early Learning & Childcare - St Josephs - The business case for this project indicated that there was a surplus of available nursery places within the local area of St Josephs RC Primary, and there is therefore no identified need to proceed with the project.

Due to demands on in-house resources, no detailed progress has been made on the project. If the project was to proceed a decision would be required on

whether the new nursery should be created in a standalone unit in the school grounds, or by refurbishment within the school buildings.

Capital funding for Early Learning and Childcare expansion provided in prior years by Scottish Government has been fully spent and therefore any additional provision at St Josephs Primary School is not funded. The revenue implications are also unfunded, with reductions experienced in the grant funding made available for this specific policy.

It is recommended this project is removed from the General Fund Capital programme.

Garthdee Link Road - This project assumes all costs are to be recovered at the end of the project by accessing a Housing Investment Fund associated to the City Region Deal. The Council will have to cashflow the project through its design and construction stages depending on any agreements to be made with the Scottish Government over accessing this Fund.

Officers have held early discussions with the developers involved in the wider plans for the area, however no commitments on works have been made to date.

The Partnership Policy Statement refers to this project as the Pitfodels Link road and indicates Council funds should not be used to support the project.

It is recommended this project is removed from the General Fund Capital programme.

Expansion of Free School Meals to P6 and P7 Pupils - The Council submitted cost estimates (for P6/7 expansion) to the Scottish Government in October 2021. At that time no spare capacity could be identified to progress this initiative.

The capital works which have been flagged to the Scottish Government as being needed to expand school catering and dining facilities indicate that more space and equipment must be provided before capacity can be further increased.

The funding requested of the Scottish Government to deliver this expansion was circa £11m. The Council awaits a response from the Scottish Government.

Contingency - Taking cognisance of all the above, and subject to Committee decisions, the recommendations in this paper will draw much of the Contingency budget into existing projects.

The Contingency budget has been reprofiled in Table 2 assuming all the recommendations are accepted.

The remaining Contingency budget provides resilience for continuing unknowns in respect of projects such as but not limited to the Art Gallery Court Case, the

New Joint Integrated Mortuary project; and potentially provide support for other project related costs on the Council estate.

Bearing in mind current market pressures and the pricing being experienced it remains a risk that the Contingency budget may prove to be insufficient in the medium term.

Housing Capital Programme

2.25 The Housing Capital Programme is broadly divided into two distinct categories which are then subdivided into other sections as shown below;

Scottish Housing Quality Standards

- Compliant with the tolerable standard
- Free from Serious Disrepair
- Energy Efficient
- Modern Facilities & Services
- Healthy, Safe & Secure

Non Scottish Housing Quality Standards

- Community Plan & LOIP
- Service Expenditure

2.26 These headings are then further sub-divided to reflect the various distinct elements of capital funded works which are routinely carried out in a typical housing unit to make them safe, habitable, watertight and secure.

2.27 In general, the Housing Capital programmes/projects are primarily rolling refurbishment/replacement programmes of works, such as, but not limited to, windows, doors, bathrooms, and kitchens. There are however other distinct projects/housing units that require more extensive works to make the safe and secure and habitable which are related to their structural integrity and external fabric e.g. in relation to multi storey tower blocks.

2.28 Notwithstanding this, the most significant project line within the Housing Capital programme is the budget for New Build/Former Council House Buy Back.

2.29 The budget line for this item, located within the Community Plan and LOIP section, is circa 85% - 95% of this section's expenditure, and more than 50% of the full 5 Year Housing Capital programme. Circa 75% of the New Build/Former Council House Buy Back programme is planned for financial years 2022/23 and 2023/24.

2.30 Importantly, for the same two years when viewed together, it is circa two thirds of the overall 5-year Housing Capital Programme. Clearly any movement/change in this level of expenditure will have a significant influence on the overall Housing Capital budget.

2.31 Members will appreciate that Capital expenditure must be funded, and any borrowing required in support of the Housing Capital Programme is paid for

from the Housing Revenue Account. This is turn is funded by rental income from the Council's tenants.

- 2.32 For the reasoning above, it is proposed that the reprofiling of programmes/projects within Housing Capital is best focussed on the new build/former council house buy back.
- 2.33 For the other project lines within the Housing Capital Programme, it is proposed to maintain budget levels as originally approved in March 2022.
- 2.34 As with the General Fund Rolling programme, what this means in practice is, given current market conditions and commodity cost inflation pressures, if the approved budgets are retained unchanged, it is likely the volume of planned work delivered under each project line is likely to be reduced.
- 2.35 With no certainty of if or when the disruption to the supply chain and inflation levels will change, and with an ongoing annual need to replace, reinstate and renew assets through the rolling programmes, whilst not ideal, it is considered appropriate to recommend this course of action. To delay works that may very likely lead to emergency or unplanned repair and maintenance work is not an affordable or attractive alternative either.
- 2.36 New Build/Former Council House Buy Back: The new housing sites are being delivered by two strands:

- Developer Led
 - Wellheads
 - Summerhill
 - Auchmill
 - Cloverhill
- Council Led
 - Kincorth
 - Craighill
 - Tillydrone
 - Kaimhill

Terminating these contracts is in some cases illogical, as the works are already complete. In other cases, it would result in the Council having to invoke termination clauses in legal agreements, which generally result in compensation payments to the contractors involved, as well as payment for any works carried out. This action could also result in the Council being handed incomplete assets which would be unusable without further investment. In any such cases, consideration may have to be given to "writing off" the capital investment incurred, which could result in significant unplanned charges against the Council's revenue account.

For the **Developer Led sites**, these projects and budgets are fully committed. The works at Wellheads are complete with units handed over and only final account negotiations outstanding. The two sites at Auchmill and Summerhill are

well advanced such that a phased handover of units will commence soon. In short, these works should all be concluded. Scottish Government grant has been received in respect of these sites.

This only leaves the Cloverhill site, which is by far the largest. Works commenced earlier this year, so the project is at an early stage of construction. However, it should be noted that the works are extended over a 5-year period and the contract is for a fixed price.

No reprofiling of the Developer Led projects is currently proposed.

The four **Council Led sites** were awarded directly and procured through a two-stage design and build tender process.

The first stage covered the enabling works packages (groundworks) and the second stage the construction works (generally everything else above ground level) which are outstanding. All four sites are at different stages of delivery.

The current position for these four sites is to close out tender offers for the outstanding work packages. These tender exercises are highlighting a significant increase in cost.

For all four sites an exercise is underway to look at what value engineering, if any, can be adopted to reduce expenditure.

Craighill - The enabling works concluded in July 2022.

Cancelling the project would mean that the site would be unusable, with incomplete works across its full extent. There would be health and safety issues and the on-going cost of security obligations of managing a building site.

Kincorth - The enabling works are planned to conclude in October 2022.

Cancelling the project would mean that the site would be unusable, with incomplete works across its full extent. There would be health and safety issues and the on-going cost of security obligations of managing a building site.

Tillydrone - The enabling works concluded in June 2022.

The Tillydrone project is further advanced than both the Craighill and Kincorth projects. More than half the construction packages are now instructed with structural works and above ground works underway. Cancelling the project would mean that the site would be unusable, with incomplete works across its full extent. There would be large areas of part-built buildings and materials on site and there would be health and safety issues and the on-going cost of security obligations of managing a building site.

Kaimhill - The enabling works concluded in June 2022. It is worth noting that this project is the smallest of the four Council Led projects (35 units) and has the least cost.

Having said that the project could still be cancelled but like the others it would mean that the site would be unusable, with incomplete works across its full extent. There would be health and safety issues and the on-going cost of security obligations of managing a building site.

Recommendation: Council Led Sites

In light of the erratic tender submissions which are currently being submitted across all 4 Council Led sites, and notwithstanding the implications of pausing works, it is considered prudent that the construction works on all 4 sites should pause at the next most appropriate milestone in each of their respective delivery timelines. It is considered that the current cost proposals are not delivering best value.

This will allow officers, supported by consultants, to investigate what options are then taken forward to try and mitigate the current cost pressures through value engineering, alternative procurement routes or re-phasing the delivery of the respective projects.

The outcome of this exercise will be reported to the next appropriate City Growth and Resources Committee meeting.

Clinterty - Aberdeen City Council is responsible for the maintenance of the Gypsy Traveller Site at Clinterty, including tenancy management. The site opened in 1982 and requires to be upgraded as the service is vital to ensure the wellbeing and needs of Gypsy Travellers coming to Aberdeen and settled travellers on site.

The existing 21-unit site is located to the north-west of the city.

In 2015 the Scottish Government issued a report to all Local Authorities on Minimum Site Standards. Proposals have been developed for its refurbishment (increasing the travelling caravan provision) which have recently been tendered, with the resulting costs being more than has been budgeted.

Prior to proceeding, Council Officers are in negotiation with Scottish Government seeking an additional funding contribution.

Ukraine (Scottish Government Capital Submission for Void Properties)

The city is currently supporting circa 1,000 displaced Ukrainians resulting from the current Russia / Ukraine conflict. Most individuals have been temporarily settled in Welcome Hub accommodation across a number of hotels, with a smaller number in Council properties let out through the Warm Scottish Welcome scheme and private host properties. This accommodation need is forecast to grow. There is a need to move the temporary hotel type of residency to a more permanent accommodation.

Following a letter from Neil Gray MSP inviting bids for Capital investment in void properties, Aberdeen City Council are bidding for circa £7.2m to bring 516 void properties back into use, for letting to Ukrainian individuals displaced by the ongoing conflict in Ukraine.

This Capital funding bid would deal with two categories of property requiring work to be undertaken to return them to Scottish Housing Quality Standard (SHQS) and Energy Efficient Scotland Housing standard (EESH):

- Council properties that are unable to be relet (UTBR)

UTBR properties are those that require Capital works to bring them back to SHQS. This will include work such as bathrooms, kitchens, full central heating installations, rewiring, asbestos removal and on some occasions dry rot treatment.

Some of these properties involve repair of major issues such as fire damage.

- Buy back properties

These are properties that the Council has repurchased which were originally sold through 'right to buy' legislation. These properties all have surveys undertaken prior to concluding the reacquisition so there is up to date information on the works needed.

Initial meetings have been held with Scottish Government Officers and Council Officers with information being shared. It is hoped that this process will be concluded in late August / early September which if favourable and following procurement requirements will enable works on voids to proceed.

If Scottish Government funding is confirmed then project will be added to the Housing Capital Programme.

3. FINANCIAL SUMMARY

- 3.1 The following tables capture the before and after implications recommended following the review of the capital programmes, there is no impact on the approved prudential indicators as the overall capital financing requirement has not changed:

TABLE 1: GENERAL FUND CAPITAL - SELECTED PROJECTS PRIOR TO REPROFITING

General Fund Capital Programme		Budget	Budget	Budget	Budget	Budget	5 Year
		2022/23	2023/24	2024/25	2025/26	2026/27	Total
NHCP No.	BEFORE RE-PROFITING	£'000	£'000	£'000	£'000	£'000	£'000
Fully Legally Committed Projects							
799B	Art Gallery Redevelopment - Main Contract (HLF)	0	0	0	0	0	0
809	New Milltimber Primary	1,461	241	0	0	0	1,702
821	New Aberdeen Exhibition & Conference Centre	2,108	3,000	0	0	0	5,108
824	Provost Skene House	0	0	0	0	0	0
824	Union Terrace Gardens	2,808	0	0	0	0	2,808
841	Torry Primary School and Hub	20,500	5,893	351	0	0	26,744
855	Early Learning & Childcare	0	0	0	0	0	0
865	Countesswells Primary	11,937	167	0	0	0	12,104
		38,814	9,301	351	0	0	48,466
Partially Legally Committed Projects							
791	Strategic Land Acquisition	4,092	0	0	0	0	4,092
806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	2,135	4,300	15,600	9,900	8,500	40,435
840	Tillydrone Primary School	17,487	8,334	460	0	0	26,281
874	B999 Shielhill Road Junction Improvements	133	490	0	0	0	623
883	City Centre and Beach Masterplans	32,931	25,000	40,000	40,000	20,000	157,931
		56,778	38,124	56,060	49,900	28,500	229,362
Projects with indicative budgets							
810J	Bridge of Don Household Waste Recycling Centre (HWRC)	1,048	1,350	0	0	0	2,398
884	Torry Development Trust - Former Victoria Road School	845	564	0	0	0	1,409
890	Dyce Library Relocation	740	15	0	0	0	755
894	Joint Integrated Mortuary	8,500	16,900	600	0	0	26,000
895	St Peters RC Primary Relocation	500	1,000	7,750	7,750	0	17,000
896	Bucksburn Academy Extension (temporary solution)	2,000	0	0	0	0	2,000
897	Early Learning & Childcare - St Josephs	500	2,300	200	0	0	3,000
902	Garthdee Link Road	300	300	2,900	1,500	0	5,000
999	Contingency	20,000	5,000	0	0	0	25,000
		34,433	27,429	11,450	9,250	0	82,562
	Totals	130,025	74,854	67,861	59,150	28,500	360,390
General Fund Capital Programme - Funding							
		Budget	Budget	Budget	Budget	Budget	5 Year
		2022/23	2023/24	2024/25	2025/26	2026/27	Total
NHCP No.		£'000	£'000	£'000	£'000	£'000	£'000
809	New Milltimber Primary	(1,781)	0	0	0	0	(1,781)
855	Early Learning & Childcare	0	0	0	0	0	0
865	Countesswells Primary	0	(1,342)	(2,500)	(1,442)	0	(5,284)
874	B999 Shielhill Road Junction	(133)	(150)	0	0	0	(283)
883	City Centre and Beach Masterplans	(2,318)	(16,932)	0	0	0	(19,250)
884	Torry Development Trust - Former Victoria Road School	(845)	(564)	0	0	0	(1,409)
890	Dyce Library Relocation	(740)	(15)	0	0	0	(755)
893	Joint Integrated Mortuary	(8,500)	(13,076)	0	0	0	(21,576)
902	Garthdee Link Road	0	0	0	0	(5,000)	(5,000)
	1. Programme Funding Streams Sub-Total	(14,317)	(32,078)	(2,500)	(1,442)	(5,000)	(55,337)
	3. Borrowing						0
	Sub-total	(14,317)	(32,078)	(2,500)	(1,442)	(5,000)	(55,337)
	Net Position	115,708	42,775	65,361	57,708	23,500	305,052

TABLE 2: GENERAL FUND CAPITAL – PROJECTS REPROFILED

General Fund Capital Programme		Budget	Budget	Budget	Budget	Budget	5 Year
NHCP No.	AFTER RE-PROFILING	2022/23	2023/24	2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Fully Legally Committed Projects							
799B	Art Gallery Redevelopment - Main Contract (HLF)	500	0	0	0	0	500
809	New Milltimber primary	2,151	241	0	0	0	2,392
821	New Aberdeen Exhibition & Conference Centre	4,108	3,000	0	0	0	7,108
824	Provost Skene House	500	0	0	0	0	500
824	Union Terrace Gardens	4,308	0	0	0	0	4,308
841	Torry Primary School and Hub	20,500	5,893	351	0	0	26,744
855	Early Learning & Childcare	1,300	0	0	0	0	1,300
865	Countesswells Primary	11,937	1,767	0	0	0	13,704
		45,304	10,901	351	0	0	56,556
Partially Legally Committed Projects							
791	Strategic Land Acquisition	5,000	0	0	0	0	5,000
806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	2,135	4,300	15,600	9,900	8,500	40,435
840	Tillydrone Primary School	5,487	19,000	11,700	0	0	36,187
874	B999 Shielhill Road Junction Improvements	133	610	0	0	0	743
883	City Centre and Beach Masterplans	32,931	25,000	40,000	40,000	20,000	157,931
		45,686	48,910	67,300	49,900	28,500	240,296
Projects with indicative budgets							
810J	Bridge of Don Household Waste Recycling Centre (HWRC)	1,048	1,830	0	0	0	2,878
884	Torry Development Trust - Former Victoria Road School	845	564	0	0	0	1,409
890	Dyce Library Relocation	740	143	0	0	0	883
894	Joint Integrated Mortuary	8,500	16,900	600	0	0	26,000
895	St Peters RC Primary Relocation	0	500	1,000	7,750	7,750	17,000
896	Bucksburn Academy Extension (temporary solution)	2,000	0	0	0	0	2,000
897	Early Learning & Childcare - St Josephs	0	0	0	0	0	0
902	Garthdee Link Road	0	0	0	0	0	0
999	Contingency	3,088	5,280	0	0	0	8,368
		16,221	25,217	1,600	7,750	7,750	58,538
Totals		107,211	85,028	69,251	57,650	36,250	355,390

General Fund Capital Programme - Funding		Budget	Budget	Budget	Budget	Budget	5 Year
NHCP No.		2022/23	2023/24	2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000	£'000	£'000
809	New Milltimber primary	(1,781)	0	0	0	0	(1,781)
855	Early Learning & Childcare	0	0	0	0	0	0
865	Countesswells Primary	0	(1,342)	(2,500)	(1,442)	0	(5,284)
874	B999 Shielhill Road Junction	(133)	(150)	0	0	0	(283)
883	City Centre and Beach Masterplans	(2,318)	(16,932)	0	0	0	(19,250)
884	Torry Development Trust - Former Victoria Road School	(845)	(564)	0	0	0	(1,409)
890	Dyce Library Relocation	(740)	(15)	0	0	0	(755)
893	Joint Integrated Mortuary	(8,500)	(13,076)	0	0	0	(21,576)
902	Garthdee Link Road	0	0	0	0	0	0
	1. Programme Funding Streams Sub-Total	(12,536)	(32,078)	(2,500)	(1,442)	0	(50,337)
	3. Borrowing						0
	Sub-total	(12,536)	(32,078)	(2,500)	(1,442)	0	(50,337)
	Net Position	94,675	52,950	66,751	56,208	36,250	305,053

4. LEGAL AND RISK IMPLICATIONS

- 4.1 There may be legal implications arising from the exercise undertaken however officers have sought to mitigate these where possible. Capital projects are already subject a wide range of legal and contractual arrangements, should legal implications arise from any of the projects, officers within the Capital and Finance Clusters will work closely with the Commercial and Procurement Services legal team to consider the best way forward.
- 4.2 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	Failure to deliver the aspirations of the Partnership Statement	The review encompasses consideration of the need to deliver the aspirations as outlined in the Partnership Statement. Where appropriate market engagement will be carried out prior to procurement. Value engineering is being considered where appropriate.	M	Yes
Compliance	Failure to be able to comply with project requirements	Increase site visits and monitoring of the construction works. If required, review alternative options as soon as possible.	L	Yes
Operational	Balancing the pressures of finite resources both internal and external to the Council	Regular engagement between relevant Clusters within the Council along with Ongoing engagement with Framework hosts, Suppliers, Procurement & Services re alternative	M	Yes

		products or delivery methods.		
Financial	Escalation of costs	Development of suitable price mechanisms. Use of Business Intelligence to predict market changes/trends. Price Increase Request Process.	M	Yes
	Differing market conditions depending on commodity/service	Market engagement/use of business intelligence to assist in predicting market changes and trends.	M	
Reputational	Programmes/projects being delayed or stopped	As above.	M	Yes
Environment / Climate	Failure to consider sustainable options due to costs.	Ensure all contracts consider environmental considerations, and early market engagement is conducted to seek market intelligence.	M	Yes

	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	24th August 2022								
4	Procurement and Funding Plan for Building Repair Work	At its meeting of 28 February 2022, the Council instructed the Chief Officer - Commercial and Procurement to develop a procurement and funding plan for building repair work as identified in Appendix A of the City Centre Masterplan report, including investigating a one stop service to cover professional services required to implement improvement works and report the results to Full Council by August 2022	This matter is incorporated within the City Centre Masterplan report which is on the agenda.	Craig Innes	Commercial and Procurement	Commissioning	21		
5	Target Operating Model 1.2	At the Council Budget meeting of 7 March 2022, the Council instructed the Chief Executive to report to Full Council by the end of August 2022, on a refreshed Target Operating Model, to address the challenges of the next 5 years	A report is on the agenda	Angela Scott	Chief Executive	Chief Executive	21		
6	City Centre Masterplan	At its meeting of 28 February 2022, the Council instructed the Chief Officer - Strategic Place Planning to recalibrate the city centre masterplan to incorporate the Beach and George Street master planning exercises and report the results to Full Council in August 2022. The Council also noted the ongoing engagement exercise on the future of the George Street area and instruct the Chief Officer - Corporate Landlord to investigate the potential future use of the John Lewis building as part of the George Street master planning exercise and report back to the August Council meeting.	A report is on the agenda	Steve Whyte and Gale Beattie	Directors of Resources and Commissioning	Resources and Commissioning	21		
7	Market to Guild Street Streetscape	At its meeting of 28 February 2022, the Council instructed the Director of Resources to develop detailed design for phase one and two implementation of the Market to Guild Street Streetscape improvements in consultation with key stakeholders and report results to Full Council in August 2022	This matter is incorporated within the City Centre Masterplan report which is on the agenda	Steve Whyte	Resources	Resources	21		

	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									
8	Natural History Museum Aberdeen	At its meeting of 28 February 2022, the Council:- (a) instructed the Chief Officer - City Growth to discuss with the UK Government Department for Digital, Culture, Media and Sport and the Natural History Museum the feasibility for a Natural History Museum Aberdeen, including the University of Aberdeen and the Aberdeen Medico-Chirurgical Society in the process and report to Full Council in August 2022; (b) instructed the Chief Officer - City Growth, subject to the outcome of (a) to explore potential locations including Woolmanhill; and (c) instructed the Chief Officer - Corporate Landlord, subject to positive outcomes from (a) and (b) to bring forward redevelopment/improvement options for the Denburn car park and report back to a future meeting of Full Council.		Richard Sweetnam/ Stephen Booth	City Growth/ Corporate Landlord	Commissioning/ Resources	21	D	Discussions with the Department of Culture, Media and Sport around the potential for a satellite of the Natural History Museum have not progressed due to changes in personnel in DCMS. Officers are looking to meet with the Head of Cultural Development and Place Based Investment to discuss the proposal and will involve the University of Aberdeen and the Aberdeen Medico-Chirurgical Society if appropriate. Subject to this, officers would expect to report to committee in the next cycle.
9	Medium Term Financial Strategy	At the Council Budget meeting of 7 March 2022, the Council instructed the Chief Officer - Finance to refresh the Medium Term Financial Strategy and report to Full Council by the end of August 2022	A report is on the agenda	Jonathan Belford	Finance	Resources	21		
10	Wellington Road Multimodal Corridor	At the Council Budget meeting of 7 March 2022, the Council noted the commitment given by both Governments in relation to transport; and agreed that as both Governments agreed to work with the local authority to explore how the Strategic Investment will be prioritised, to instruct the Chief Executive to explore financial assistance from the Scottish Government to deliver the Wellington Road Multimodal Corridor and to report back on the outcome of the discussion in August 2022.		Angela Scott	Chief Executive	Chief Executive	21	D	Discussions are ongoing with Nestrans regarding links between this project and wider City Region Deal projects and officers are liaising with Nestrans on this basis. A corridor report on Wellington Road will be brought back at a later date once there is further clarity.

	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									
11	Commissioning Intentions, Service Standards and Budget for 2022/23	At the Statutory Council meeting of 18 May 2022, the Council approved an urgent notice of motion by Councillors Radley and Yuill in the following terms:- That this Council: 1. Notes the Policy Statement 'Working in Partnership for Aberdeen'; 2. Agrees that its contents state the priorities of Aberdeen City Council for the next five years; and 3. Instructs the Chief Executive to report back to the meeting of Full Council in August to report on any revisions required to the Council's commissioning intentions, service standards and budget for 22/23.	A report is on the agenda	Angela Scott	Chief Executive	Chief Executive	21		
12	Buffer Zones	At its special meeting of 13 July 2022, the Council instructed the Chief Officer - Governance to liaise with the Scottish Government and COSLA to explore options to establish protest-free buffer zones including but not limited to potentially implementing a local byelaw, and to report back to the next meeting of Full Council.	A report is on the agenda	Jenni Lawson	Governance	Commissioning	21		
13	Committee Structure and Scheme of Governance	At its meeting of 13 July 2022, the Council approved a notice of motion by Councillors Nicoll and Yuill which instructed the Chief Officer - Governance to bring forward proposals to the meeting of Full Council on 24 August 2022 with recommended changes to the Scheme of Governance to incorporate various matters listed in the notice of motion.	A report is on the agenda	Martyn Orchard	Governance	Commissioning	7 and 21		
14	North East Scotland Green Freeport	To provide an update on the submission of a bid to the Scottish Government and the UK Government for the North East of Scotland Green Freeport (NESGF); and to seek the Council's approval of its contribution to the NESGF if the bid is successful.	A report is on the agenda	Richard Sweetnam	City Growth	Commissioning	Introduction 6		

	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									
15	B999/Shielhill Road Junction Improvements Project	At its meeting of 13 July 2022, the Council approved a notice of motion by Councillors Alphonse and Mennie in the following terms:- 1. Notes the B999/ Shielhill Road junction improvements project is to be part-funded by developer contributions, provided by the developers of the ongoing north Dubford housing development. 2. Agree the B999/ Shielhill Road junction improvements project is a priority investment within the Council's Capital Programme. 3. Instruct the Chief Officer - Capital to review the project's current planned timeline and identify options to accelerate its delivery. 4. Instruct the Chief Officer - Capital to report these options to Council in August, identifying any impacts these may have on the wider Capital Programme.	This matter forms part of the Quarter 1 Financial Performance Report to the City Growth and Resources Committee on 3 August 2022 which was referred to Council in terms of Standing Order 34.1	John Wilson	Capital	Resources	21		
16	14th December 2022								
17	Treasury Management Policy and Strategy - Mid Year Review	To provide an update on Treasury Management activities undertaken to date during financial year 2022/23.		Neil Stewart	Finance	Resources	6		
18	City Centre Design Development	The CG&R Committee on 12/11/21 agreed to note the progress made on design development for the intervention areas: Schoolhill and Upperkirkgate, Union Street East and Castlegate, Union Street West and the West End, and instruct the Director of Resources to report back with full business cases to Committee by the end 2022.		Steve Whyte	Director of Resources	Resources	6		
19	Fairer Aberdeen Fund Annual Report	To provide members with the Fairer Aberdeen Fund annual report for 2021/22.		Susan Thoms	Early Intervention and Community Empowerment	Customer	21		
20	Governance Review of Trusts	Council on 13 December 2021, instructed the Chief Officer - Governance to bring a further update report to Council no later than December 2022 on future activity in relation to such trusts.		Fraser Bell	Governance	Commissioning	10		
21	Street Occupation Policy	At its meeting of 28 February 2022, the Council instructed the Chief Officer - Corporate Landlord to bring back a street occupation policy by the end of 2022		Stephen Booth	Corporate Landlord	Resources	21		

	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									
22	Repopulating Vacant Units in Union Street	At its meeting of 28 February 2022, the Council noted appendices F and G to the City Centre Masterplan report and instructed the Chief Officer - City Growth to advance the works to identify the full range of intervention measures to repopulate vacant units in Union Street to full business case including further assessment of potential non-retail uses and report outcomes in December 2022		Richard Sweetnam/ Stephen Booth	City Growth/ Corporate Landlord	Commissioning/ Resources	21		
23	Union Street Building Condition Survey and George Street Mini Masterplan	At its meeting of 29 June 2022, the Council (1) instructed the Chief Officer - Strategic Place Planning to undertake the Union Street Building Condition Implementation Plan Pilot and report progress to Full Council in December 2022; and (2) noted the outcome of the recent engagement exercise on the future of George Street and instructed the Chief Officer - Strategic Place Planning to report back with a Mini Masterplan for George Street to Full Council in December 2022.		David Dunne	Strategic Place Planning	Commissioning	21		
24	Beachfront Masterplan	At its meeting of 29 June 2022, the Council (1) instructed the Chief Officer - Strategic Place Planning to report the outcomes of the public consultation on the Draft Development Framework back to a future meeting within the next 6 months, including any recommended revisions to the Draft Framework; (2) instructed the Chief Officer - Commercial and Procurement to continue to progress the following short term interventions to FBC: Urban Park, Events Park, Beach Landscaping, Broadhill (Public Realm and Landscaping) and report progress to December 2022 Council; (3) instructed the Chief Officer - Commercial and Procurement to continue to progress the following medium term interventions to OBC: New Canopy, Beach Ballroom Plaza, Broadhill structures, Pedestrian spine and report progress to December 2022 Council; (3) instructed the Chief Officer - Commercial and Procurement to provide further updates on all longer term interventions to OBC: Beach Boulevard, Surf Village, Beach Ballroom, New Stadium, New Leisure Facility, Boardwalk, New Slipway, Energy Centre, Justice Street Roundabout and report progress to December 2022 Council; (4) instructed the Chief Officer - Commercial and Procurement in conjunction with Chief Officer - Operations and Protective Services to progress coastal protection studies and design development to inform OBC and report progress to December 2022 Council; and (5) noted the development of the engagement plan and instructed the Chief Officer - Commercial and Procurement to report updates on an ongoing basis to Council.		Craig Innes and David Dunne	Commercial and Procurement and Strategic Place Planning	Commissioning	21		
25	Beyond 2022								

	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									
26	City Climate Change Governance Structures	At its meeting of 28 February 2022, the Council instructed the Chief Officers - Governance and Strategic Place Planning to work with the members of Aberdeen's Net Zero Leadership Board, Delivery Unit, the Local Resilience Partnership and other groups as appropriate to develop city climate change governance structure/s appropriate for meeting the aims of the Route-Map and Aberdeen Adapts Framework, and report back to a future Council meeting, no later than the next annual update on the Routemap and Adaptation Framework		Fraser Bell/ David Dunne	Governance and Strategic Place Planning	Commissioning	21		
27	Locality Based Approach to Deliver Net Zero	At its meeting of 28 February 2022, the Council instructed the Chief Officer - Strategic Place Planning, in conjunction with relevant stakeholders, to explore options towards developing a locality-based approach to deliver net zero and adaptation, taking into account allied approaches and commitments, such as locality plans, local place plans, 20-minute neighbourhoods, etc., and to begin this process with a pilot reporting both back to Council in or before March 2023		David Dunne	Strategic Place Planning	Commissioning	21		
28	Revised Council Climate Change Plan	At the Council meeting on 3 March 2021, the Council, amongst other things, instructed the Chief Operating Officer to report back to Full Council with a revised 5 year plan in 2025, or earlier if required.		David Dunne	Strategic Place Planning	Chief Operating Officer	21		

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Medium Term Financial Strategy for the Council's General Fund, 2022
REPORT NUMBER	RES/22/172
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Jonathan Belford
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 The purpose of a Medium Term Financial Strategy (MTFS) is to pull together in one place all known factors affecting the financial position and financial sustainability of an organisation over the medium term. Furthermore, the purpose is to draw out the scenarios that the Council faces and to describe the approach to addressing the conclusions.

2. RECOMMENDATIONS

That the Council: -

- 2.1 Welcome the publication by the Scottish Government of its Resource Spending Review through to 2026/2027 on 31 May 2022 and notes that this indicates a flat cash settlement for Local Government for the next 3 years, followed by a 1% increase in 2026/27;
- 2.2 Approve the Medium Term Financial Strategy for the General Fund, 2022;
- 2.3 Note that the report on TOM1.2 is also on the agenda today, which describes the approach the Council intends to take through transformation and multi-agency working to contribute towards closing the gap between income and expenditure forecast;
- 2.4 Welcome the alignment of the MTFS and TOM1.2, together these documents represent the fiscal framework for Aberdeen;
- 2.5 Note that the publication of the National Care Service (Scotland) Bill and associated Financial Memorandum indicates that the first year of operation will be 2025/26, within the term of the MTFS, and this has the potential to remove c.25% of financial resources from the Council;
- 2.6 Note the reported impact that inflation and supply chain volatility is having on our current financial year [Council Financial Performance Quarter 1, 2022/23:

RES/22/152] and that the impact is anticipated to continue to have an effect on the future funding gap;

- 2.7 Note that the commitments contained within the Partnership Agreement, adopted on 18 May 2022, remain uncoded for future years and are being worked on to support the update of the MTFs when the budget is set for 2023/24 in March 2023;
- 2.8 Note the reprofiled capital programme, which was referred from City Growth & Resources Committee on 3 August 2022 [RES/22/152] to Council today, is the basis for capital financing costs and debt levels referred to in the MTFs;
- 2.9 Note the 2023/24 Budget will be discussed and set by the Council in March 2023 reflecting the commitments within the Partnership Agreement; and
- 2.10 Note the ongoing development of the data presented in relation to the Council's Financial Resilience Framework and the insight this provides of the underlying strength of the Council finances that support the continued operation of services through the uncertain and volatile environment. The data identifies indicators to watch, and these should be carefully considered when setting future budgets. The Chief Officer – Finance will continue to develop the Framework.

3. CURRENT SITUATION

- 3.1 The Council's MTFs was approved by the City Growth and Resources Committee on 10 November 2021, with the financial forecasts updated as part of the budget setting process for financial year 2022/23, approved in March 2022.
- 3.2 Having this overarching document is increasingly important in an environment that has continued to be more challenging and more complex, which has seen the effects of Russia's invasion of Ukraine and resulting war, and the supply chain volatility and inflation that have spiked as a result.
- 3.3 The Scottish Government published its Resource Spending Review on 31 May 2022, accompanied by a revised Medium Term Financial Strategy and Review of Capital Spending.
- 3.4 After taking account of the financial environment, the information provided by Scottish Government and the approved budget setting decisions for 2022/23 an updated Medium Term Financial Strategy for the Council's General Fund has been completed and is attached as Appendix 1.
- 3.5 The Target Operating Model (TOM1.2), also on the agenda [CUS/22/171] presents the Council with a way forward to transform services and to contribute to closing the future budget gap. Programmes of work include eight on transformation of Council services and four that cut across the Council and our partners as part of our multi-agency transformation approach.
- 3.6 Together, the MTFs and TOM1.2 documents represent the fiscal framework for Aberdeen.

- 3.7 The MTFS provides the Council with an overview of the financial situation and how this is evolving in these uncertain times, and to consider how sensitive the financial situation is to changes in income and exposure to demand and inflation.
- 3.8 The strategy draws on a range of information and data and relies on scenario planning to express a range of financial consequences that will only become certain with actual experience and with more and better information over time.
- 3.9 The strategy sets out a range of principles for income, expenditure and capital investment that are designed to support financial resilience and financial sustainability and these are included at paragraphs 1.17 to 1.19 of the Strategy.
- 3.10 The question of financial resilience is one that continues to be very important to local government. The report on the MTFS last year instructed the Chief Officer – Finance to continue to develop the framework for financial resilience.
- 3.11 The Financial Resilience Framework was populated with information from the Council's Annual Accounts, for the three years up to 31 March 2021 and this has been updated to include the unaudited Annual Accounts for 2021/22. The information is therefore the cumulative effect of decisions taken over many years and does not by itself reflect what the future position may look like. I have made reference to the table at 6.36 of Appendix 1, to whether the ratio appears to be stable or improving or if we should be watching it. The figures on their own provide information to provide assurance to the Council that the underlying strength of the finances are healthy given the volatile and high-cost environment we are working in. It is acknowledged that the benefits from having this data are yet to be fully realised, with further work and comparison required. That said there is sufficient insight to highlight indicators that should be carefully considered when making budget decisions going forward.
- 3.12 I have continued to develop the various strands of the framework and discussed this with the Directors of Finance Section for Local Government, where the detail that we have developed has been added to the Section's resilience agenda.
- 3.13 I will again provide commentary and data as part of the 2023/24 budget setting process, and I will continue development work in conjunction with partners.

4. FINANCIAL IMPLICATIONS

- 4.1 There are none arising directly from the report. The Medium Term Financial Strategy 2022 sets out the financial implications for the Council's General Fund and will be the financial parameters within which the annual budget setting process will be undertaken.

5. LEGAL IMPLICATIONS

- 5.1 While there are no direct legal implications arising from the recommendations of this report, there are additional reporting requirements due to the London

Stock Exchange listing, for example the requirement to notify them ahead of publication of the report.

- 5.2 The Council has a statutory duty to set Council Tax and a balanced budget, and the Strategy sets out the related challenges and the parameters within which this will have to be done.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 While there are no direct environmental implications from the recommendations in this report, the development of the MTFs must have a reference to the environmental objectives and targets that the Council has a duty to deliver on. Those duties come at a cost and where possible the scale of the challenge has been described, it is clear however that an enormous amount of further work is required in order to quantify the detailed proposals, business cases and funding solutions to meet of those duties.

- 6.2 The MTFs will continue to take account of the latest information in relation to our actions towards Net Zero as it is regularly refreshed.

7. MANAGEMENT OF 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	Failure to recognise the consequence of the economic and local circumstance could lead to poor use of resources	The Strategy is in place to look forward into the medium term and plan for the future to improve the likelihood of resource allocation being aligned to strategic outcomes.	L	Yes
Compliance	Failure to set balanced budget.	A robust process is in place to ensure budgets are prepared and presented for approval by the Council at the start of March.	L	Yes
Operational	Failure to take account of the financial constraints described in the MTFs and to change	A robust process is in place to ensure budgets are prepared and presented for approval by the Council at the start of March.	L	Yes

	operational arrangements to be affordable could lead to unplanned spending reductions.			
Financial	The assumptions are insufficiently sensitive to the situations that might arise, resulting in a larger financial challenge.	The strategy is based on scenarios that present a range of potential impacts for the Council's finances. It will be kept under review.	M	Yes
Reputational	There is a risk that through the reduction of expenditure the Council may be criticised that spending is not in line with public expectation of service delivery.	The Council has continued to address priority spending areas, and to protect people. It is equally accountable for the use of public funds and to ensure that they are managed robustly. There are a wide range of unknown external factors that require to be balanced to deal with the current operating environment. Regular reporting during the year provides an ongoing description of the position the Council is in and the situations it faces.	M	Yes
Environment / Climate	Failure to take account of the long-term objectives in relation to our climate and the associated costs may lead to unexpected or unplanned expenditure.	The Council has put in place appropriate strategies to target the Net Zero objectives and continues to work on the long-term costs and affordability. The MTFS will continue to be updated to reflect the latest information.	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<i>Financial planning, budget setting and resource allocation are all enablers for the delivery of the outcomes and regular performance reviews ensure that the Council's stewardship and financial management are robust.</i>
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The Council continues to invest in front-line services across its statutory responsibilities as well as capital infrastructure. Investment in the city will have a positive impact on the economy.
Prosperous People Stretch Outcomes	Robust and effective management of the Council's finances will ensure that services can continue to be provided.
Prosperous Place Stretch Outcomes	Investment will enhance the place by creating a better and more vibrant city in which to live.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	not required
Data Protection Impact Assessment	not required

10. BACKGROUND PAPERS

None.

11. APPENDICES

Appendix 1 – Medium Term Financial Strategy for the Council's General Fund 2022

12. REPORT AUTHOR CONTACT DETAILS

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***MEDIUM TERM
FINANCIAL STRATEGY
FOR THE COUNCIL'S
GENERAL FUND, 2022***



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1. INTRODUCTION

1.1 The Medium Term Financial Strategy (MTFS) is a 5 year plan which sets out our commitment to provide services that meet the needs of people locally and represents value for money. The MTFS is aligned to the Council Delivery Plan, which in turn aligns the Council's commitments to the vision and priorities of the Local Outcome Improvement Plan.

1.2 The Local Outcome Improvement Plan's (LOIP) vision is:

'A place where all people can prosper'

1.3 The Council's programme of change is centred around three areas:

Our purpose (what our business is): To ensure the alignment of all Council strategies and plans to the Local Outcome Improvement Plan's (LOIP) vision 'A place where all people can prosper' as well as ensuring clear delivery plans for the Council's own set of strategies and priorities.

How we do business: The modernisation and transformation of how we deliver our services through making best use of technology.

How we behave as an organisation: A focus on the Council's culture.

1.4 The key objectives of the MTFS are as follows:

- To ensure that effective financial planning and management contributes to the Council achieving the priorities in the Council Delivery Plan;
- To frame and define the parameters for financial decisions to be taken;
- To direct resources to the Council's priorities to support the achievement of the Council Delivery Plan;
- To maximise income to support the priorities of the council;
- To analyse budget performance to assess the effectiveness of resource allocation;
- To continue to improve value for money - managing our resources as efficiently as possible; streamlining processes and systems; getting better value from commissioning and procurement; whilst seeking to minimise the impact of budget savings on priority services; and
- To ensure the Council's financial standing is prudent, robust, stable and sustainable.

1.5 The merits of medium and long-term financial planning are well documented¹ and a key component of the council's strategic framework, building on the medium-term focus that has underpinned annual budget setting. The aim of a Medium Term Financial Strategy (MTFS) is to pull together in one place all known factors affecting

¹ Example, CIPFAs Looking Forward – Medium Term Financial Strategies for the UK Public Sector, 2016

the financial position and financial sustainability of an organisation over the medium term.

- 1.6 Supporting financial planning relies on national and local data, from which assumptions emerge, that can be applied to a range of scenarios. Due to the nature of a local authority, it is not in control of all the determinants of its income and cost base, and crucially this includes the financial support provided from public funds. Many statutory services are provided free at the point of delivery and therefore the shape of services is determined by how much subsidy (grant) is provided. Complexity multiplies as the statutory duties and commitments increase.
- 1.7 The ability of a local authority to develop medium and long-term financial planning is significantly influenced by the following factors:
 - the current ratio between locally and nationally determined levels of taxation and fees and charges; and
 - whether government provides certainty re levels of government grant beyond the immediate next financial year.
- 1.8 Furthermore the global health pandemic that occurred in 2020 continues to affect our lives, and the emergence of inflation levels that the country has not seen for forty years, exacerbated by the impact that the Russian invasion of Ukraine, makes the task of medium and long-term financial planning even more challenging.
- 1.9 Governments across the world have invested significantly in financial rescue plans to mitigate the economic impact of the public health measures introduced to combat the virus. The national need for financial support has shifted this year to addressing the 'Cost of Living Crisis' with billions of pounds being spent this year by the Chancellor in making payments to support the most vulnerable people from the effects of energy increases and inflation in their daily lives.
- 1.10 This ongoing consumption of high levels of resources, while offset in part by a wind-fall tax on energy producing companies, still requires economic recovery to be achieved to enable governments to be able to repay the borrowing incurred to support the financial rescue plans currently in place.
- 1.11 Both the UK and Scottish Government will be required to make political choices in terms of future funding in the short, medium and long term.

- 1.12 The latest information made available by the Scottish Government was on 31 May 2022, when the Resource Spending Review² was published, accompanied by a Medium Term Financial Strategy for Scotland and Review of Capital Spending.
- 1.13 This has followed the UK Governments Spending Review announced on 27 October 2021 and the Scottish Government, following elections in May 2021, setting out its Programme for Government³ on 7 September 2021.
- 1.14 This medium-term strategy sets out assumptions regarding the ongoing, assumed to be, short-term implications of the pandemic and demand changes in terms of financial year 2023/24 and then goes on to make some informed assumptions for financial years 2024/25 – 2027/28.
- 1.15 The Council will recognise that with so much of its income outside of its control, the assumptions that underpin the MTFs cannot, by definition, be exact, they are subject to refinement and change over time. Therefore, a series of scenarios should be used to describe a range of income possibilities. This refresh of the MTFs focuses on the changes to a central scenario, while recognising upside and downside scenarios that are broadly in line with previous forecasts. These scenarios should be refreshed regularly as part of the budget setting and strategic planning processes.
- 1.16 The detail contained in this document reinforces the conclusion in the 2021 MTFs that the following principles are needed to guide our financial management approach.
- 1.17 **Principles the council should follow for planning its income are:**
- 1) Be prudent about the level of Scottish Government funding that will be provided in the local government settlement both in short, medium and long term.
 - 2) Be prudent in the financial assumption regarding the funding of national priorities and commitments.
 - 3) Exercise the discretion it has over local taxation and increase the Band D charge for Council Tax annually to support future budgets.
 - 4) Account for any income source that is non-specific as a corporate resource to support the whole revenue budget.
 - 5) Identify and track funding streams being directed from UK Government such as the Levelling Up and Shared Prosperity Funds so that the Council can be pro-active in applying for funding that becomes available to support local outcomes.

² [Investing in Scotland's Future: Resource Spending Review, 31 May 2022](#)

³ [Scottish Government, Programme for Government, 7 September 2021](#)

- 6) Apply its Service Income Policy to support the effective and sustainable delivery of services where charges can be applied and exercise that discretion annually and collect the income that is rightfully owed.
- 7) Identify and evaluate emerging discretionary powers on a regular basis to determine their applicability to Aberdeen City.
- 8) Be prudent in respect of the financial risks to the council from global events such as the continuing impact of the Covid-19 pandemic, and the war in Ukraine, that may result in customer behaviour changes that affect income.
- 9) Apply its approved Reserves Policy, retaining recommended uncommitted General Fund Reserves and thereby avoiding one-off income streams.

1.18 Principles the council should follow for planning its expenditure are:

- 1) Scenarios are developed and the Chief Officer – Finance will, in conjunction with the Extended Corporate Management Team (ECMT), establish appropriate financial assumptions to apply.
- 2) Develop its approach to strategic resource allocation to further shape where and how resources are deployed. Through this approach we will attain greater understanding of how resources align to outcomes and the related impact and consequences of our decisions.
- 3) Local constraints should be minimised wherever possible to provide as much flexibility to achieve resource shift and deliver savings.
- 4) Align commissioning intentions, service standards and budget allocations thereby ensuring council focuses on the very highest of priorities and on the most important outcomes.
- 5) Decommission services and/or reduce service standards where funding levels cannot sustain existing commissioning intentions and service standards.
- 6) Increase the scale of service redesign to address the emerging financial scenarios.
- 7) Recognise and act on the reality that financial challenges of the scale reported are not deliverable from small service budgets, and all have to contribute to achieving balance budgets and ensuring financial sustainability is to be addressed.
- 8) Annual efficiencies from all operations must be delivered.
- 9) Capital investment revenue implications must be incorporated into scenario plans, both from ongoing operational delivery and capital financing perspectives.

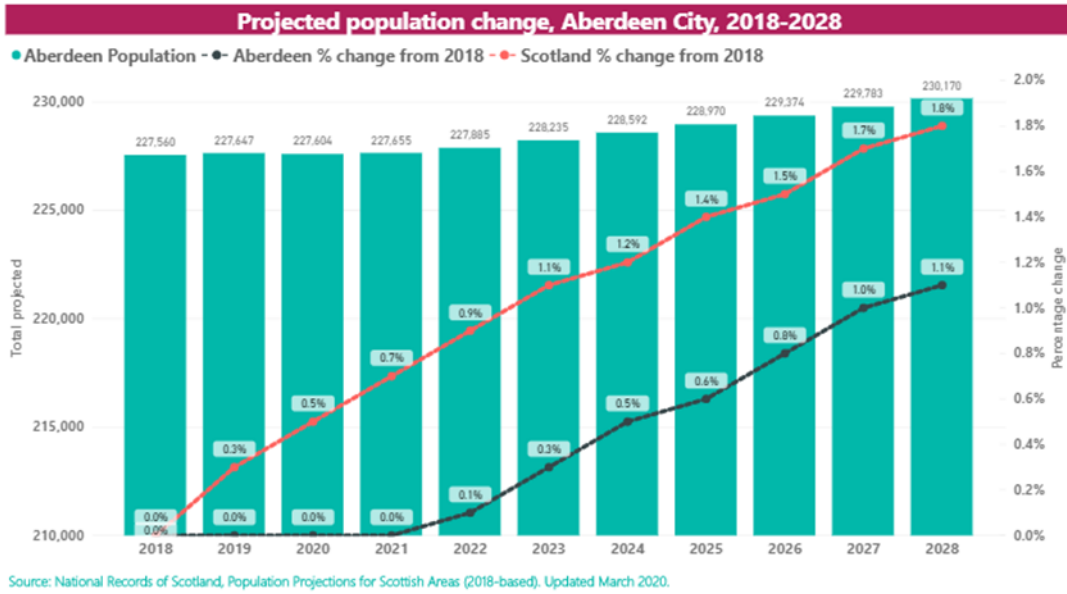
1.19 Principles the council should follow for planning its capital investment are:

- 1) Capital investment must be prudent, affordable and sustainable, as defined by the Prudential Code.
- 2) The business case methodology must be used to document capital investment opportunities.
- 3) Revenue implications of capital investment opportunities must be identified and agreed with the Chief Officer – Finance to incorporate into the council’s financial scenario planning.
- 4) Financial Resilience Framework data must be considered as part of decision making, including reference to the Risk Appetite Statement.
- 5) Identify and pursue external funding opportunities to support approved capital investment and council priorities.
- 6) Give priority to the projects that will deliver the greatest return, and this can be measured both financially and socially.
- 7) Develop a resilience to the current operating environment (e.g. supply chain, inflation, pandemic) and incorporate a contingency into the Capital Programme.
- 8) Consider and document the financial, legal and reputation implications of proposing to withdraw from legally or partially committed capital projects.

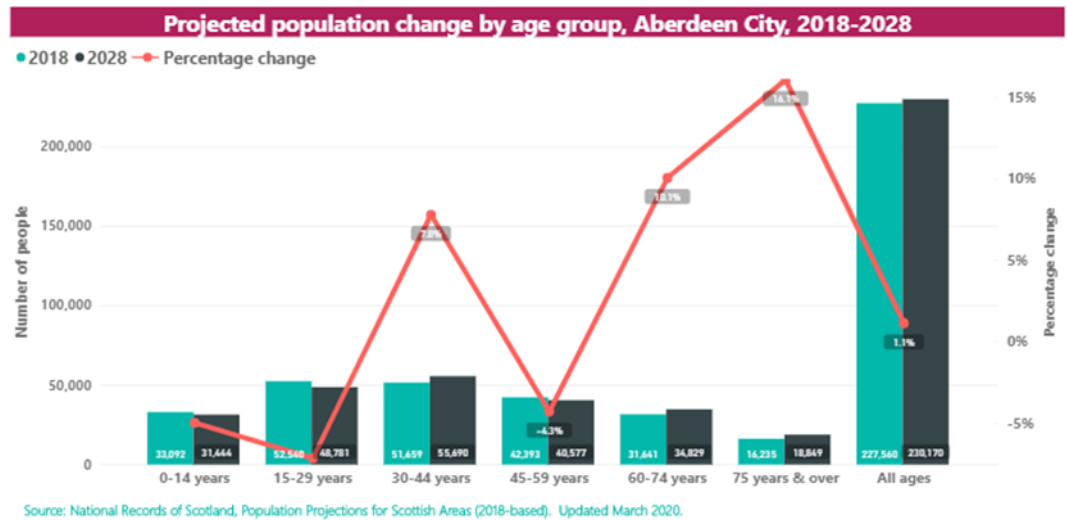
1.20 Aberdeen - Background and Context

1.20.1 Some of the financial challenges affecting the financial sustainability of all local authorities is the pressure from demographic change and corresponding rising demand. The following section highlights some of the main sources of demand and projected future pressures.

1.20.2 Population - The estimated population of Aberdeen in 2021 was 227,430. This is a decrease from the estimated 2020 population of 229,060 (-0.7%). The figure below shows the most recently available population projections for the City and Scotland, as published by National Records of Scotland (NRS). This shows that based on recent trends, the total population of the city is projected to increase by more than 11,000 (1.1%) by 2028. This projected increase is lower than the projection for Scotland as a whole, which is 1.8%. However, these projections are based on 2018 data (NRS have delayed their planned update due to Covid-19).



1.20.3 The age structure of the City’s population is projected to show a decline of 5% in those aged 0 -14 years and 7% of those aged 15 – 29 years over the next 10 years. Whilst increases of 10% and 16% respectively are projected for those aged 60 – 74 years and those aged 75+ years. This brings different challenges for the distribution of resources.



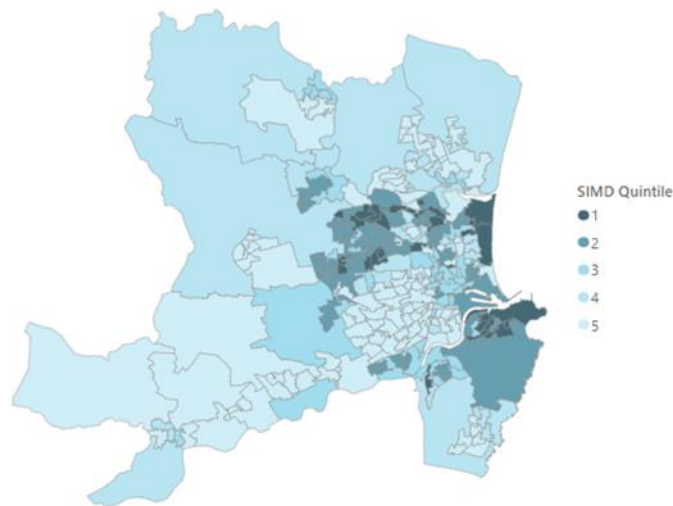
1.20.4 Housing - There is a considerable demand for housing in Aberdeen. House prices fell in the 5 years to 2021, when they returned to 2019 levels and, they remain comparatively high with the Scotland average. Supply of council and social new build properties has recently boosted supply. Recent years have also seen significant increases in supported accommodation both for older people and people with disabilities.

1.20.5 Deprivation - Within Aberdeen there are areas of significant deprivation and inequality. Aberdeen continues to have deprivation ‘hot spots’ that are amongst some of the most deprived areas in the country and these can lie adjacent to some of the least deprived areas. In Aberdeen, 29 areas are among the 20% most deprived in Scotland in 2020, 7 more than in 2016. Highest levels of deprivation are recorded for

crime, housing and education domains. Whilst deprivation is a key driver of demand, it has, proportionately, a smaller impact on funding allocated to the council. The Population Needs Assessment prepared in advance of the review of the City’s Local Outcome Improvement Plan in 2021 highlighted the following key points:

- the impact of the pandemic has been, and will continue to be, felt unequally. This is likely to contribute to greater levels of poverty, inequality and associated vulnerabilities.
- a significant and potentially rapid decline in the working age population is anticipated.
- the city is projected to be amongst the worst affected areas for economic downturn and potential job losses, however, there are still strong economic foundations which can be supported by investment in key infrastructure and a focus on skills, energy transition & diversification.
- rapid and far-reaching change is required to reach the target of net zero by 2045.

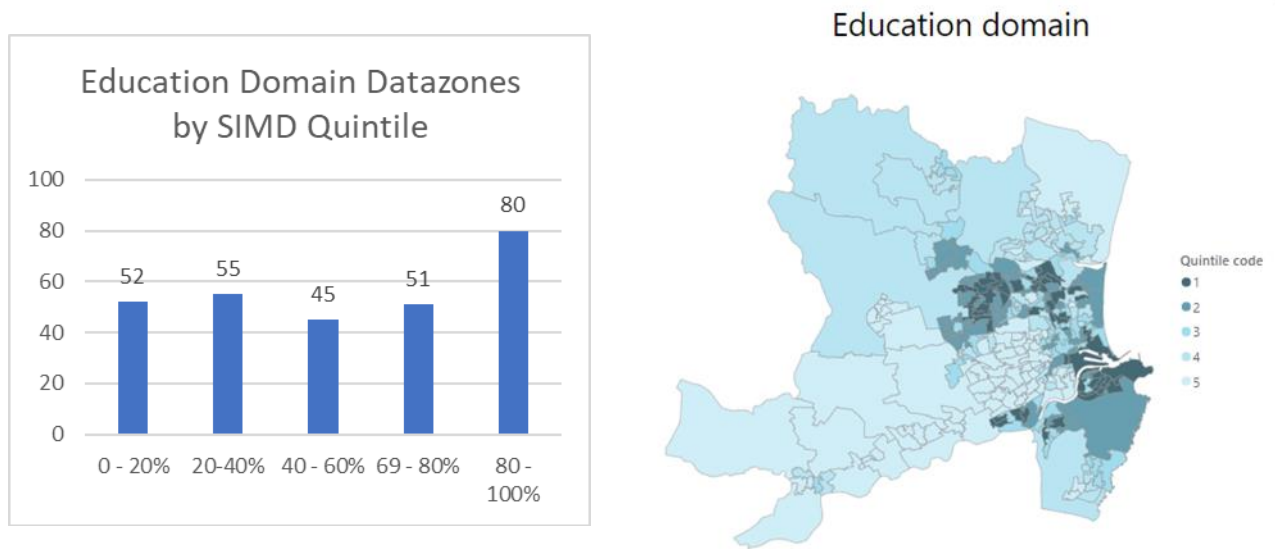
Areas of Multiple Deprivation 2020



1.20.6 Education - Significant investment has been made, and continues, to modernise the city’s school buildings. In line with falling population projections and the potential increase in digital methods of learning, the school estate will continue to be reviewed to ensure it matches future levels and nature of demand. Education is the single largest area of spend for the Council and most funding received for schools is based on the population of children and young people. School rolls have increased over recent years and most recent school roll forecasts project this will continue. The rate of school age population change, compared to the rest of Scotland could have a significant and corresponding impact on funding levels. Recent years have also seen an increasing trend in the number of pupils with additional support needs and a high demand for child and adolescent mental health services. This will be impacted further because of the pandemic.

1.20.7 Recent evidence from school rolls shows an increase in the number of children coming to the city with parents, who are studying at the two Universities, the surprisingly large numbers have been seen as the world emerges from the Covid-19 pandemic and students and study programmes catch up. It is understood that the Universities will continue to seek to attract foreign students, the impact on school populations is unlikely to be at its peak yet. The war in Ukraine has seen over 1,000 refugees arrive in Aberdeen, creating more demand for the services with particular emphasis on schools. With the war continuing it is unclear how long the demand will remain or how much further the numbers will rise.

1.20.8 There is significant variation in educational outcomes across different areas in Aberdeen with 52 datazones being classed within the 20% most deprived in Scotland for the education domain of the Scottish Indices of Multiple Deprivation in 2020.



1.20.9 Children’s Services - Aberdeen has more than 500 children who are “looked after” by the authority (LAC). This is, proportionately the same as the national average (2021 comparisons), a higher rate of the city’s LAC are placed either with foster carers or in residential accommodation and a significantly higher proportion of Aberdeen’s LAC have a recorded disability. The city is largely consistent with the national average of children on the child protection register (2021 comparisons).

1.20.10 Employment - Aberdeen has had historically high employment. Between January 2020-December 2021 the employment rate for the working age population in the region was 76.9%, which was above the rate for Scotland (73.1%). The three major Scottish cities were most affected during the pandemic in terms of job postings, with a larger drop off than the Scottish average.

1.20.11 Claimant count in Aberdeen City had risen from 4,165 individuals in March 2020 to a high of 9,725 by February 2021. Since that high, numbers have decreased month on month, with the 5,350 individuals in May 2022 the lowest recorded since March 2020.

As claimant count provides data on individuals receiving out of work benefit, this shows the situation to be improving.

1.21 Increased financial risk and sensitivity – what Covid-19 means for the short-term

1.21.1 After over 2 years of the UK having to respond and start to recover from the Covid-19 pandemic it remains the case that the city and the council feel the effects of the restrictions, the changes in lifestyle and behaviours and in market conditions. How long these will last and whether they are simply the start of shift in what will be the future normal is hard to say.

1.21.2 What is clear is that the country has not seen the pandemic come to an end, despite the removal of all but a few restrictions and rules over how we live our lives. There is debate about how we should define “the end” - two definitions exist each with a separate timeline:

- An epidemiological end point when herd immunity is achieved; and
- A transition to a form of normalcy characterised by vaccination of the highest risk population, accurate testing, improved treatments.

1.21.3 We know that the need for health and social care undergoes large seasonal fluctuations, peaking in the winter. The size and severity of any influenza epidemic this winter is very difficult to estimate. But regardless, a winter influenza epidemic will further compound the pressures being felt from the Covid-19 pandemic. Vaccination programmes can again be expected to step up ahead of the winter.

1.21.4 In contrast to the financial support provided in the last two financial years, 2022/23 shares none of those additional funding benefits. The financial settlement for Scottish Local Government contained no additional funding for Covid-19 related pressures, with Councils relying on funds retained on the balance sheet at 31 March 2022 to provide resilience into and beyond this year.

1.21.5 In the current year the Council has seen a continued Covid-19 impact, with behavioural and market changes that have affected income from the likes of car parking and property estate. This continues to be reported in the Council’s quarterly financial performance reports.

1.21.5 The impact for next financial year is again difficult to predict with a high level of uncertainty about how the pandemic will continue or end, as described above. At a local government sector level, the speed and scale of economic bounce back economically is crucial to the financial settlement provided to local government, with 100% of the national non-domestic rates (NDR) income being allocated to local government. If the economic position in 2023/24 means that businesses are unable to create the national income levels, or further reliefs need to be provided to specific

sectors of the economy – such as retail, hospitality and leisure this year - then the local government settlement could be at serious risk.

1.21.6 Further risk arises from the consequences of depressed or falling property valuations from the implementation of the Non Domestic Rates (Scotland) Act 2020, Scotland is moving to a three-year revaluation cycle, the next being April 2023, based on property valuations on 1 April 2022. Trading results in the period to 1 April 2022 is going to be particularly important as the valuation is completed.

1.21.7 That said, the latest Scottish Government forecast⁴ shows that the NNDR pool will increase by over 20% in real terms over the next four years, showing optimism in future values.

1.21.8 In addition, the local government sector continues to see increases in demand for services and changes in the need for our services, especially education where the spike in senior phase pupils experience in 2020 has not yet reversed.

1.21.9 The Council remains aware of the financial risks from its arm's length external organisations (ALEOs), and although all have remained self-sufficient throughout the challenges of the pandemic, relying on government grants and other financial support available as well as drawing from their reserves, they always have the potential to require funding from the Council in economic shock situations.

1.22 **Increased financial risk and sensitivity – cost of living crisis, inflation and supply chain volatility**

1.22.1 A combination of factors including ongoing market impacts from the pandemic, the UK's exit from the European Union and the invasion of Ukraine affecting access to supply markets in Russia, Ukraine and surrounding area, have led to a massive rise in inflation and a cycle of market and price volatility and shortages across many commodities which is having a negative impact on the delivery of capital projects, on budgets (General Fund and HRA), on revenue expenditure in the delivery of services and procurement processes carried out for affected commodities.

1.22.2 A forty-year high inflation across many parts of the world, including the UK, is presenting a significant challenge for organisations. The Monetary Policy Report⁵ published by the Bank of England in August 2022 estimates that inflation may rise to 13% within the current year and the economy will slow, resulting in recession. For July 2022 the rate of inflation (CPI) was at 9.4%. The chart below from the report shows that inflation is anticipated to fall next year and be within the 2% target level in two years' time:

⁴ [Scottish Government, Resource Spending Review, 31 May 2022, Annex A: Table 13](#)

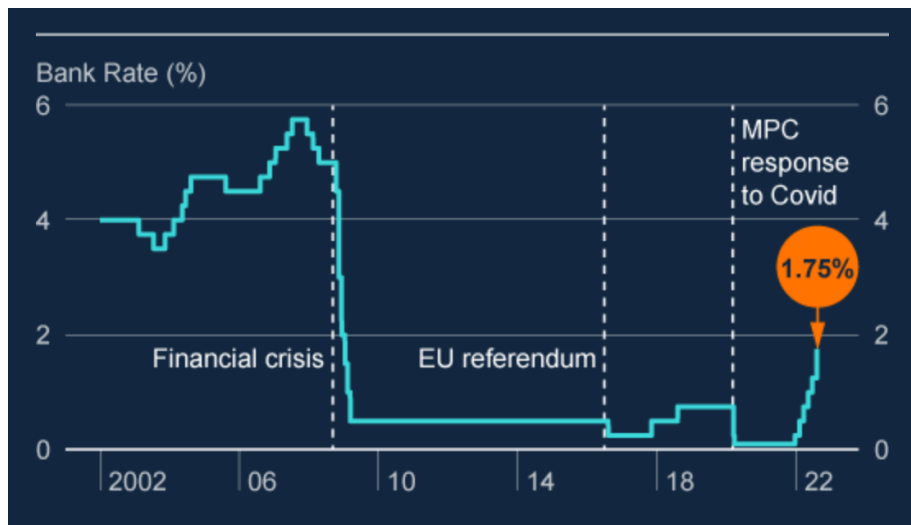
⁵ [Bank of England, August 2022, Monetary Policy Report](#)

Chart 1: Inflation (CPI) Forecasts, Bank of England, August 2022



1.22.3 The Bank of England, in response, has increased the base interest rates for bank lending monthly since January to control inflation. The rate is now 1.75% (up from 0.25% in January).

Chart 2: Bank of England Base Rates (%), August 2022



1.22.4 It is not yet certain if this will address the inflation pressure in the timescale predicted given the complex set of market conditions, and the supply side nature of the inflationary pressure. The global market is continually evolving in these uncertain times, and it is difficult to predict how long markets will continue to experience this level of volatility e.g. the full impact of the situation in the Ukraine is extremely difficult to anticipate and it remains to be seen whether this will extend past 2022. However, if inflation decreases as anticipated in 2023 then this would indicate more stable markets lie ahead.

1.22.5 Essential day to day commodities are experiencing some of the worst of the price changes, and the impact on energy bills that the cost of supplies are having on household and business utility bills is extremely well documented, before it was

exacerbated by the war in Ukraine and countries moved to replace Russian oil and gas with other sources. Citizens and businesses have seen the increase in petrol, diesel, gas and electricity rising to levels that have seldom been experienced before. Limited government intervention is making support available to everyone, a cut in fuel duty and a reduction on Council Tax for many, with more support to come in the Summer and Autumn. However businesses, including Councils, are not protected in the same way and face extraordinary levels of cost and spending on utilities, gas prices for the council are up over 160% on last year.

1.22.6 Utilities and fuels are not the only commodities to suffer, with food and basic ingredients and supplies such as bitumen also recording large increases. It is becoming more and more common for price increases to be passed on to consumers from the manufacturers as the prices don't let up. All add up to a cost of living crisis.

1.23 **Increased financial risk and sensitivity – Council resilience**

1.23.1 To counteract some of the risk, mitigation in place includes retaining funding provided over the last two year that the Council has been able to avoid spending. This remains available as earmarked reserves on the Council Balance sheet at the end of March 2022.

1.23.2 The Scottish Government has approved a few fiscal flexibilities over the last two years, and these have been in place to provide a degree of support to the Council. The Council is using the deferral of debt in order to balance the budget in 2022/23 and will continue to examine the opportunities made available by the Concession agreement flexibility, the guidance for which has recently been published. There are currently two:

1. Concession agreement arrangements, for example PPP/PFI service contracts, applying revised international accounting standards that are due to be implemented in 2022/23 could provide scope to make debt repayments included in these contracts over an extended period (the life of the assets rather than the life of the contract). The original intention was evaluated to have a significant impact on the council's payment profile however a revised scheme has recently been approved by the Cabinet Secretary for Finance and the Economy and guidance issued, which is still being analysed. Any benefit arising from this scheme should be linked to investment in the future of services, with a demonstrable return.
2. Loans fund repayment holiday, deferring the planned repayment of debt principal for 2020/21, 2021/22 or 2022/23 (not all years), creating a saving. This is not a cancellation of the money owed, and the council will then face higher payments in future years to repay the missed payment over a period of not more

than 20 years. It has been an important flexibility for the current year that assists in the short-term but cannot be relied upon again.

1.23.3 The Council's approved Reserves Policy confirms a commitment to retaining a minimum of £12m of uncommitted General Fund reserves to rely on in an emergency. As at 31 March 2022 that commitment was met, with £12m held in the General Fund Reserve.

1.24 **Conclusion:**

1.24.1 The council's operating environment remains extremely complex and multi-dimensional, with that level only increasing in the last year, alongside an increase in the demand it experiences and a high ambition for improvement. This places pressure on the resourcing of all elements of council activity to the desired level and tension between where funds are deployed for best value.

1.24.2 Unexpected and sustained changes to the environment add to these resource allocation decisions. There remains much uncertainty and debate about what constitutes an end to the Covid-19 pandemic and when that will be. There is the addition of another unknown 'end date', the war in Ukraine. The increased expectation of continuing to deliver business as usual in the face of everything remains a major and sustained challenge.

1.24.2 Throughout 2020 and 2021, we saw a considerable financial injection from government to mitigate the impact of the required public health measures to the virus. This has not been extended into 2022/23, therefore the council is living within the means it has. Generic financial support to councils has not been forthcoming to any material extent, and it is therefore unlikely to feature in the short to medium term either

1.24.3 Drawing on the detail in Section 3, following the Scottish Governments Resource Spending Review, published on 31 May 2022, the council must address the cost pressures it faces with a funding scenario that will offer no better than 'flat cash' for the next three years and potentially a 1% increase in year four (2026/27). The annual Scottish Budget and associated Local Government Settlement will confirm the full extent of the funding package for Local Government

1.24.4 Council Tax remains the highest value financial lever that the council has, exercising an increase in the rate annually provides opportunity to increase income of a recurring nature although economic growth will have an impact on the value of uncollected sums and the overall rate of change in the number of chargeable properties.

1.24.5 Fees and charges (internal and external) should be expected to remain a positive contributor to the council although the impact of the pandemic still being felt in the

current year and behavioural and market changes will continue to shape large sums of income going forward.

- 1.24.6 Balancing the budget and MTFS using the mechanisms described in Section 5 will mean that proposals for a 2023/24 budget [and indicative budgets for the four subsequent years] will be submitted to council's budget meeting in March 2023.

2. THE FUNDING CONTEXT BEYOND 2022/23

2.1 Economic Outlook

2.1.1 While 2020 will undoubtedly be seen as a year when everything changed it was not meant to be as persistent and dominant moving forward. 2020 saw an unprecedented government intervention in response to the Coronavirus pandemic brought about global changes in how we live our lives and the corresponding consequences on business and the economy. Today the pandemic is still with us, it is different and with restrictions being all but gone from daily life, implications linger on providing no certainty on the future direction it will take.

2.1.2 The Office for Budget Responsibility⁶ said in March 2022 “Since our October forecast, the Omicron variant emerged, spread rapidly, and then declined. But with hospital admissions rising again in recent weeks in the UK, and in other parts of the world, it remains too early to consider the pandemic as over.”

2.1.3 It is hard to say that the implications run as deep as they did in 2020 and 2021, but it would also be wrong to say that everything was back to normal, or as things used to be. The Council continues to feel the impact of lower income from parking and from commercial property; a shift in demand for services, such as education from higher school rolls; and additional cost to deliver capital investment.

2.1.4 As the country, and the world, thought it was through the worst of the pandemic, this MTFS is presented in the context of a further global shock, the invasion of Ukraine by Russia in February 2022. This brought untold human misery to the people of Ukraine, caught up in a conflict that continues today, with no end in sight.

2.1.5 The war has also brought repercussions for the global economy, already damaged by the pandemic, by supply bottlenecks and by rising inflation.

The OBR⁷ observed that “A fortnight into the invasion, gas and oil prices peaked over 200 and 50 per cent above their end-2021 levels respectively.” The UK being a net importer of energy, higher global prices for energy will weigh-down a UK economy that is only just getting back to pre-pandemic levels.

2.1.6 The extent of the impact on the supply chain, the cost of commodities and inflation was reported to the City Growth and Resources Committee and detailed the impact that the volatility was having on the Council. The real impact is not only being experienced by the public sector, but for individuals, families, businesses, in fact everyone, the added costs are very real. The squeeze on household and business

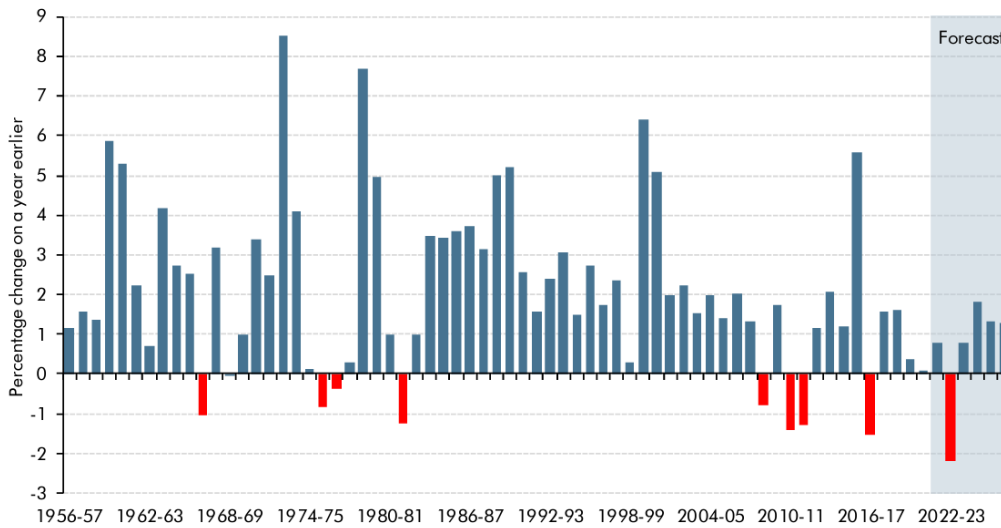
⁶ [OBR, March 2022, Economic and Fiscal Outlook](#)

⁷ [OBR, March 2022, Economic and Fiscal Outlook](#)

incomes does not make for good reading as a cost of living crisis emerges and continues to deepen.

2.1.7 The OBR⁸ forecast that the cost of living would lead to a lowering of living standards, by 2.2% in 2022/23, their largest financial fall on record, and not expected to recover until 2024/25.

Chart 3: Change in real household disposable income per person



Source: ONS, OBR

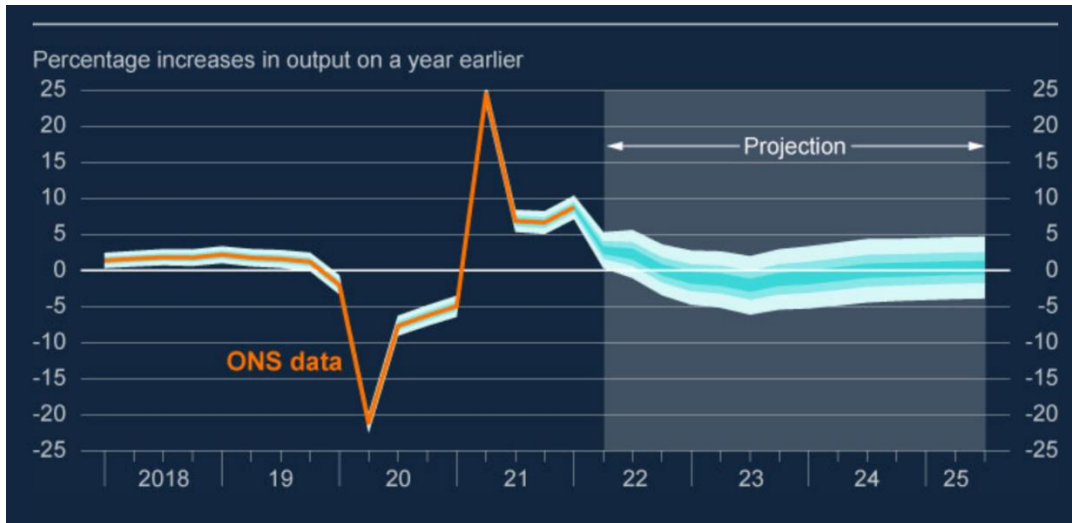
2.1.8 The impact on the economy was brought into sharp focus in recent weeks as the Bank of England forecast that the UK will enter recession. Their Monetary Policy Report⁹ concludes that a key judgement is “given the sharp decline in household real incomes, consumer spending falls over the next year and the UK economy enters recession.” This reflects the adverse impact of the steep increases in energy and non-energy commodities on UK household incomes and spending.

2.1.9 These pressures will increase further as the price cap on energy costs will be reset in October and will feed through to consumers, raising tariffs for most. The support in place to help people with these costs has already been distributed through different means over the course of the last few months and further support is in place to assist energy bills directly from October through to March 2023 and for most will be applied to energy bills. This will not prevent what the Bank of England sees as inevitable, even in the most positive of forecasts recession is expected if only for a short period.

⁸ [OBR, March 2022, Economic and Fiscal Outlook](#)

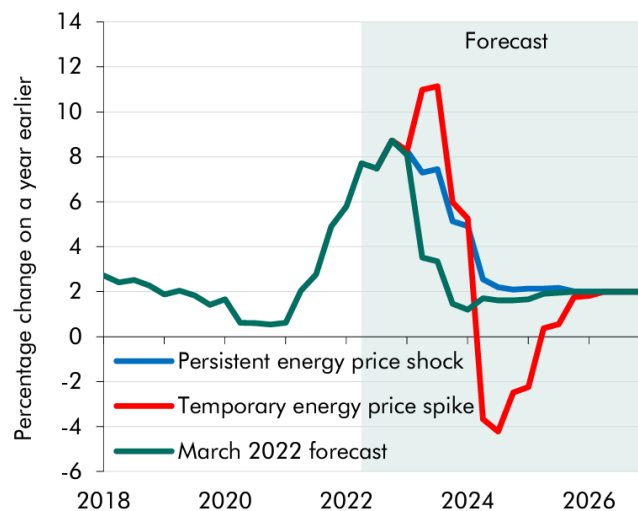
⁹ [Bank of England, August 2022, Monetary Policy Report](#)

Chart 4: GDP growth projection based on market interest rate expectations, other policy measures as announced



2.1.10 Consumer Prices Index (CPI) forecasts have been knocked aside by the events of recent months as inflation has continued to rise steeply in the face of energy and food price rises, and consumer good supply issues. The latest forecasts by the OBR¹⁰ show the difference that exists now between their forecasts made in March 2022. And it is somewhat comprehensible that in the last MTF5 the forecast for inflation was set to reach 4.4% in 2nd quarter of 2022, yet the actual CPI for June 2022 is 9.4%. According to the chart inflation should return to the Government target of 2% in the medium term. See Chart 5.

Chart 5: CPI Inflation



2.1.11 The Bank of England, in their August 2022 Monetary Policy Report forecast that inflation (CPI) will not only continue to rise this year, but peak at 13.1% by the end of

¹⁰ [OBR, July 2022, Fiscal Risks and Sustainability slides](#)

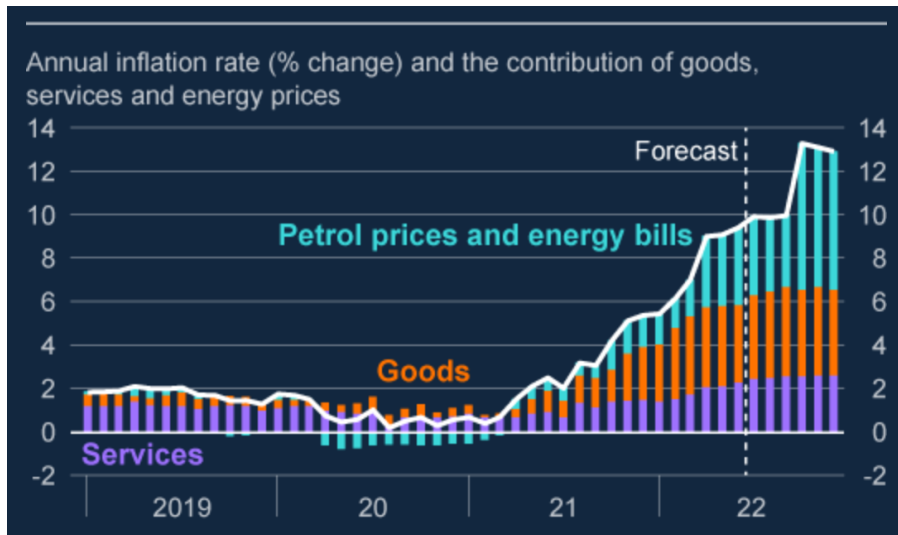
Quarter 4, 2022, before falling back to the long-term target rate of 2% in Quarter 3 of 2024, dipping below this thereafter.

Chart 6: CPI inflation projection based on market interest rate expectations, other policy measures as announced



2.1.12 To illustrate just how much of an impact the energy crisis has on our cost of living the Bank of England produced¹¹ the following chart, that shows the relative proportion of forecast inflation to be created by good, services and fuel and energy prices.

Chart 7: CPI Inflation components

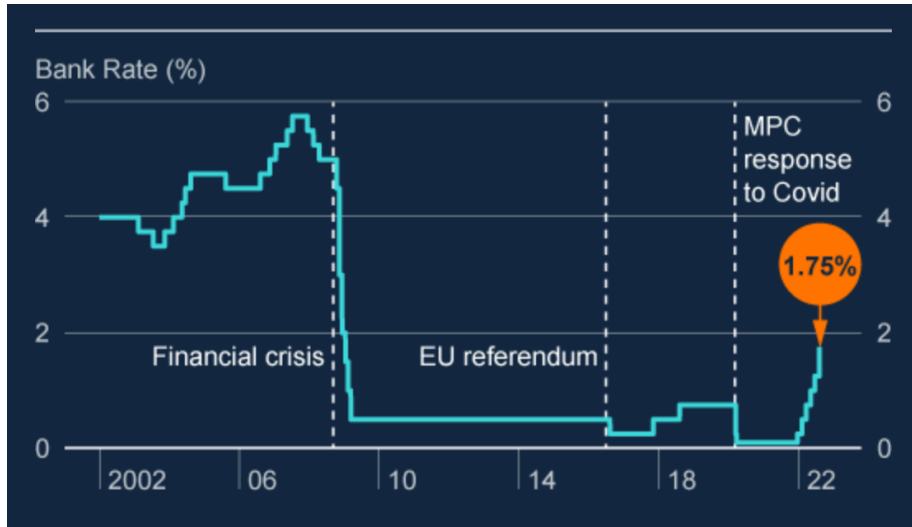


2.1.13 To control inflation the Bank of England has exercised its power to increase the cost of borrowing, and in doing so, encourage people to save money, the result is that, on the whole, less is spent on goods and services. Less spending on goods and services means prices tend to rise more slowly, reducing the inflation rate. Over the last 8 months the Bank has increased the base interest rate steadily, with the rate reaching

¹¹ [Bank of England, August 2022, Monetary Policy Report](#)

1.75% following the July 2022 meeting of the Bank’s Monetary Policy Committee (MPC).

Chart 8: Interest Rates

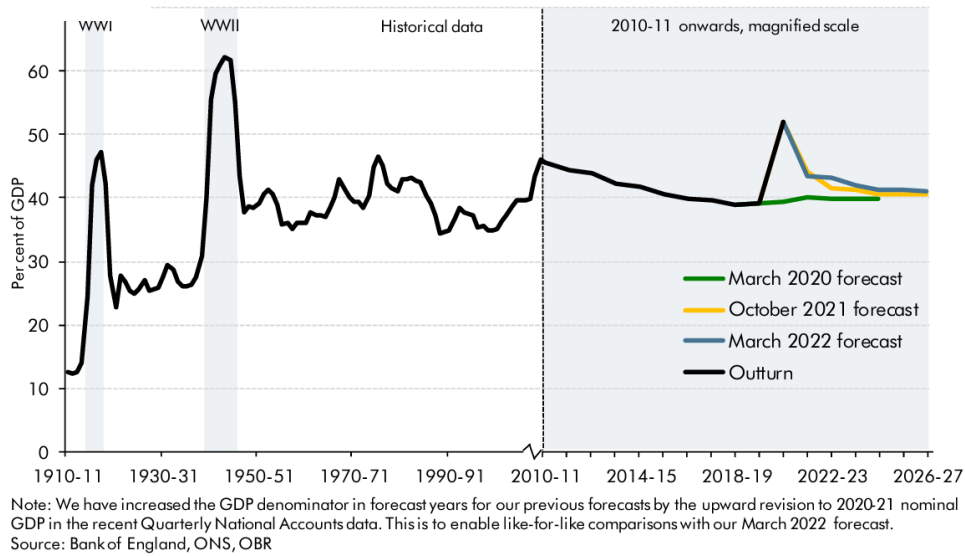


2.1.14 On public spending the Office for Budget Responsibility stated¹² “The pandemic and the fiscal policy response to it pushed public spending to a post-World War II high of 52 per cent of GDP in 2020-21. It is expected to fall by £88 billion (8 per cent) to 43 per cent of GDP in 2021-22 [Chart 9], but that remains 4 per cent of GDP higher than the pre-pandemic level in 2019-20.” The reduction in 2021/22 arose from financial support schemes being turned off, such as the furlough scheme and business grant schemes coming to an end.

2.1.15 It remains to be seen if the reductions in spend will be sustained given the cost of living crisis, the support being provided for that (subject to additional taxes on the energy sector) and the additional costs of the war in Ukraine, whether that be in support to the war effort by the UK or in support of refugees coming to the UK for safety and security.

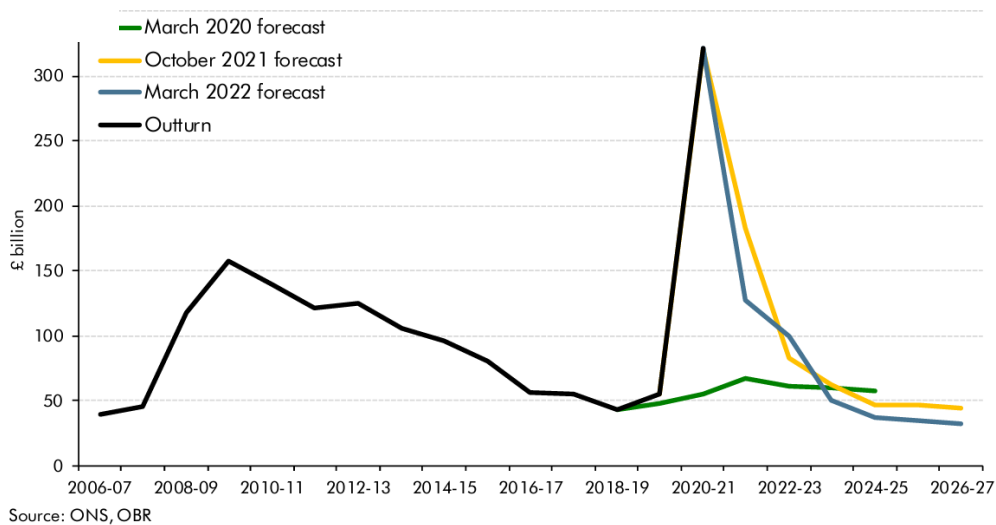
¹² [OBR, March 2022, Economic and Fiscal Outlook](#)

Chart 9: Public Spending as a percentage of GDP



2.1.16 The impact of this and resultant Public Sector Net Debt level must be seen in the context of recent changes to net taxes, with not only the 1.25% levy for health and social care on employees, employers and the self-employed, but also the corporate and personal tax increases included in the March 2021 Budget. The position for borrowing in 2021/22 was revised down by £55bn, relative to the October 2021 forecast, while tax receipts were revised up by £38bn, and both help to deliver a lower level of borrowing required in 2021/22 than forecast. Despite this the forecast for 2022/23 is not so favourable, with £115bn of borrowing required in the current year to address the impact of inflation, particularly on debt interest payments and support policies regarding cost of living. A concession to cut fuel duty by 5p in March 2022 as well as an increase (July 2022) to the National Insurance contribution threshold meant that some of the tax benefit previously captured was handed back to individuals.

Chart 10: Public Sector Net Borrowing



2.1.17 Despite low borrowing rates, the debt will have to be serviced by the UK budget and ultimately repaid, forecasts have been updated by the OBR reflecting higher inflation in the short term and higher interest rates across their forecasts. With spending priorities demonstrated in the 2021 Budget, the Chancellor provides a platform for new expenditure and commitments to be met from increased spending but for those areas of the public sector that are reliant on the grant funding to deliver universal services that are unprotected, such as local government, there will be challenges ahead to keep pace with rising inflation and rising demand. The Chancellor's budget in October 2021 provided the Scottish Government with a multi-year settlement and the implications of that have been incorporated into the Scottish Government's Resource Spending Review and accompanying Medium Term Financial Strategy, published on 31 May 2022. This provides the Scottish public sector with an understanding of the resource priorities for the next four years.

2.2 Other Significant External Risks

- 2.2.1 *Climate Change* – The OBR in its Economic and Fiscal Outlook, October 2021¹³, says that “The fiscal risks presented by climate change include both ‘physical risks’ stemming from global warming itself, as well as ‘transition risks’ relating to the shift towards a low-carbon economy. Since our report in July, the physical risks are largely unchanged and subject to the outcome of the COP26 negotiations but will remain highly uncertain and particularly difficult to forecast and quantify even after that.” The transition risks become clearer from the 2021 Spending Review, with what they describe as “...significant net zero public investment funded within the 2021 Spending Review envelope. Our fuel duty forecast also reflects faster than expected take-up of electric vehicles reducing revenues. But the largest risks from the transition to net zero remain beyond our forecast horizon. And they continue to be dwarfed by the potentially catastrophic risks that unmitigated climate change would bring.”
- 2.2.2 *Exit from the European Union (EU)* – The UK left the EU on 31 January 2020 and entered an 11-month period of transition during which the UK effectively remained within the EU's customs union and single market and continued to be subject to EU rules. That came to an end on the 31 December 2020. The nature of the agreement with the EU and subsequent arrangements put in place, as well as trade deals with non-EU countries, are expected to impact over time on a range of areas such as trade, skills, and EU funding.
- 2.2.3 *Pressures on other public sector organisations* – All public sector organisations are under increasing financial pressure as changes in funding and increases in demand are not supported by funding. Whilst Aberdeen City has a strong record in working with partners to improve outcomes, prevent harm and increase public sector efficiency, the additional pressure on all public sector agencies may raise the risk that

¹³ [Office for Budget Responsibility, Economic & Fiscal Outlook, October 2021](#)

preventative activity, which is necessarily multi-agency in nature, may be more difficult for partners to sustain when facing increasing pressure to support responsive services. Behaviours which are not based on a whole system approach and are narrowly defined by attribution of cost benefits to individual organisations should be avoided.

- 2.2.4 *Emergency Response* - Covid-19 was the primary focus of emergency response in 2020, but other emergency events and situations are likely to occur. These may include, for example, incidents related to climate change; terrorist attacks; infrastructure issues with national implications (e.g. Grenfell Tower); further pandemics, etc. The council's own plans to respond and recover quickly and effectively from longer term emergency incidents are being further strengthened and may require further financial investment.
- 2.2.5 *Corporate Liabilities* – Local authorities are exposed to several liabilities which have significant financial pressures if they occur. For example, the cashflow and cost impact of Developer Obligations not being paid to support required asset enhancement; litigation and claims against the council; and fines can be imposed on councils by the Health & Safety Executive, the Information Commissioner and other regulators.

2.3 The Funding Outlook – UK

- 2.3.1 Commentary¹⁴ from the Institute of Fiscal Studies (IFS) on the UK Autumn Budget¹⁵ and Spending Review 2021 (27 October 2021) noted that English local government, despite a real increase in spending power, will still struggle, with limits on Council Tax increases, grants being frozen from 2023/24 and demands keep increasing particularly in the social care sector. Critically it will be the consequentials of the UK Budget, flowing into through the Barnett Formula and the decisions of Scottish Government that will have the greatest impact on Scottish local government sector.
- 2.3.2 The 2021/22 UK Budget, in March 2021, amounted to £1,053bn. Funding for the budget relies on employment and indirect taxes, for example VAT, therefore the importance of employment levels and individuals having disposable income available to them cannot be understated. The consequence of the economic position described in the previous section made the impact on public sector spending all too stark. UK revenues for 2021/22 were budgeted to be £820bn, a gap of £233bn which will have to be borrowed.
- 2.3.3 Borrowing plugs the gap for the short-term, but as discussed above the situation is unsustainable and the repayment of the net debt must be achieved to provide market stability and maintain strong credit credentials on the global stage.

¹⁴ [Institute for Fiscal Studies, Commentary on Autumn Budget and Spending Review 2021](#)

¹⁵ [UK Government, Autumn Budget and Spending Review 2021](#)

- 2.3.4 As referenced earlier the significant spending that supported and continues today to support the pandemic response and recovery will not last sustainably. To address the imbalance spending will have to fall and/or taxes will rise. The Chancellors 2021 Budget and Spending Review, delivered on 27 October 2021 emphasised both, with spending supported by increased taxes and commitments to the likes of health and social care from a 1.25% levy on people and businesses being incorporated in the 3-year budget.
- 2.3.5 With the Scottish Budget continuing to be heavily reliant on the Barnett formula that distributes the Block Grant to Scotland – approximately two thirds comes to Scotland from the UK Treasury – then any changes in UK Government funding policy and the size of the UK Tax Revenues will have a material impact on Scottish public services. The 2021 UK Autumn Budget and Spending Review¹⁶ maintained a strong focus on ‘Levelling Up’ and the desire and mechanisms through which funding can be distributed from UK Government to all parts of the United Kingdom. This agenda has already resulted in opportunities to bid for capital-based funding, and this is described in more detail in Section 4. It is expected that a similar approach to the distribution of the Shared Prosperity Fund will apply, so the Council must be actively tracking the detail on the process to ensure it is in the best place to access the funding when it is released.
- 2.3.6 From the Block Grant perspective, the Chancellor set out, in his budget, the funding for the devolved administrations, in the context of improved economic outlook, from a quicker than expected recovery in 2021/22, and longer-term impact ‘scarring’ is expected to have less of a permanent impact.
- 2.3.7 While the Chancellor resigned in July 2022 there has been no direct impact from a new Chancellor as subsequently the resignation of the Prime Minister has led to a Conservative and Unionist Party leadership battle. It remains uncertain what the change in the Prime Minister, due to be announced in September 2022, and Cabinet changes that will follow will have on the potential scenarios that have been presented in the UK Budget and how this will affect the Scottish Block Grant.

2.3.8

2.4 The Funding Outlook – Scotland, Local Government and Aberdeen City Council

- 2.4.1 The primary source of funding for the delivery of Council Services is the Scottish Government through the allocation of general revenue and capital grants, and the distribution of national non-domestic rates income. In Scotland local government

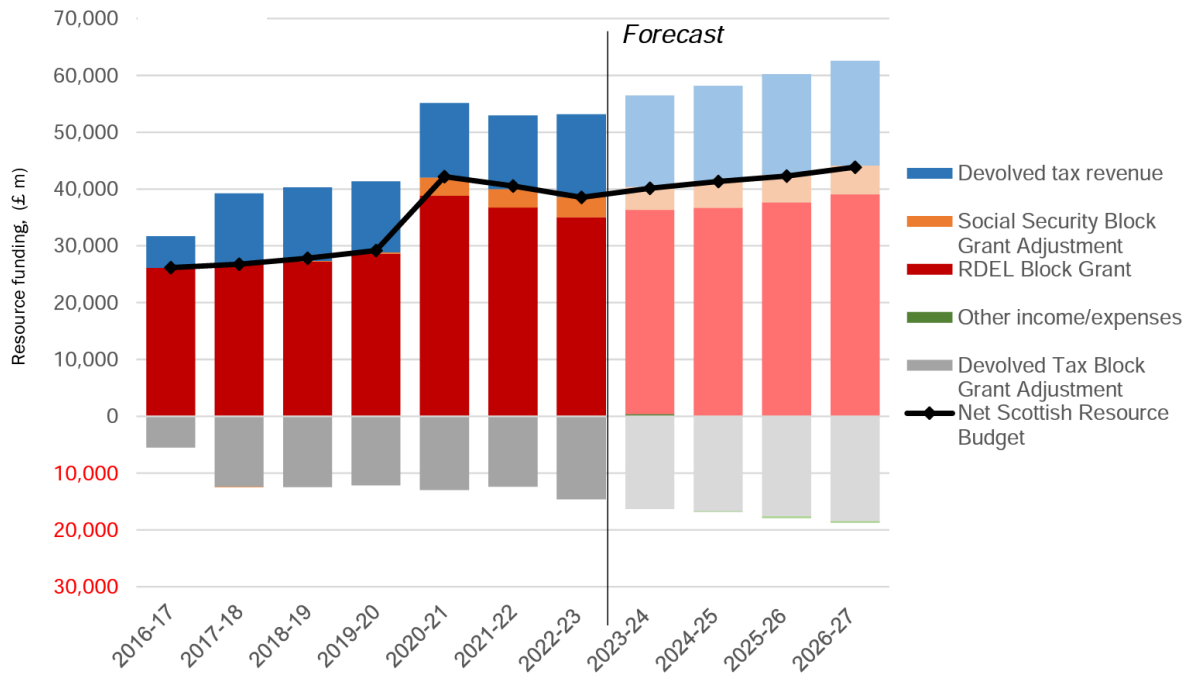
¹⁶ [UK Government, Autumn Budget and Spending Review 2021](#)

funding accounts for almost a quarter of the total budget, in 2022/23 approximately £12.7 billion¹⁷ (revenue and capital).

- 2.4.2 With approximately three quarters of the Council's net revenue funding being received in this way it is simple to see why UK and Scottish Government policies and economic forecasts impact on the level of Council funding.
- 2.4.3 The Scotland Block Grant from UK Treasury is based on the Barnett Formula, adjusted to take account of taxation and fiscal powers now devolved to the Scottish Government. This adjustment is captured under the Fiscal Framework between the UK and Scottish Governments. The Framework is currently under review, with additional flexibility being sought by the Scottish Government. In turn COSLA are seeking to put in place a Fiscal Framework between Scottish Government and Scottish Local Government.
- 2.4.4 The Scottish Government, having published a single year budget in December 2021 for financial year 2022/23, published a further suite of documents to support a multi-year funding framework for the public sector in Scotland. These documents were:
- Investing in Scotland's Future: Resource Spending Review
 - Scotland's Fiscal Outlook: The Scottish Government's Medium Term Financial Strategy
 - Capital Spending Review
- 2.4.5 In the Medium Term Financial Strategy the prospects for the funding available to Scottish Government are said to "...grow steadily over the next four years, with slightly higher growth from 2025-26. Relative to 2022-23 levels, the funding envelope grows by 14% by 2026-27. In real terms the growth is only 5% in aggregate over the next 4 years, largely due to the growth in Block Grant not keeping pace with inflation." Stripping out the increases associated with social security benefits then growth "...implies real terms growth of just 2% across the whole four year period."
- 2.4.6 The Scottish Government forecast the components of the Scottish Budget income, through to 2026/27, to be as shown in the following chart.

¹⁷ Scottish Government, March 2022, Finance Circular 01/2022

Chart 11: Historic and forecast composition of funding envelope (current prices), excluding NDR Income



2.4.7 For financial year 2022/23 Scotland’s Budget, excluding Annually Managed Expenditure (AME)¹⁸, amounted to £41.8 billion, when set in March 2022. This is the element of the budget the Scottish Parliament can make decisions about.

2.4.8 From 2020/21 the Scottish budget reflects the changing picture of devolved powers, including devolved social security payments and farm payments, previously funded by the EU.

2.4.9 Notable is the adjustment to the block grant for the devolved tax raising powers that now sit with the Scottish Parliament. The size of the Scottish Budget is therefore directly affected by economic performance, through taxation revenues, in Scotland compared to the rest of the UK. Diverging economic performance could place added pressure on the Scottish Budget in future years.

2.4.10 On 7 July 2022 HMRC published¹⁹ the Income Tax outturn statistics for tax year 2020/21. The Fraser of Allander Institute (FAI)²⁰ commented that “As a result of the pandemic, Scottish income tax revenues in 2020/21 were much lower than had been forecast. But the operation of the fiscal framework – and the fact that the pandemic

¹⁸ AME is specific grant funding paid by UK Government to cover costs such as NHS and teacher pensions and student loans. It amounts to about £9 billion per annum.

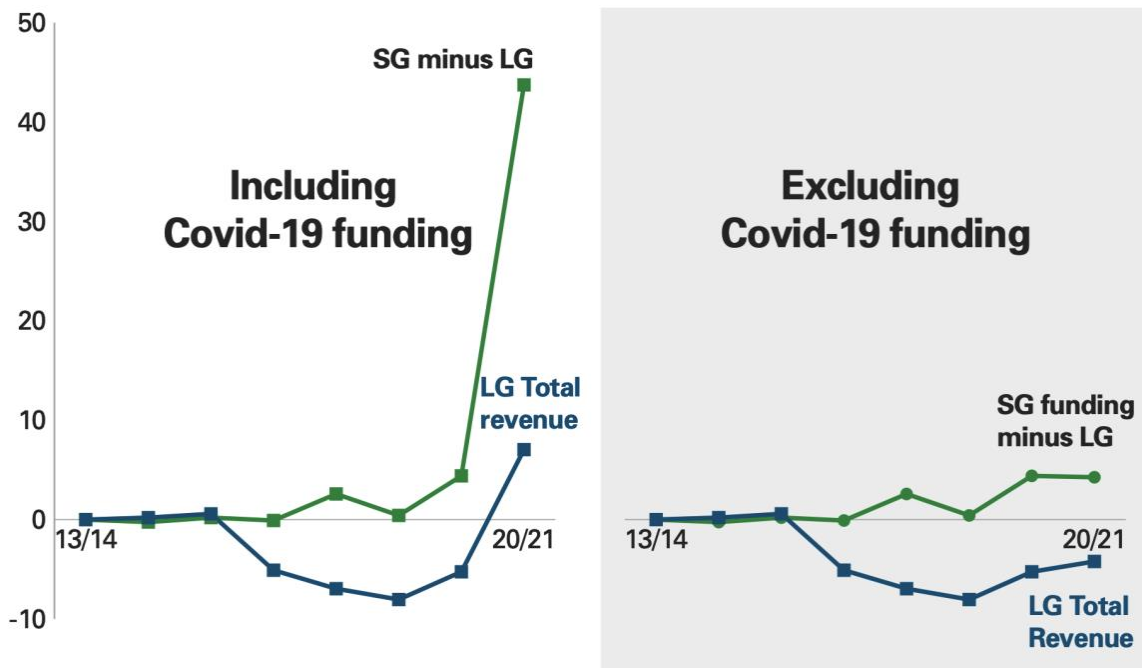
¹⁹ [HM Treasury, July 2022, Scottish Income Tax outturn reconciliation for 2020/21](#)

²⁰ [Fraser of Allander Institute, 7 July 2022, Outturn Scottish income tax revenues 2020/21](#)

affected tax revenues in the UK as a whole as much as in Scotland – nullifies any negative impact on the Scottish budget. Moreover, the outturn statistics for 2020/21 are significantly more positive from the Scottish government’s perspective than had been anticipated just a few weeks ago. This provides a modest boon for the spending outlook in 2023/24 relative to what had been pencilled in at May’s Spending Review.”

2.4.11 While this might provide a glimmer of hope for the final settlement in 2023/24 it is impossible to get away from the shortfall in funding that has been provided to Local Government in Scotland for the last decade. The Accounts Commission published its latest Local Government in Scotland Overview report²¹ on 25 May 2022, which continued to highlight the long-term position that Local Government is the poor relation of other parts of the Scottish public sector, excluding the effects of Covid-19 pandemic funding “...councils’ underlying cumulative funding has fallen by 4.2 per cent in real terms since 2013/14. This is in contrast to an increase of 4.3 per cent in Scottish Government funding of other areas of the budget over the same period.” This can be illustrated in the following chart.

Chart 12: Comparison of real terms changes in revenue funding in local government and other Scottish Government areas (including and excluding Covid-19 funding)

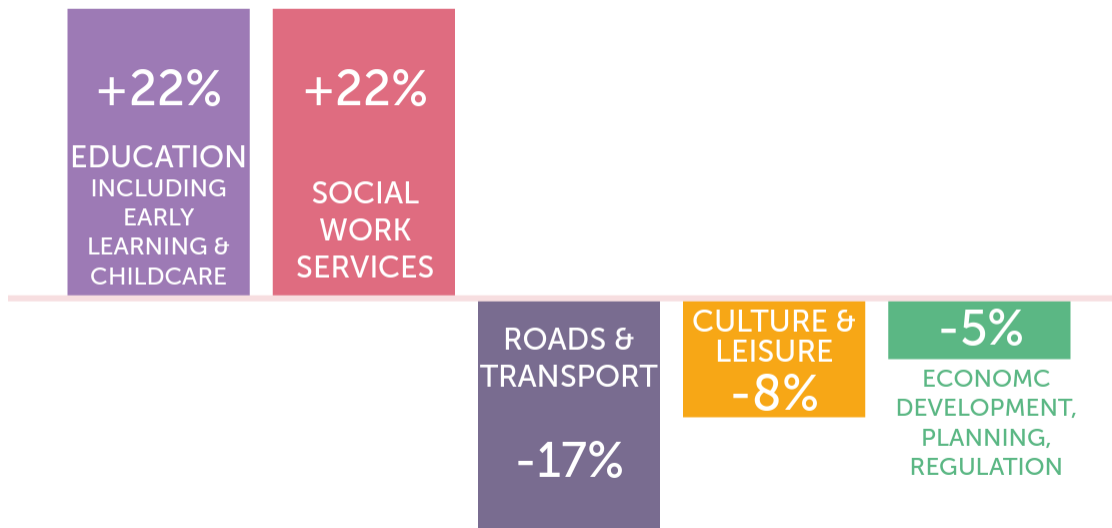


Source: Finance Circular 5/2021 and Scottish Government budget documents

²¹ [Accounts Commission, May 2022, Local Government in Scotland Overview 2022](#)

2.4.12 The quantum of the local government settlement is not the only issue arising, as the funding context for Scotland is one that is driven strongly by national policy and commitments. This is seen in the extent to which the local government budget is truly determined locally. According to the Convention of Scottish Local Authorities (COSLA), in its “Live Well Locally” budget campaign documentation²² states that “Over recent years, Local Government’s total funding has reduced in real terms – and at the same time, Scottish Government has prioritised & ring-fenced spend in areas like education & social work. So while spend in these areas has gone up, less resource overall means it has been at the expense of areas like economic development, roads & transport, all critical in attracting investment, developing businesses, creating jobs and addressing climate change.” Information collected for Scotland shows how stark the disparity is.

Chart 13: Change in net revenue expenditure between 2013/14 and 2021/22 (Estimate)



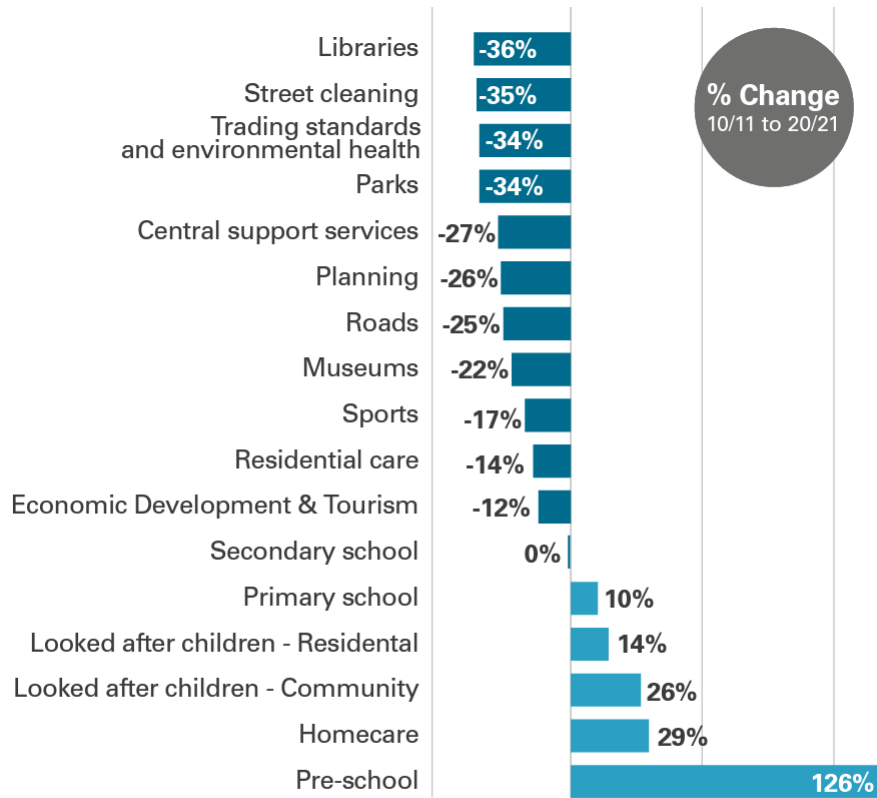
Source: COSLA, Live well locally

2.4.13 The Accounts Commission²³ presented a similar picture in its latest report, reinforcing the extent to which national policy is shaping the allocation of resources at a local level.

²² [COSLA, December 2021, Live well locally campaign](#)

²³ [Accounts Commission, May 2022, Local Government in Scotland Overview 2022](#)

Chart 14: Percentage change in expenditure (real terms) by service from 2010/11 to 2020/21



Source: LGBF 2020/21 data, using Audit Scotland Covid-19 adjusted methodology for calculating real terms (page 7, [Local government in Scotland: Financial overview 2020/21](#) for further detail)

2.4.14 With national policy at the forefront, it is impossible to ignore the impact that the National Care Service (NCS) will have on local government. The NCS (Scotland) Bill²⁴ has been published and allows Scottish Ministers to transfer social care responsibility from local authorities to a new, national service. This could include adult and children’s services, as well as areas such as justice social work. Scottish Ministers will also be able to transfer healthcare functions from the NHS to the National Care Service. The Bill is currently at Stage 1 – where Parliamentary Committees examine the Bill and gather views. This will lead to debate and MSPs deciding on the purpose (general principles) of the Bill. Gathering views and responses to the Bill closes on 2 September 2022.

2.4.15 In terms of impact COSLA describes “The inclusion of Children’s Services within the Scottish Government’s National Care Service Consultation went far beyond the scope of the Independent Review of Adult Social Care, and it was clear in the analysis of the consultation that many respondents agreed with COSLA’s view that there was a

²⁴ [Scottish Parliament, 20 June 2022, National Care Service \(Scotland\) Bill](#)

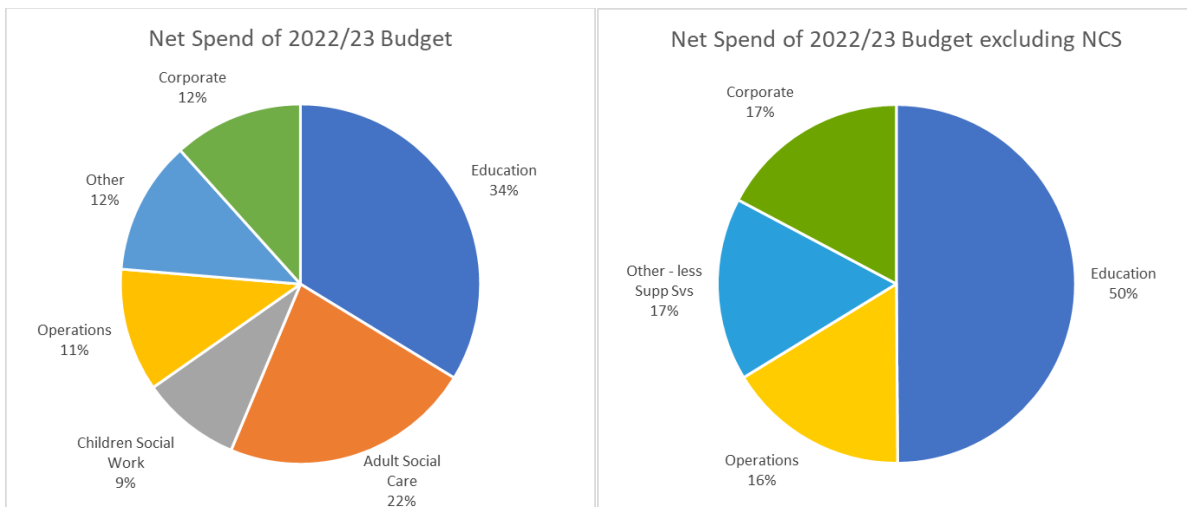
significant lack of evidence and data to justify the inclusion of children’s services in a National Care Service.”

2.4.16 While there is process and procedure to go through it is necessary that assumptions, from our financial perspective, have to be made about what it means for our financial planning. To do this the Council has examined the accompanying Financial Memorandum²⁵ and extrapolated this alongside the other demand and cost assumptions that are contained in the MTFs models. Assuming that all of the identified services are removed from local government then the shape of councils will shift dramatically.

2.4.17 The Council currently budgets to spend approximately £168m on Adult, Children and Justice Social Work and associated central support services, from a net budget of £516m, representing one third of net expenditure this year. That spending is expected to rise to £175m for the first year of operation of the NCS, 2025/26.

2.4.18 Removing the spending results in Education being the dominant service provided by the Council, with half of the remaining net expenditure being allocated to deliver education and early years services.

Chart 15: General Fund Budget 2022/23, including and excluding NCS services



2.4.19 The dominance of Education presents a major challenge given the extent of national policy driving prioritisation and national conditions that are in place for these services, whether these be teacher pay and conditions, financial settlement conditions on pupil teacher ratios. It potentially limits the extent to which local decisions can make changes to the way our resources are allocated, perhaps shifting the focus for savings

²⁵ [Scottish Parliament, 20 June 2022, National Care Service \(Scotland\) Bill FM](#)

and income generation to those that are of a different nature, operational, support and enabling services.

2.4.20 In addition to the obvious revenue budgets that are prepared annually, a National Care Service will have an impact on support services, with the likely untangling of support service budgets, staff and contracts having to be quantified and acted upon once more information is known. Beyond this, there will be questions that need to be answered in relation to assets, debt, contingent liabilities (including pension liabilities and historic child abuse cases) and group entities/subsidiaries (that would relate to Bon Accord Care and Bon Accord Support Services).

2.4.21 With reference to the income the Council receives, it has been assumed that grant funding would be reduced by the value of expenditure being incurred in the delivery of the various services. Local Government will need to be aware of the value of grant that is being removed, as the funding mechanism does not necessarily match the spending profile of Councils at present. Local Government should not accept, as a given, that the value of grant funding should be the full cost of current services.

2.4.22 Returning to the Scottish Government's publication of multi-year financial forecasts in the Resources Spending Review (RSR) (see 2.4.4.) there is now much more that the Council can learn about the future shape of local government finance for the coming four years. The first time that local government has had a multi-year financial plan since 2011, when a three year settlement was announced for the period 2012/13 to 2014/15

2.4.23 The RSR was accompanied by a letter to COSLA from the Cabinet Secretary for Finance and the Economy, Kate Forbes. This provided greater insight into the allocation of funds to local government than is detailed in the Resource Spending Review itself.

2.4.24 While setting out the Scottish Government's priorities and describing the need to allocate resources towards achieving those priorities, the RSR demonstrates a further deprioritisation of local government, despite the huge role that Councils can play. The priorities spelt out are:

"...four key challenges – reducing child poverty, addressing the climate crisis, building a strong and resilient economy and helping our public services recover strongly from the pandemic."²⁶

²⁶ Kate Forbes, Cabinet Secretary for Finance and the Economy, Scottish Government, Resource Spending Review, 31 May 2022

2.4.25 For local government the message sounds simple. A commitment to flat cash settlements for the period 2022/23 to 2025/26, with an additional £100m (c.1%) in 2026/27.

2.4.26 The complication comes from the method by which local government receives all of its current funding (i) a core ‘Local Government’ allocation; and (ii) additional sums transferred from other ministerial portfolios, such as Education, Justice and Health. The RSR confirms that the core allocation of £10.6bn will be maintained throughout the period of the spending review, with that additional £100m in the final year. However the Local Government Financial Settlement for 2022/23 is £12bn therefore there is a shortfall of £1.4bn, in that headline that of ‘flat cash’, adding in additional risk.

2.4.27 This is where it is important that the letter from the Cabinet Secretary is read carefully as a sum of £1bn per annum is guaranteed to be transferred from those portfolios during the period of review, lifting the total settlement to £11.6bn. Other transfers will be subject to the annual budget setting process for Scotland and will only be confirmed annually.

2.4.28 A new and unhelpful level of risk however one that on balance the Council should take in determining its assumptions around funding for the future. The Central Scenario financial modelling has therefore been revised from grant funding with reductions over the period to flat cash.

2.4.29 While it is important to take from the Scottish Government documents the financial conclusions, it also worth highlighting other points associated with Local Government:

“...key elements of this vision will not directly apply to local government...”

“...a ‘new deal’ for Local Government in Scotland through the development of a Partnership Agreement and Fiscal Framework.”

2.4.30 The Cabinet Secretary wrote, “The ‘new deal’ will build on the Review of Local Democracy and seek to balance greater flexibility over financial arrangements for local government with increased accountability or the delivery of national priorities so that both partners can have certainty over inputs and outcomes alongside scope to innovate and improve the delivery of services to local people and communities.”

2.4.31 **Conclusion: Scottish Government Funding**

- I. The allocation of resources by Scottish Government across the Scottish public sector portfolios is somewhat clearer following the publication of the Resource Spending Review. This is the basis for assumptions.

Table 1:

Upside Scenario	Central Scenario	Downside Scenario

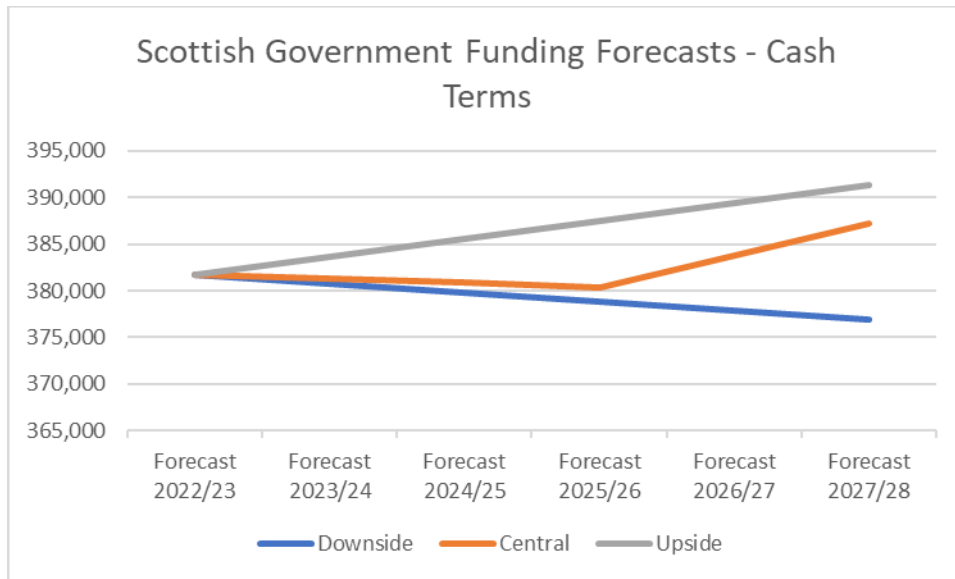
<p>2023/24 to 2027/28 – flat cash settlement for underlying duties and obligations, with a 0.5% cash increase annually to support core services.</p> <p>Assumed that additional funding will be received for additional expenditure commitments.</p> <p>No change incorporated for National Care Service.</p>	<p>2023/24 to 2025/26 – flat cash settlement for underlying duties and obligations.</p> <p>Distribution uncertainty resulting in 0.1% reduction annually.</p> <p>Assumed that additional funding will be received for additional expenditure commitments through policy changes.</p> <p>2026/27 and 2027/28 1% cash increase annually.</p> <p>No change incorporated for National Care Service.</p>	<p>2023/24 to 2027/28 – flat cash with additional impact of distribution formula leading to lower grant, estimated at 0.25% annually.</p> <p>Assumed that additional funding will be received for additional expenditure commitments through policy changes.</p>
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II. The level of “protection” that Scottish Government applies to its political priorities delivered by local government is also quantified.

Table 2

Upside Scenario	Central Scenario	Downside Scenario
<p>Mainstream national priorities and provide flexibility shifting resource protection to less than 10%.</p>	<p>Current level of protection continues, 14.1% of resources directed nationally.</p>	<p>Greater control directed nationally to deliver national priorities, raising protection to over 20% of local government resources.</p>

Chart 16: Scottish Government Grant Scenarios



III. From an approved 2022/23 budget level of government funding of £382m, the downside and central position track similar funding levels during the first 3 years of the RSR, the central scenario more optimistic that the 1% increase in funding in 2026/27 will be distributed and will be maintained into the following year. The upside is also tighter than previous MTFs forecasts as the room for additional grant funding has reduced with the publication of the RSR. By year 5, 2027/28 there is a funding range, upside to downside of £14m.

2.4.32 Limits placed on funding local government receives means that local authorities must turn to the fiscal levers they have, to exercise control and to influence the level of income they have, to pay for services. Primarily this means looking carefully at the power to raise funds locally from Council Tax, and to review / apply fees and charges for services that are delivered.

2.4.33 Exercising discretion over these fiscal levers is, again, not straightforward. The local government financial settlement has, for over a decade put restrictions on the most significant fiscal lever local authorities have, setting the Council Tax. A cap on Council Tax increases was introduced in 2017/18, following a nine-year Council Tax freeze, from 2008/09. The initial cap condition was absolute in cash terms at 3% and in 2019/20 a real terms limit of 3% was introduced, the cash limit therefore being higher. Despite this it offers local authorities limited opportunity to raise the funds they need to meet rising costs. For 2021/22 the council again was offered funding to avoid an increase in Council Tax. For Aberdeen City this was the equivalent of a 3.3% increase in the rate. The Council accepted this offer (as all local authorities did).

2.4.34 In 2022/23 the cap was removed and for the first time since 2007/08 the Council was free to set a Council Tax rate for Aberdeen. An increase of 3% was approved, in the context of the concerns around the cost of living and affordability locally.

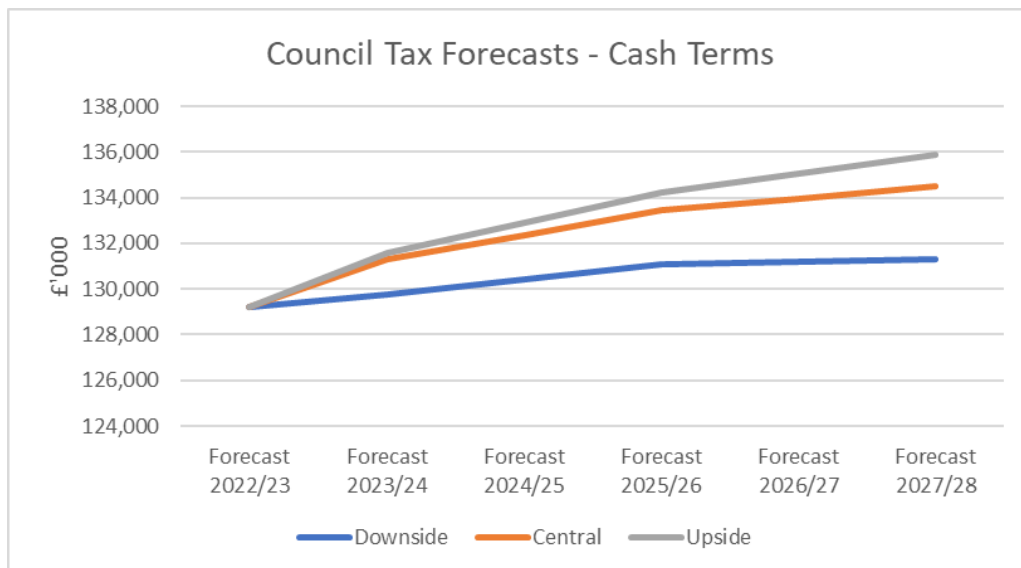
2.4.35 Limiting the value and / or missing the opportunity to increase Council Tax undermines the future value of this funding stream for the council. The underlying assumption is that Council Tax income will have to be increased.

2.4.36 It is worthy of note that the Scottish Government’s Programme for Government²⁷, published earlier this year commits “...to reforming Council Tax to make it fairer, working with the Scottish Green Party and COSLA to oversee the development of effective deliberative engagement on sources of local government funding, including Council Tax, that will culminate in a Citizens’ Assembly.” The Council will want to participate to ensure that developments are appropriate financially for the Council and locally for our citizens.

2.4.37 **Conclusion: Council Tax**

- I. The Council Tax valuation roll is anticipated to increase with additional housing continuing to be built in the city. For this reason the underlying value of Council Tax collectable before increasing the Band D rate tracks an upward trend. The upside and downside scenarios reflect greater or fewer houses being added to the roll annually.
- II. The chart below does not include the impact of a rate increase; however the recommendation is that the real terms increase in Council Tax should be approved annually to enable the Council to in part recover the increasing cost of services, through pay, price and contract inflation.

Chart 17: Council Tax Scenarios



2.4.38 Fees and charges are an important source of funding for local authority services, and some provide a positive inflow of cash to support the overall revenue budget, a

²⁷ [Scottish Government, Programme for Government, 7 September 2021](#)

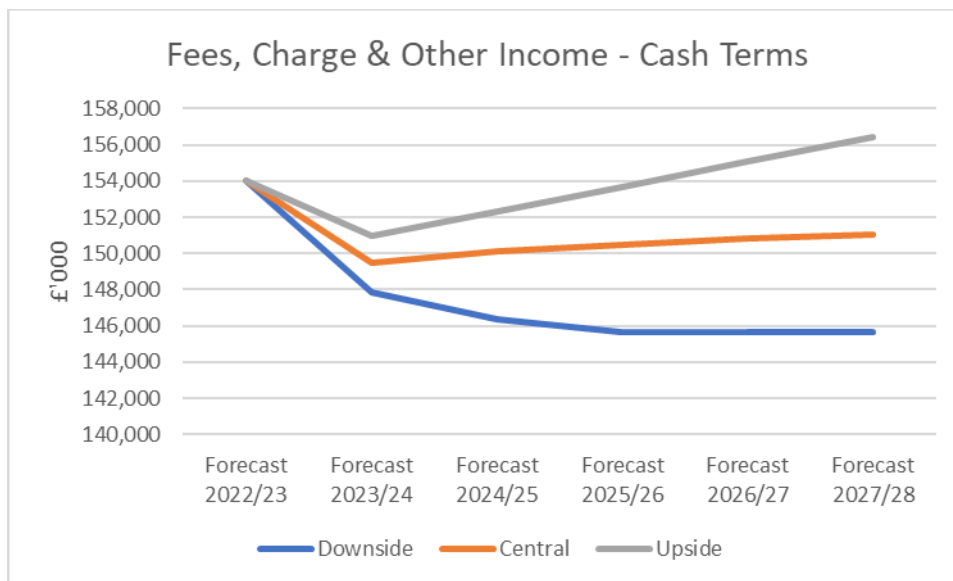
common example being car parking income. Other external income raised through fees and charges will often recover a proportion of the cost of delivering a specific service, lowering the overall cost to the General Fund revenue budget. Securing an income from a strong customer base, with repeat use can help to avoid public subsidy for discretionary services.

2.4.39 Statutory and regulatory limits do hinder local government and in areas of planning and licensing, for example, the price paid by the customer is not set by the council and does not cover the cost of services delivered.

2.4.40 This year initial forecasts for income from fees and charges is far from certain and continues to be affected by behaviour changes from customers, citizens and visitors, as well as economic conditions. While this will be captured in the current year through the quarterly financial performance reports, looking ahead it is clear that careful consideration of the opportunities and gaps that exist in our income base need to be considered. The forecasts for now are prudent.

Conclusion: Fees and Charges

Chart 18: Fees and Charges Scenarios



2.4.41 Beyond these fiscal powers local authorities have very limited access to raise monies. Recent actions to open opportunities to local authorities has centred on infrastructure-based levies, including road pricing, workplace parking and an infrastructure levy included in the Planning (Scotland) Act 2019. In addition, local authorities have sought to have the powers to collect a transient visitor levy.

2.4.42 While there is a mixed picture of legislation already in place to support these levies, further regulation and statutory instruments are required to provide local authorities the powers to implement them and as was seen at the start of the coronavirus pandemic the Scottish Government announced (March 2020) a delay in the transient

visitor levy legislation. It is going to be some time before local authorities can draw any benefit from such fiscal freedom.

2.4.43 The Programme for Government committed the Scottish Government to devolving the Empty Property Relief in connection with Non-Domestic Rates. The intention is to level the playing field for all non-domestic properties, the Scottish Government will help local authorities tackle a known avoidance tactic on empty non-domestic properties. This will deliver greater fiscal empowerment for councils in advance of the devolution of empty property relief and is due to come into effect from April 2023.

2.4.44 **Conclusion: Discretionary Powers**

I. Table 3: Analysis of Emerging Discretionary Powers

Discretionary Powers	Primary legislation in place (yes/no)	Required statutory regulation in place (yes/no)	Anticipated year we can expect to be able to use power?
Transient Visitor Levy	No. Consultation on Levy completed December 2019.	No.	Unclear. Scottish Government announced in March 2020 that work to introduce a TVL had been halted by COVID-19. It is not clear if this is a temporary halt or a permanent halt.
Workplace Parking Levy	Yes. Transport (Scotland) Act 2019	No. Part 7 of the Transport (Scotland) Act 2019 has not yet been brought into force.	Unclear. Unlikely to be until after the COVID-19 situation is resolved - meaning 2022/23 financial year at earliest.
Infrastructure Levy	Yes. Planning (Scotland) Act 2019	No. The power to make regulations about an infrastructure levy is not yet in force and, as such, no regulations have been made.	Unclear. Unlikely to be progressed until after COVID-19 situation is resolved meaning 2022/23 financial year. Planning (Scotland) Act 2019 provides that the power to introduce a levy will lapse by 25 July 2026.

- II. As the underlying statutory framework is not yet in place the scenario plans have not been affected by additional income arising from exercising these powers.
- III. The council should continue to identify and evaluate emerging discretionary powers on a regular basis to determine their applicability to Aberdeen City.

3. THE CONSOLIDATED MEDIUM-TERM OUTLOOK FOR THE GENERAL FUND

3.1 Medium Term Financial Strategy – Quantification of the Funding Gap

3.1.1 Overall, the medium-term outlook is that increasing demand and pay and price inflation will drive costs up at a faster rate than the council can expect to raise income. This has only got more difficult as inflation has increased to levels not seen for forty years. This gap must be addressed for each individual year, but also sustainably for the future.

3.1.2 Details of the key assumptions are contained in the tables below. The calculations that flow from these assumptions reveal a particular sensitivity to Scottish Government funding levels and general pay and price inflation assumptions, while key components of the demand underpin rising costs, such as population demand changes.

Table 4: Funding and Income (percentages are shown in cash terms)

Source	Description	Upside Scenario	Central Scenario	Downside Scenario
Scottish Government Revenue Grant	Combined grant income from General Revenue Grant and Non-Domestic Rates.	Year 1 0.5% Year 2-5 0.5%	Year 1 -0.1% Year 2-3 -0.1% Year 4-5 1.0%	Year 1 -0.2% Year 2-5 -0.2%
Council Tax	Increasing the rate is a council decision made at budget setting time, the Band D rate has therefore not been increased in any scenario, The budget decision will provide a solution to address the scenarios. It is expected that Council Tax income will be increased in 2023/24 to reflect a real terms increase, historically this has been c.3.3%. Consideration should be given revising the ceiling on Council Tax due to the rising cost of services and inflation in pay and prices that cannot be absorbed by the Council indefinitely.			
Council Tax	Tax base increase from additional chargeable properties.	Year 1-5 total 4,250 properties	Year 1-5 total 3,845 properties	Year 1-5 total 3,000 properties
Fees, Charges and Other Income	External income raised from customers. Approval for rate increases is a council decision, therefore rates charged in 2022/23 have continued to be applied to each scenario. The budget decision will provide a solution to address the scenarios. Similar to Council Tax, careful consideration of the full cost recovery, the impact that inflation is having on the cost of delivering chargeable services must be taken into account when setting annual charges across the MTFS period.			
Fees, Charges and Other Income	External income changes due to Covid-19 impact	Year 1 £0.5m loss & return to current by year 2	Year 1 £1.5 loss & return to current by year 3	Year 1 £2.5 loss & return to current by year 5

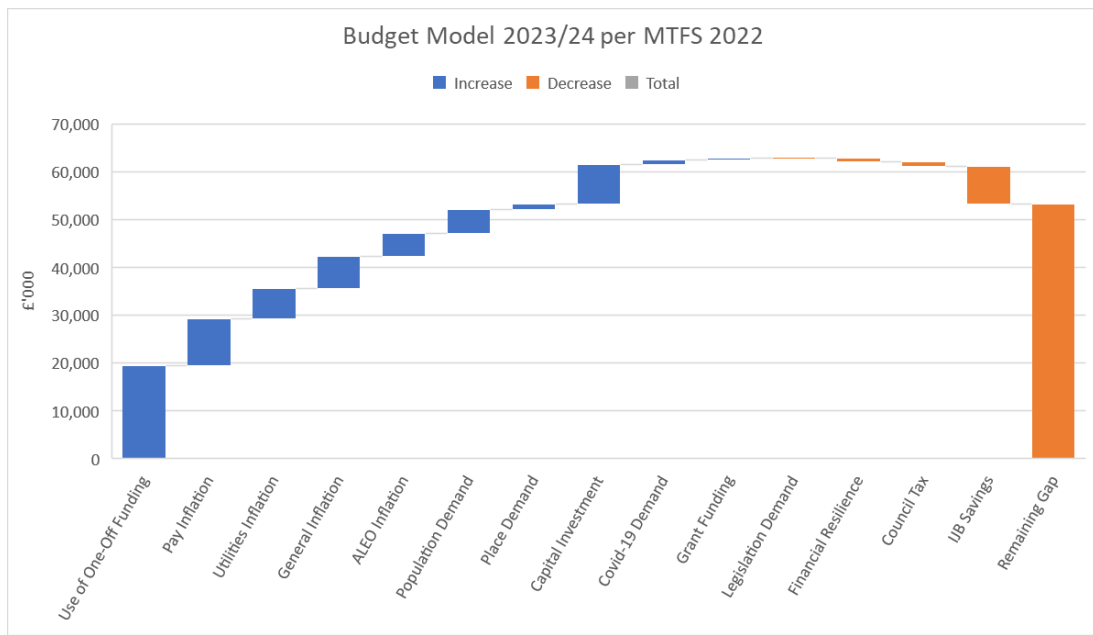
One-off funding streams	2022/23 Budget made use of Balance Sheet resources and one-off funding streams these must be replaced as they are non-recurring. Assumption for 2023/24 only, £19.4m.
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Table 5: Expenditure (percentages are shown in cash terms)

Source	Description	Upside Scenario	Central Scenario	Downside Scenario
Inflation	Pay	Year 1-5 2% Pay award funded by SG grant if greater than assumptions	Year 1-3 3% ; Year 4-5 2% Pay award funded by SG grant if greater than assumptions	Year 1-4 3.5% ; Year 5 2.5% Pay award funded by SG grant if greater than assumptions
Government Policy	National Insurance	Year 1-5 0% No further increases beyond 2022/23	Year 1-5 0% No further increases beyond 2022/23	Year 1-5 0% No further increases beyond 2022/23
Inflation	Price – including contracts, grants and ALEOs	Between 0% and 2.5% p.a.	Between 0.25% and 6% p.a.	Between 2.25% and 9% p.a.
Inflation	Utilities, including Gas, Electric, Heating Oil, Water	Gas 0% Electricity 2.5%	Gas 146% Electricity 5.7%	Gas 292% Electricity 9%
Population Demand	Children, schools impact	Total Year 1-5 £5m increase		
Capital Investment Demand	Capital Financing Note: Year 1 is affected by the one-off deferral of debt which makes the 2022/23 base £7.5m lower than would otherwise be the case.	Year 1 12% (3%) Year 2 6% Year 3-5 -2%	Year 1 19% (10%) Year 2-3 4% Year 4 1% Year 5 -1%	Year 1 25% (16%) Year 2 10% Year 3-5 4%

3.1.3 The forecast position, central scenario, can be represented by the graph in Chart 16.

Chart 19: ACC General Fund 2022/23



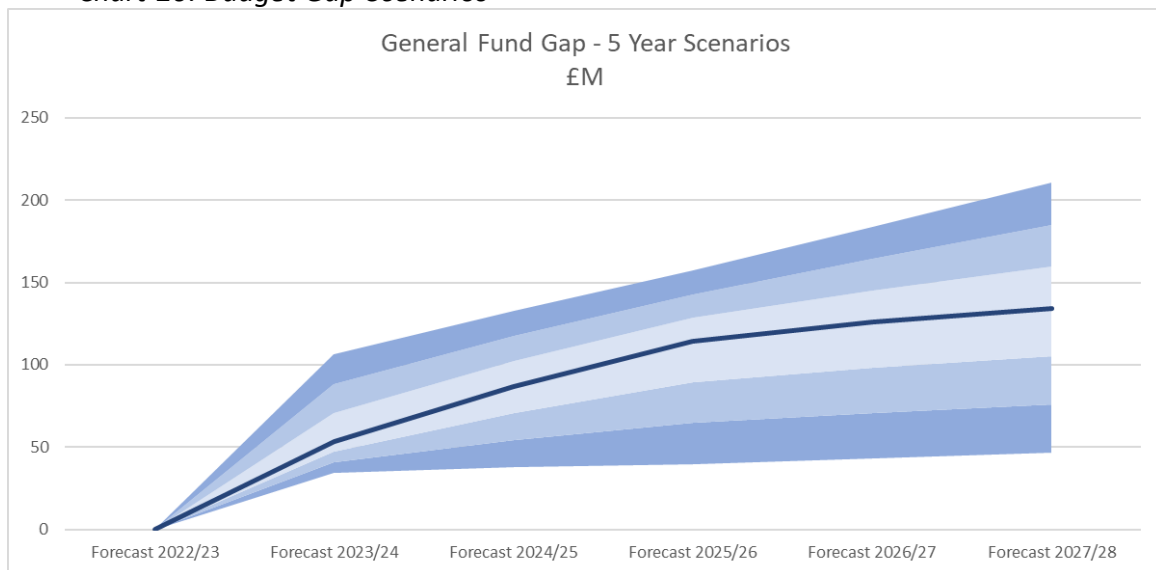
3.1.4 The impact of income and expenditure assumptions is shown in the table below

Table 6: Budget Gap Scenarios

General Fund Budget Gap	Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
	£m	£m	£m	£m	£m	£m
Upside Scenario	0	34	38	40	43	47
Central Scenario	0	53	87	114	126	134
Downside Scenario	0	106	132	157	184	211

3.1.5 More clearly shown in graphical form, below, it shows the range of scenarios that may happen over the course of the years ahead.

Chart 20: Budget Gap Scenarios



3.1.6 The scenario plans reveal a range for 2023/24 of between £34m and £106m, with a central scenario that is towards the upside set of assumptions, based on similar funding scenarios now much clearer following the publication of the Scottish Government Resource Spending Review, it leaves less opportunity to assume that additional income will be provided by Scottish Government to support core services.

4. CAPITAL FUNDING AND INVESTMENT

4.1 The Funding Outlook – Scotland, Local Government and Aberdeen City Council

- 4.1.1 Drawing on the funding outlook for the UK, described in Section 2, the overall expectation for capital funding being made available has the added dimension that capital investment can stimulate the economy and be a lever to support businesses, supply chain and economic growth in times of crisis.
- 4.1.2 The Chancellor set out in his 2021 Autumn Budget and Spending Review a budget is multi-year, as referenced earlier, and this included the capital funding commitments that provides the information the public sector requires to plan for capital investment. The three-year budget figures were linked to the Levelling Up agenda, so that for many areas of the UK there was relevant and specific reference to funding commitments being made.
- 4.1.3 This included Scotland, where outside the Scottish Block funding announced there was also £170m of capital investment made directly by the UK Government into Scotland, through Scottish Local Authorities. This link between UK Government and Scottish Local Government provides an opportunity to tap into additional funding, not currently available. For the Council this has resulted in the announcement by the Chancellor of the full £20m from the Levelling Up Fund, for the Aberdeen Market project.
- 4.1.4 It is particularly important that as the Levelling Up Fund is not a single source of funding, but a Fund that will seek bids in the future, the Council remains agile and aware of the opportunities that exist in accessing the valuable funding stream. A further application was submitted to the second round of bids for £20m in support of projects included in the Beach Masterplan.
- 4.1.5 Other Funds many also emerge with the expectation that the UK Shared Prosperity Fund will operate in a similar way, specifically allocating and distributing funding outside the Scottish block grant directly to projects in Scotland and other devolved nations. The detail of the quantum and process for applying for this funding has yet to be announced.
- 4.1.6 The Scottish Government published its Infrastructure Investment Plan for Scotland 2021/22 to 2025/26²⁸ on 4 February 2021. The Scottish Government described the purpose of this as “Our Infrastructure Investment Plan covers 2021-22 to 2025-26 and delivers our National Infrastructure Mission commitment to boost economic growth by increasing annual investment in infrastructure by 1% of 2017 Scottish GDP by 2025-26.”

²⁸ [Scottish Government, Infrastructure Investment Plan 21/22-25/26, February 2021](#)

- 4.1.7 Investment in infrastructure can provide stimulus and economic growth, evidenced through increases in GDP, therefore having this national picture is important to understand financial commitments, resource allocation decisions and to provide context for local decisions being made. Following the 2021 Scottish Parliamentary elections the Scottish Government published its Programme for Government²⁹ where capital investment continues to be expanded but noted that prioritisation of health and social care continues to dominate with a commitment, for example, to “Capital investment of £10 billion over the next decade will see health facilities built and refurbished across Scotland.”
- 4.1.8 In May 2022 the Scottish Government published, alongside the Resource Spending Review, a Targeted Review³⁰ of the Capital Spending Review. This highlighted that three things had changed in the period since February 2021:
- Scotland received a lower than expected capital settlement from the UK Government's Autumn 2021 Spending Review – reducing the funding envelope by over £750 million;
 - the establishment of the new Scottish Government in 2021 with an increased commitment to tackle global climate and nature emergencies, reinforced by COP 26; and
 - Scotland faces the additional impacts of high inflation, supply chain pressures and business disruption due to a combination of the impact of the UK's exit from the European Union, the pandemic and the crisis in Ukraine.
- 4.1.9 The reliance on the UK Government for capital grant allocations, with limited capital borrowing powers, means the Scottish Government has concluded that it is not possible to immediately fund all the commitments from the existing spending review and those set out in the Programme for Government. That said, using the levers that are available the review documents that £1.9bn of capital investment funding will continue to be allocated to Local Government. The profile of this will mean less in year 1 (2023/24) and more by year 3 (2025/26), approximately £0.65bn per annum.
- 4.1.10 This means there is no more funding for the Council to invest and all of the additional cost associated with investment will have to be met by partners or by the Council borrowing more. The alternative is to reprioritise or reprofile the Capital Programme, as has been reported to the City Growth and Resources Committee³¹, where the outcome of that exercise was included in the Financial Performance, Quarter 1 results.

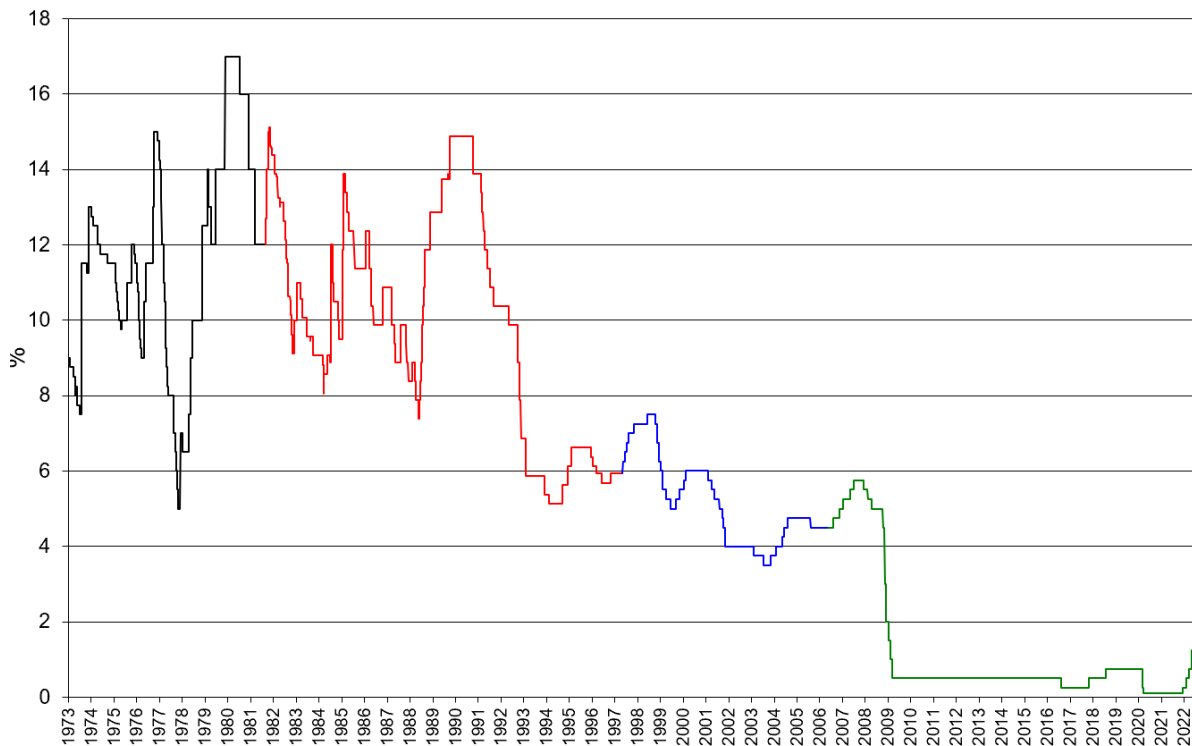
²⁹ [Scottish Government, Programme for Government, 7 September 2021](#)

³⁰ [Scottish Government, May 2022, Targeted Review of Capital Spending Review 2023/24-2025/26](#)

³¹ [City Growth and Resources Committee, 3 August 2022, Council Financial Performance – Quarter 1 2022/23, Appendix 5](#)

4.1.11 The final bullet point is one that has been clearly evident locally, with the City Growth and Resources Committee having a report spell out implications for costs and project delivery. That report presents a highly challenging capital investment environment, with costs of projects and timescales for projects rising higher and faster than has been seen for many years. The impact of actions taken to control inflation by the Bank of England, by increasing the cost of borrowing, means that there are multiple layers of financial effect. In historic terms the cost of borrowing does remain very low, despite the interest rate increases in 2022 to date, see chart below.

Chart 21: Bank of England base rate/minimum lending rate since 1973



Source: Bank of England

4.1.12 Projects costing more, requiring additional funding to support delivery and borrowing costing more than it did, it adds up to a reason to review the purpose, progress and value of the capital programme. This has been done³² and the reprofiled capital programme has been referred to the Council meeting on 24 August 2022 to decide.

4.1.13 The eyes of the world were on Scotland when COP26³³ took place in Glasgow last year. Clear commentary from both UK and Scottish Governments demonstrates both funding being available, and investment required within the “Green Economy”. The Scottish Governments Infrastructure Investment Plan has as its first Theme: Enabling

³² [City Growth and Resources Committee, 3 August 2022, Council Financial Performance – Quarter 1 2022/23, Appendix 5](#)

³³ <https://ukcop26.org/>

the transition to net zero emissions and environmental sustainability. It describes why this is important “Public infrastructure investment has a critical role to play in tackling the twin crises of climate change and biodiversity loss. We will increase spending on low carbon measures, climate resilience, and nature-based solutions.” The targeted review maintains that emphasis, with Climate change being included as an enduring priority.

- 4.1.14 With Council ambition laid out in the Net Zero Vision, the Council must seek to harness this over the medium term and is well placed to capitalise on its position within the energy market. In February 2022 the Council approved³⁴ the city-wide approach to addressing climate change, as articulated through a *Net Zero Routemap* which sets a net zero target for Aberdeen City by 2045 across six themes and the refreshed *Aberdeen Adapts*, providing a climate adaptation framework for Aberdeen
- 4.1.15 Clear alignment within the Local Development Plan (LDP) and the future investment within the city (both by the public and private sector) are critical to providing land availability to allow future investment to take place.
- 4.1.16 The LDP clearly has ear-marked land for the Energy Transition zone and outline business cases are already in development to bring this aspect of the planning regime to life.
- 4.1.17 This is coupled with the already approved Strategic Investment Plan³⁵ approved by the Council and begins to articulate the future investment required to ensure the city is at the forefront of future energy sources as well as moving towards a net zero carbon footprint.
- 4.1.18 Investment in electric and hydrogen vehicles, sustainable energy sources for heating as well as Low Emission Zones will all be key to delivering a successful city of the future. All these investment strands are being brought forward at a pace to help deliver against this climate change backdrop. The Capital Programme approved in March 2022, took forward several initiatives, including investment in electric and hydrogen vehicles, charging infrastructure and hydrogen hub.
- 4.1.19 However, a city must be able to offer a much more diverse offering to attract the investment to make it a city of choice in terms of where to live and work. While pre-Covid-19 urbanisation was seen as the future in a post Covid-19 world this becomes blurred as human behaviour may well have changed forever.
- 4.1.20 As individuals and businesses seek to find a new “norm” the pressure on cities to redefine themselves will become ever more important. As people potentially work from home, children are educated out with a traditional school setting, on-line

³⁴ Council, 28 February 2022, Climate Change: Citywide strategy and Council carbon budget [COM/22/054]

³⁵ [Net Zero Vision and Infrastructure Plan, UBC May 2020](#)

shopping becomes even more prevalent and other health issues begin to manifest themselves traditional capital investment by a local authority needs to be paused and re-examined.

4.1.21 Where people live and the type of housing they live in will no doubt change in the future. For example, people working from home and children being educated in a blended way means the Council will have to adapt.

4.1.22 The current house building programme approved by the Council in February 2020, presciently, set a new “Gold Standard” which would ensure space in a residential setting would provide for:

- Space to work from home;
- Energy Efficiency and tackling fuel poverty;
- Dedicated space for children to learn at home;
- Dedicated “Green Space”; and
- Encouraging fit and healthy lifestyle (cycling and walking).

4.1.23 In line with this, the vision for the city as agreed at the May 2020 Urgent Business Committee is: “We want Aberdeen to become a climate positive city at the same time, helping to lead the world on the rapid shift to a net zero future by leveraging its unique assets and capabilities to support the global energy transition”.

4.1.24 In support of the vision, the Net Zero Vision prospectus recommends five co-dependent strategic objectives that will support the economic imperative to transition to a different energy future beyond oil and gas anchoring talent and the energy supply chain; innovation and technology transfer; a new energy destination of choice; and leading and advocating for the city and energy sector:

- i. Leading the Global Transition - Our city is a world-class destination for inward investment in alternative energy research, innovation, and commercialisation, underpinned by our credentials and track record;
- ii. Accelerating Transition Demand - Our city and its institutions are an anchor of demand and aligned local investment for alternative energy technologies, infrastructure and services, particularly those relating to hydrogen, offshore wind, carbon capture, utilisation and storage, and decommissioning;
- iii. Resilient, Productive and Dynamic Place - Our city is recognised the world over as the resilient, productive and dynamic place at the heart of a world-class energy transition cluster;
- iv. Climate Positive Exemplar - We play our full part – as a climate positive advocate and exemplar – in meeting the headline global goal of the Paris Agreement on Climate Change by limiting average global warming to no more than 1.5oC above pre-industrial levels;

- v. Putting People First - Everyone contributes to and shares in the proceeds of an equitable, sustainable and prosperous transition and future.

4.1.25 The plan aligns to the overall objective of Aberdeen meeting the net carbon zero target by 2045 and, ultimately, to achieve climate positive status, and the goals of:

- Clean energy supply for the city, UK and internationally
- Aberdeen's infrastructure is adaptable to changes in climate
- Sustainable mobility
- Building Energy Efficiency
- Sustainable Waste Management

4.1.26 Building on all of this, capital investment decisions on the future infrastructure requirements of the city will have to align to these principles.

4.1.27 The current Capital Programme for the General Fund was approved in March 2022 with investment of £645m in city projects over the five years to 2026/27. Details of the programme are shown in Appendix 2 and include the additional £150m over the five years to ensure the Council transforms the City Centre and the Beach area. As referred to above, the programme has been reviewed and recommended reprofiling presented to the City Growth and Resources Committee. This report has been referred to Council and decisions on the reprofiling exercise will be taken at the Council meeting on 24 August 2022.

4.1.28 Shaping the future, taking account of the ambition described above will be managed within the framework of the Prudential Code for Capital Finance in Local Authorities, which requires this to be prudent, affordable and sustainable.

5. RESPONSE TO THE CONSOLIDATED MEDIUM-TERM OUTLOOK FOR THE GENERAL FUND

- 5.1 2022/23 - The Council's allocation of resources and budget is set annually within the context of a commissioning cycle which aligns available resources to a broad range of commitments which are described through:
- Statutory duties;
 - Implementation of the Council's Policy Statement;
 - Commissioning intentions which support the delivery of the Local Outcome Improvement Plan and other strategic outcomes; and
 - Service standards which specify the level of service to be delivered.
- 5.2 The budget in 2022/23 has relied on one-off funding streams to support the continuation of Council services. This has been a mixture of funding available from earmarked reserves, the use of fiscal flexibilities and other opportunistic income streams. In total this amounts to approximately £19m. The consequence of this is that the funding will have to be found again in 2023/24 and pushes the budget gap in future years up.
- 5.3 It is therefore essential that the Council balances its budget in-year and does not add further unplanned expenditure into the financial modelling and MTFS. The monitoring of the current year is being carried out in line with the Council's quarterly financial reporting and while cost pressures arising from the legacy of the pandemic and the potentially more significant inflation and supply chain issues are creating a significant financial challenge in 2022/23 the Council's financial resilience and specific savings on the pay bill and on the cost of capital financing costs are, together, forecast to be sufficient to balance the budget this year.
- 5.4 This does assume that pay negotiations do not additional cost to the Council and that any additional monies required to reach an agreement are fully funded by the Scottish Government. As recently as 5 August 2022, an additional £140m has been allocated by the Scottish Government to move this forward.
- 5.5 2023/24 and beyond - Resource allocation for future years will be derived from the council's commissioning cycle. Specifically, the services which the Council delivers will be reviewed annually with **analysis** of the operating environment through:
- Horizon scanning
 - Scenario planning
 - Strategy review
 - An analysis of statutory duties

- An analysis of current and projected demand
 - Performance levels achieved
 - An analysis of financial data
 - An analysis of contracts
 - An analysis of workforce data
- 5.6 As described above the financial impact of this is captured in the financial models that support this MTFs.
- 5.7 This analysis informs **planning** of future service designs which, at a detailed level, identify:
- Services to be commissioned and delivered
 - Services to be changed through recommissioning
 - Services to be decommissioned
 - Eligibility criteria for those services
 - Customer Access/ Channels/ Standards
 - Income levels
 - Organisation structure and workforce
 - Location / Assets
 - Suppliers and contracts
 - Digital / Data systems
 - The cost of services
 - Significant risks associated with delivery of the service
- 5.8 Delivering a balanced budget across the Medium Term Financial Strategy must be tackled through a range of different approaches, using all of the opportunities that the Council has at its disposal where and when they are available. The tools that Aberdeen City has and has put in place to do this include:
- The Target Operating Model
 - Multi Agency Transformation
 - Efficiency Savings
 - Changing Service Standards
 - Exercising discretion to increase income
 - Reserves and Fiscal Flexibilities
- 5.9 Future Transformation Priorities From 2017 Phase 1 of the Council's transformation shifted the organisation to a new way through the Target Operating Model (TOM). This has fundamentally changed the organisation through, amongst other things, an aligned strategy and policy framework; the joint outcome based commissioning approach; a systematic approach to identifying and managing demand; a revised Scheme of Governance to facilitate the strategic use of resources through commissioning; a new organisational structure; multiple digital achievements including increasing efficiency through online customer service and increasing our

digital capability; guiding principles and behaviours co-created with staff; a capability framework and workforce plan. With the implementation of the TOM and delivery of the digital strategy, along with the delivery of required savings and a balanced budget over the five years (2018/19 to 2022/23), the Council now looks to the next chapter of our transformation journey and the next phase of our Target Operating Model – TOM 1.2³⁶.

- 5.10 While transformation is not only about delivering the necessary savings; there is an even more crucial need for organisational culture to be strategically oriented towards the towards the capabilities envisaged by the Council’s Operating Model, e.g., preventing customer demand, anticipating demand, supporting customers to manage their demand, and in the event, responding to the demand ensuring that staff are working with a focus on outcomes. A very deliberate attempt has been made, and will continue to be made, towards influencing the culture of the organisation as well as ensuring that all staff have the right skills and working environment practices to operate within a changing environment.
- 5.11 Building on our achievements, TOM 1.2 will focus on further embedding the design principles and capabilities, supporting deeper and broader service redesign, with digital as an enabler. Crucially it will enable the organisation to deliver savings required for the next 5 years from 2023/24 to 2027/28 as set out in this Medium-Term Financial Strategy (MTFS).
- 5.12 The objectives of TOM 1.2 are:
1. Support the Council to address the 5-year funding gap of £134m as outlined in the MTFS.
 2. Continue to exploit digital technologies within the Council’s Digital Transformation agenda to enable services to adopt technology for various activities and processes, thus enabling the Council to fully leverage technologies to accelerate their processes.
 3. Develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within the Council’s operating model.
- 5.13 In addition to the Council’s own transformation programmes, we have established a Multi-agency Transformation Management Group and have worked collaboratively with partner agencies on transformational activity relating to digital services; use of

³⁶ Council, 24 August 2022, Council Target Operation Model (TOM) 1.2

assets; early intervention and prevention through the management of demand; and the design of specific services, with a particular focus on children's services.

5.14 Looking forward and within the context described by this medium-term financial strategy, the Transformation Portfolio has been reviewed during 2022 and refocused on the capabilities and actions to support deeper and broader service redesign which will be required to ensure financial stability in future years. The priorities for the next phase of the Transformation Portfolio will build upon our systemic redesign of services to ensure we respond to and shape future demand. Specifically, this transformation activity will focus on:

- Taking full advantage of the opportunities which are presented through the rapid acceleration of digital technology, the availability and management of data and how this can support both planning and transactional services for our customers. The council has, and will continue to, invest in new IT systems and technologies, to increase productivity and efficiency through end-to-end processes, customer journey and improvements in information and technology;
- The flexibility of our workforce and the ability to respond to different demands and a different environment. We will continue to invest in the culture, training and development that will deliver a diverse and inclusive workforce for the future;
- The use of our physical assets to support transformation of our services and deliver an increased return for the Council. The council holds significant physical resources such and through the implementation of an updated Asset Strategy we will continue to work to optimise the use of our assets. We will improve the use of data to ensure we fully understand the nature and value of our assets to support informed decision making; and
- Working closely with our partners, customers and communities to deliver inclusive, whole system redesign. Building on our work to identify and reduce negative demand, much of the demand which local authorities experience can only be effectively reduced through early intervention and prevention activity delivered jointly with our partners including, where appropriate "co-production" of local services with communities. Our partnership work will be driven through both Community Planning Aberdeen and the North East Multi-Agency Transformation Management Group.

5.15 Linked Strategies - The Strategic Commissioning Committee agreed in November 2019 a revised Strategy Framework³⁷ which reframed the formal strategies of the Council to ensure their full alignment to the Local Outcome Improvement Plan and their consistency with each other. Through the adoption of the commissioning cycle, the

³⁷ [Strategy Framework, SCC, November 2019](#)

council's strategies have a fundamental role in the strategic allocation of resources. This Strategy is a key plan which provides context and sets principles which must be reflected within the council's strategies. The council's agreed strategies are shown at Appendix 1.

- 5.16 Efficiencies - These have been a necessity of local government financial settlements, that the sector does more with less year on year, and this has been essential given the real terms cut in funding that local government has received over the last decade, referenced earlier in the document.
- 5.17 Experience shows that managers year on year are able to deliver savings as part of business as usual, based on decisions to not purchase the same volumes of goods and services, to change the product or commodity that is purchased, to negotiate and tender for better prices, to identify if work can be done in a different way that improves productivity or removes inefficiency of historic work or procedural processes.
- 5.18 These do not have to be described as transformation or be a fundamental redesign, these can be achieved through behaviour, through capability and through access to advice and guidance on options. All this points in the direction of the principles of the TOM but results in savings that can be captured because the Council does things more cost effectively.
- 5.19 Part of the solution to the MTFS budget gap is to year on year secure savings from business as usual, to capture a significant efficiency improvement that results in a lower cost base for the in-year and future service delivery.
- 5.20 Raising income – As described earlier the most significant fiscal lever at present is the Council Tax and the ability now for Councils to adjust this unconditionally means that it is an important tool to address rising costs on a recurring basis so that financial sustainability is also addressed, in part at least.
- 5.21 A key principle of the MTFS is to exercise the discretion it has over local taxation and increase the Band D charge for Council Tax annually to support future budgets. In the current climate the strategic position to take is to plan for real terms increase in the rate that Council Tax is charged so that the value keeps up with the rising costs that have to be funded. To address a significant budget gap in the future this provides an excellent means of doing so.
- 5.22 Other fees and charges, both internal and external, are valuable sources of funding. The description earlier in the document forecasts the change in the underlying value of the customer base and use of services that are charged, the MTFS does not present the options or assume the value of additional income that can be generated as this is subject to the discretion of the Council. The principle is clear, that the Council must

- apply its Service Income Policy to support the effective and sustainable delivery of services where charges can be applied and exercise that discretion annually and collect the income that is rightfully owed.
- 5.23 Further insight into the core income streams that the Council relies upon is included in the Financial Resilience Framework, described in Section 6.
- 5.24 Overall financial sustainability is improved where there is income being received to cover costs and that the income is recurring. With the ability to exercise discretion over only on a number of the lower value funding streams from fees and charges (i.e. excluding Council Tax) the Council should do what it can to secure additional revenue annually in support of the budgets.
- 5.25 Reserves and Fiscal Flexibility - The opportunity to use reserves, while a legitimate funding source it must always been seen and dealt with as one-off in nature. The Council position on Reserves is included in Section 6.
- 5.26 The emergence of fiscal flexibilities over the last two years, brought on or progressed at pace because of the impact of the pandemic, has provided local government with opportunity to take one-off savings or income streams to assist in managing the financial position. The Council has taken advantage of these in recent years, using capital receipts to support the voluntary severance and early retirement of staff rather than charge that to revenue budgets and in the current year defer the repayment of debt principal (or more accurately, not have to account for the repayment thereby meeting legal obligations to repay debt as it falls due while achieving a saving).
- 5.27 As stated above (1.23) these are legitimate and appropriate sources of income or achieving savings provided they are treated properly and responsibly. This includes consideration of the benefits that are achieved from a one-off source of funding – it is recommended that a return is received in the form of financial (and non-financial) benefits from what can be classified as investment, spend to save being a well-used term to describe it. Transformation for example might require a level of investment to make the change take effect and an example where the Council has undertaken this has been using a Transformation Fund, where money is committed and drawn down to support technology or skills investment that once purchased delivers a saving or new income stream.
- 5.28 Where a one-off solution is filling a budget gap, enabling services to continue as currently delivered for example then due consideration of the implications must be taken, identifying where and when they are being used and adjusting future financial planning to reflect the decisions taken.
- 5.29 Conclusion – The challenge set out in the MTFS is significant and the Council will have difficult decisions to make to balance the budget gap over the 5 years, particularly in

light of the unprecedented and extremely volatile market conditions in which we operate and a Resource Spending Review from the Scottish Government that provides no additional funding to meet the rising cost of services over the medium term.

- 5.30 The solutions come from a mixture of actions. The work that was started 5 years ago through the Target Operating Model enters a new five-year period with the ambition to contribute towards the budget gap, referencing the central scenario outlined in this. The Council needs the Transformation programmes outlined in TOM 1.2 to deliver the savings required in the timeframe.
- 5.31 Multi-agency work, through our engagement and working together with partner organisations also provide the opportunities to use resources more effectively across organisations, savings must be delivered from these programmes of work too.
- 5.32 Efficiencies will play an enduring part of managing the budget position and to drive out where efforts can be taken to be more cost effective, productive and efficient in what the Council does, this is across the Council not just a select few.
- 5.33 On a regular and consistent basis the use of the discretion that the Council has to increase income to support the cost base it has should be taken, whether fees and charges, new discretionary powers or Council Tax. Securing income is a fundamental part of making the Council sustainable over the medium to long term.
- 5.34 Finally there is the option to consider how one-off funding streams (that may be available) are applied to the financial position, and care will need to ensure that these finite resources are used to the medium and long term benefit of the Council's financial position, preference being for receiving a clear financial return from investment of one-off funding.
- 5.35 Through a combination of all these mechanisms the Council aims to find the solutions that balance the financial challenges over the next five years.

6. RESERVES AND FINANCIAL RESILIENCE FRAMEWORK

Useable Reserves

- 6.1 Local authorities must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.
- 6.2 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.
- 6.3 Therefore, reserves are mainly available to;
- ✓ Manage the impact of cuts over a longer period;
 - ✓ Invest in schemes that allow services to be delivered cheaper;
 - ✓ Take “one-off hits” for the council as a whole without the need to further reduce service budgets;
 - ✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;
 - ✓ To temporarily roll over unused portions of grants that can legally be used at a later date;
 - ✓ To insure against major unexpected events (such as flooding);
 - ✓ To guard against general risk (such as changes in contingent liabilities);
 - ✓ To guard against emergent specific risks (such as Covid-19).
- 6.4 The likelihood of these risks arising is predicted to continue to increase.

Reserves Policy³⁸

- 6.5 The council’s policy on reserves is outlined within the MTFS principles as follows:
- The council will maintain its general reserve at a minimum of £12m to cover any major unforeseen expenditure. The council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the unearmarked General Fund Reserve.
 - The council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed annually.

³⁸ [Council Reserves Policy, March 2022, Report number 5.1, Appendix 6](#)

- The council's general reserve is available to support budget setting over the period of the MTFS and usage should be linked to the achievement of financial sustainability over the medium term.

Review of Reserves

- 6.6 A review of reserves is undertaken twice a year and covers:
- The purpose for which the reserve is held,
 - An assessment of the appropriate level of the reserve to meet potential future liabilities, in line with the Council's reserves policy and aligned to the risk management framework,
 - Procedures for the reserve's management and control,
 - A process and timescale for future reviews to ensure continuing relevance and adequacy.
- 6.7 The Draft Annual Accounts for 2021/22 show the balance of General Fund usable reserves of £72m (including earmarked reserves of £60m).
- 6.8 In setting the 2022/23 General Fund budget the Council determined that it would use £5.5m of earmarked reserves from the general sums held to support the recovery from the pandemic. An explanation of each earmarked reserve and values as at 31 March 2022 can be found in the council's draft annual accounts for 2021/22.
- 6.9 For financial resilience the council may need to consider use, replenishment and increase of the unearmarked General Fund Reserve over the MTFS period.
- 6.10 The overall level of financial resources available to the council is finite and therefore any continued use of reserves cannot be sustained in the longer term without placing the council's financial position at risk. The MTFS recognises that the council's financial reserves are maintained at a prudent level to protect present and future council services.
- 6.12 The council accepts that while balancing the annual budget by drawing on general reserves can be in certain circumstances a legitimate short-term option it is not considered good financial management to finance recurrent expenditure in this way. Where this approach is adopted, the council will be explicit as to how such expenditure will be funded in the medium to long term to achieve financial sustainability. The council recognises that usage of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term.

Financial Resilience Framework

6.13. Introduction

- 6.14 For Local Authorities generally, the measure of financial resilience has been to consider rely on in-year contingencies and its Reserves Policy.
- 6.15 The Council acknowledged, in the reports to the Urgent Business Committee and City Growth and Resources Committee in 2020, that financial resilience was a crucial aspect of financial management that became more important in times of crises, such as a global pandemic.
- 6.16 It was recognised that financial resilience was more than about its reserves and there was a need to be more comprehensive in the assessment of the measures of resilience. In the Medium Term Financial Strategy 2020, approved on 28 October 2020 it was agreed that the Council's approach to financial resilience was to be developed further.
- 6.17 While the Covid-19 pandemic brought a specific focus to the subject, it was not the sole reason for further work. The ongoing national debate on the financial sustainability of the local government sector in Scotland, the increasing number of local authorities in England in recent years that have found themselves in financial difficulty, resulting in Chief Financial Officers having to prepare formal s114 notices.³⁹
- 6.18 There has been greater emphasis from external auditors on the assurance and demonstration of the concept of 'going concern' for local authorities and this being a key area of audit activity now.
- 6.19 All of this adds up to the need for greater attention to be paid to the financial resilience of the Council and to consider what financial resilience is, how it is defined and measured and what it leads us to do.
- 6.20 The development of a financial resilience framework to shape the Council's understanding of key aspects of financial strength is the starting point and to define the areas that are most appropriate to consider. Further work will be done to develop this further, to look at the comparators and where this applies, and to consider in more detail the exposure the Council has from its Group entities.
- 6.21 The framework set out here continues to be the early stages of addressing the instruction to the Chief Officer – Finance from the City Growth and Resources Committee to further develop the approach to financial resilience.

³⁹ Section 114 notices are the mechanism through which English local authorities report that they are unlikely to achieve a balanced budget for the financial year.

6.22 **Background**

- 6.23 The Council has always reviewed and paid attention to its usable reserves, those that it can draw on in a time of need. To this effect the Council has in place its Reserves Policy, which it reviews annually as part of the budget setting process. This is done in the context of assessing the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.
- 6.24 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.
- 6.25 Therefore, reserves are mainly available to;
- ✓ Manage the impact of cuts over a longer period;
 - ✓ Invest in schemes that allow services to be delivered at lower cost;
 - ✓ Take “one-off hits” for the council as a whole without the need to further reduce service budgets;
 - ✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;
 - ✓ To temporarily roll over unused portions of grants that can legally be used at a later date;
 - ✓ To insure against major unexpected events (such as flooding);
 - ✓ To guard against general risk (such as changes in contingent liabilities);
 - ✓ To guard against emergent specific risks (such as a pandemic or financial crisis).
- 6.26 The Council looks at financial resilience as a much wider subject as it is about our ability to anticipate, prepare for and respond to the changing financial environment, derived from internal decisions and external factors. To be financial resilient, is to know what would be available in the time of crisis, is to understand the exposure to loss of income, and commitment to expenditure, as well as understanding the flexibility the Council has in terms of accessing funds when they are needed.
- 6.27 In this strategy financial resilience has been broken into the following four areas:

- Review of the Council’s Balance Sheet
 - Capital financing; investment, and borrowing
 - Build financial resilience and independence
 - Identify those that should pay by minimising fraud and avoidance
- 6.28 Maintaining a strong balance sheet provides the assurance that the Council can respond in the time of crisis, it can meet its obligations and provides confidence in the Council’s ability to participate with our full range of stakeholders. They include our external auditors, our bond holders, credit rating agency, contractors and suppliers, and ALEOs. Notably the Local Government Benchmarking Framework (LGBF), in the analysis of 2019/20 it started to incorporate financial sustainability information which is of a similar nature. This provides a Scotland wide comparison of some of the key elements that are included in the Council Framework.
- 6.29 Supporting our resilience in our balance sheet includes:
- In-year financial performance to manage the budget position, including cashflow;
 - An annual review of the balance sheet by our treasury advisors, with a focus on capital financing requirement, liquidity and long-term borrowing;
 - Regular review of usable reserves and the appropriateness of sums earmarked; and
 - Regular review of provisions held.
- 6.30 Bringing all of this together to provide the information to the Council in a form that it can take account of in its decision making is an important next step. To inform that, further consideration has been given to the LGBF financial sustainability measures, CIPFA Resilience Index that has been prepared with English Local Authorities, Moody’s credit rating assessment reports and careful thought about what is important to the resilience of the Council the areas will be refined to be more specific.
- 6.31 **Framework**
- 6.32 The framework has the following components:
- Council reserves and liquidity (*the availability of resources*);
 - Reserves
 - Net Worth
 - Liquidity

-
- In this section further work is anticipated regarding the Council exposure to its Group
 - Capital financing; investment, and borrowing (*the creation of resources and gearing*);
 - Capital Finance Requirement
 - Debt
 - Prudential indicators
 - Investment
 - Build financial resilience and independence (*the longevity and trends in resources*);
 - Top income streams
 - Top expenditure commitments
 - Operational Cashflow understanding
 - Exposure to areas of high demand (e.g. Adult and Children Social Care, Education), with consideration also to be given to the proposals for a National Care Service in Scotland
 - In this section further work is anticipated regarding the Council exposure to its Group
 - Identify those that should pay by minimising fraud and avoidance (*the security of resources*).
 - Counter fraud policy and procedure
 - Counter fraud resource
 - National Fraud Initiative
 - Internal and external audit assurance
- 6.33 The Council's financial resilience framework now sits within this document and has been populated based on the audited annual accounts up to 31 March 2021 and draft annual accounts for the year up to 31 March 2022.
- 6.34 The framework uses relevant information to measure the Council finances using the Financial Statements and additional information obtained from the Annual Accounts. This provides the data to calculate a consistent set of relevant ratios that are important to measuring the strength and depth of the Council finances.

6.35 The intention is to go further and understand other aspects of the Council’s financial position using trend data to consider the impact of history and where possible to look forward based on Council approved plans and strategies. This remains work in progress.

6.36 The relevance and purpose of ratios needs to be carefully considered as they should all have a purpose. The proposal is to avoid simply listing lots of calculations just because they can be calculated, they will have a defined purpose. Examples of the type of ratio that are likely to be included are:

Ratios/Measures	2018/19	2019/20	2020/21	2021/22	
Availability of Resources					
Usable Reserves / Net Revenue inc. HRA (%)	11.0%	10.8%	16.4%	17.8%	☺
Usable Reserves - GF / Net Revenue (%)	8.0%	7.7%	14.2%	14.3%	☺
Usable Reserves - HRA / HRA Revenue (%)	12.8%	12.7%	14.3%	14.7%	☺
Reserves Sustainability Measure	4.3	6.6	100.0	100.0	☺
Level of Usable Reserves	11.0%	10.8%	16.4%	17.8%	☺
Change in Usable Reserves	-41.3%	-31.4%	50.7%	80.5%	☺
Council Tax Requirement / Net Revenue (%)	26.6%	26.9%	24.5%	25.5%	☹
Unallocated Reserves	2.4%	2.6%	2.5%	2.4%	☺
Earmarked Reserves	5.6%	5.1%	11.7%	11.9%	☺
Change in Unallocated Reserves (last 3 years)	-8.5%	5.4%	10.0%	16.1%	☺
Change in HRA Reserves (last 3 years)	13.9%	13.3%	24.6%	23.6%	☺
Current Ratio	69.7%	77.2%	81.6%	63.6%	☹
Working Capital	£0k	£0k	£0k	£0k	☹
Creation of Resources & Gearing					
Net Worth / Net Direct & Indirect Debt (%)	103.2%	88.1%	101.8%	100.1%	☺
Net Direct & Indirect Debt / Net Revenue inc. HRA (%)	233.6%	247.6%	228.9%	235.8%	☹

Ratios/Measures	2018/19	2019/20	2020/21	2021/22	
Capital Financing Requirement / Total Gross Income (%)	122.2%	119.7%	115.8%	124.6%	📈
Short-Term Direct Debt / Direct Debt (%)	18.0%	16.9%	18.8%	17.6%	📈
Interest Payments - GF / Net Revenue (%)	9.7%	10.0%	7.9%	8.5%	📉
Interest Payments - HRA / HRA Revenue (%)	7.7%	7.4%	5.7%	6.5%	📉
Interest Payments / Net Revenue inc. HRA (%)	9.3%	9.6%	7.5%	8.1%	📉
Net Worth	£1,288.9m	£1,216.0m	£1,413.2m	£1,434.5m	📉
Gross External Debt	£1,248.5m	£1,380.3m	£1,387.7m	£1,433.6m	📈
Longevity & Trends in Resources					
Adult Social Care Ratio	19.4%	19.6%	18.4%*	21.0%	📈
Children Social Care Ratio	11.5%	10.4%	8.7%*	tbc	📉
Education Ratio	37.2%	39.0%	36.5%*	tbc	📈
<p>* Note: 2020/21 figures show the impact of increased government funding to support the Covid-19 pandemic, which means that Net Revenue for the year was increased beyond the approved Local Government financial settlement, money was received late in the financial year and remained unspent at 31 March 2021, also resulting in increased useable reserves. This should be considered when reviewing the indicators – 2020/21 was not a regular year.</p>					

6.37 The data on income and expenditure trends has been taken from audited Annual Accounts, budgets, CIPFA and Scottish Government returns, the contracts register and Scottish Government finance circulars.

6.38 For the purposes of materiality and relevance, we have focused on the highest value 'top 20' income streams and expenditure commitments that the Council has (Appendix 3).

6.39 Security of resources will rely on the three lines of defence in the Risk Assurance Maps, including findings and the opinion of internal and external auditors.

6.40 **Using the Financial Resilience Framework**

6.41 Financial resilience ratios, trends and data collated to support a comprehensive view of the Council is not about there being one answer, nor is about a statement of right

or wrong. Instead, it is about providing context for decision making and planning. Through understanding other aspects of Council finance, it's expected the Council can consider more than simply balancing the budget. This might include decisions to grow reserves or address an adverse trend in expenditure commitments or reduce borrowing. This will assist the Council to be well informed and can make the choices it is entitled to make.

- 6.42 Councils have a very long history and decisions have been taken at different times for different reasons both at a local and national government level that leaves each Council today in the situation it is. Therefore, every Council is in a different position, no two Councils will have experienced the same history and it is inevitable the financial resilience of all will be different.
- 6.43 The financial resilience framework is to be used as the basis for understanding the underlying financial position of the Council, from which decisions must be taken, to provide the basis for highlighting where action is required or where it should be considered. The opportunity to get an insight into aspects of Council finance that may only emerge over time and that on an annual cycle could be overlooked or not given sufficient consideration.
- 6.44 Some ratios having a direct impact on the short-term financial planning of the Council, while other being considered with aspiration and objectives stretching out over the medium to long term.
- 6.45 The data can act as triggers for action, with the final chosen ratios, where appropriate, to have in place some parameters to define or describe the urgency, scale and pace of action that is required. As the information accumulates then it can act as an early warning of emerging pressures.
- 6.46 Interpretation of the data has been indicated in the table at 6.36 and if the ratio appears to be stable or improving ☺ or if we should be watching it ☹.
- 6.47 In relation to the "Availability of Resources" indicators there is an unnatural financial position created by the funding provided to support the Covid-19 pandemic as at the end of March 2021. Increased income was paid late in financial year 2020/21, resulting in large sums of funding being carried forward by the Council and this was replicated in all other Scottish Local Authorities. The indicators do show that the Council was in a strong position going into financial year 2021/22 with a healthy value of usable reserves and an appropriate sum uncommitted for specific purposes. Despite a shift in 2021/22 and the use of some of the reserves carried forward to balance the budget, the indicators show that the Council maintained a strong position improving or maintaining positive trends. Working capital values and the standard affordability test don't present what would be seen as an ideal position (i.e. over

- 100%) but given the Council's statutory position and treasury management strategy there are no concerns about being unable to meet short-term obligations.
- 6.48 The Council has maintained strong financial performance into 2022/23 and based on the assumptions within the Quarter 1 Financial Performance results⁴⁰ the Council will maintain a balanced budget and retain uncommitted usable reserves at the end of the financial year.
- 6.49 The 'Creation of Resources & Gearing' indicators show the cost of capital investment being affordable, the reasons include improving (pooled) interest rate levels on which payments are charged as well as the changes that the Council has made to accounting policy in respect of the capital financing, prudently extending the useful lives of assets to better reflect the actual consumption of the assets.
- 6.50 The value of total external debt must be viewed in the context of the overall assets and resources of the Council as debt arises from investment in our assets. The Net Worth of the Council, after accounting for the debt owed, was £1.4bn at 31 March 2022. The value of debt has increased over the years in line with the capital programme decisions that have been made for both General Fund and Housing. Through reference to the approved Prudential Indicators, that accompanied the 2022/23 budget in March 2022, the capital financing requirement is planned to increase and there will be corresponding increases to the annual repayment values. These have been included in the financial scenario planning within this strategy. Rising interest rates have also been factored into forward projections in the MTFS for the cost of financing debt, and as noted previously, the cost of borrowing remains at a low level historically.
- 6.51 The longevity and trends in resources is the least developed currently, and while there is information available it requires further analysis before fully presenting it. That includes the schedule of most valuable income streams and highest value contractual obligations. These are shown in Appendix 3.
- 6.53 An overview of the top 20 income streams shows a picture of generally increasing income on major areas of the budget. Notable however is the extent to which high value income is often associated directly with spend on specific functions and obligations, such as Housing Benefit (where the downward trend is to be expected due to the rollout of Universal Credit), and the Aberdeen Roads Ltd Contract payment, which matches the expenditure also incurred.

⁴⁰ [Council Financial Performance – Quarter 1 2022/23 \(RES/22/152\)](#)

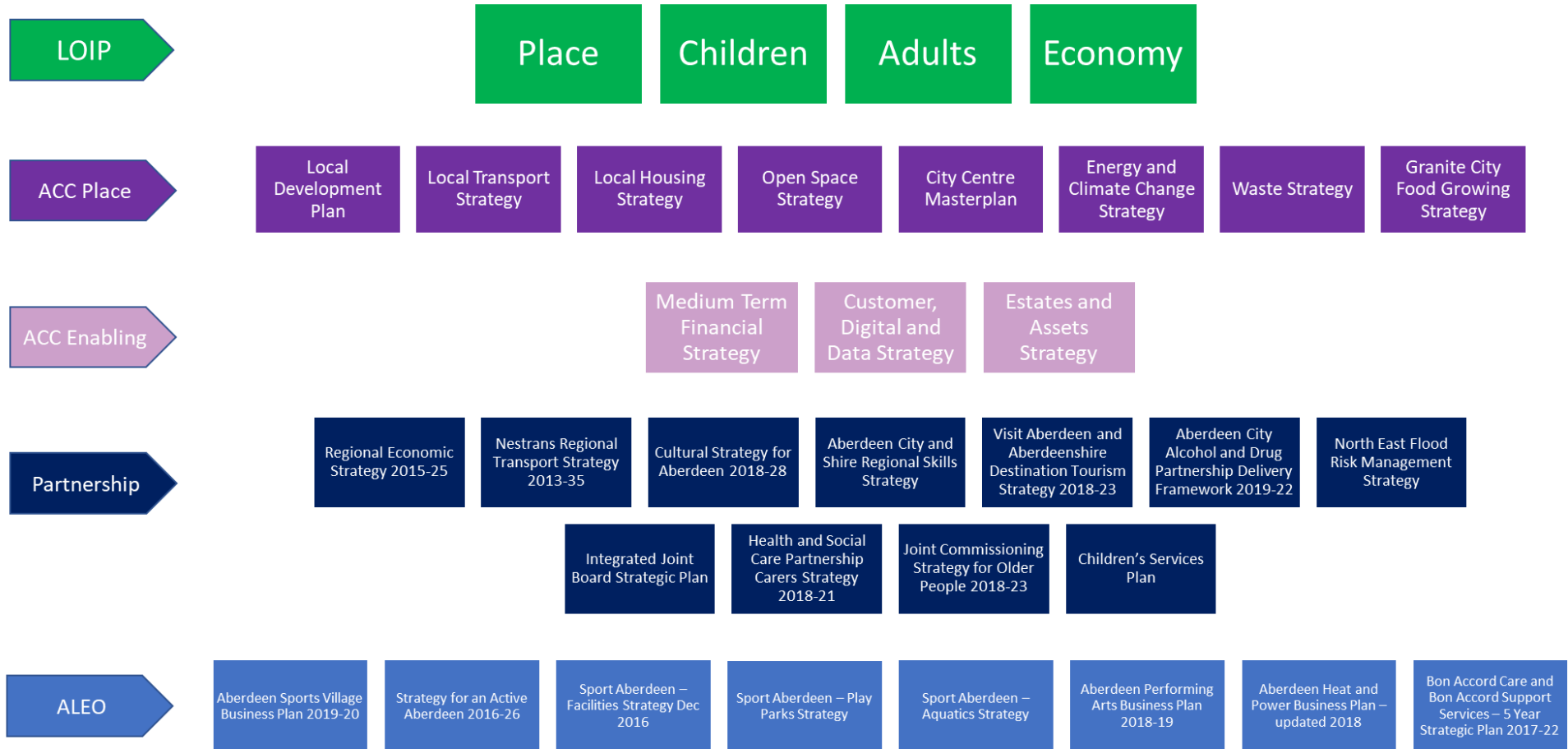
- 6.54 General Revenue Grant shows the final year of additionality included for the impact of Covid, in excess of £10m of additional funding was provided in 2021/22 thereby artificially inflating the increase over the 3 and 5 year period.
- 6.55 Over the 20 categories of income it represents over £800m of income to deliver the gross budgeted cost of Council services amounting to approximately £887m, or 91% showing how much the Council relies on these very specific funding streams.
- 6.56 A substantial element of that income is subject to statutory or policy review and highlights the levels of funding associated with the National Care Service (Scotland) Bill that is currently being consulted on. The Council can expect to lose the income and should require that all of the associated costs are also transferred away if that proves to be the case.
- 6.57 Looking at the expenditure table, there is substantial fixed cost associated with the top 20 commitments, determined and influenced by national conditions, contractual obligations and statutory duties. Representing over £600m of expenditure it demonstrates the categories of spend that need to be influenced and changed to support major resource changes, savings and cost reductions.
- 6.58 As noted above there are many of these expenditure categories or contracts that need to be looked at as cost neutral as the income is funding the delivery of our services. The Council should continue to ensure that is the case and not commit additional expenditure/cost to these fully funded areas of spend.
- 6.59 Similar to the income the influence of potential change coming in the future from statutory or policy changes and review is an important factor, and the Council should use this as a means of determining how cost reduction can be incorporated alongside the changes.
- 6.60 **Future development**
- 6.61 As referred to above, the Council has group entities that are incorporated into its accounts and therefore holds risk and reward from the relationships that it has. Given the cost of living, inflation and supply chain challenges plus the legacy impact of the pandemic on the group entities, to work with them and analyse their balance sheets and income and expenditure sensitivities, will be an important next step in understanding the relevant exposure that the Council has to each and to document this in an appropriate way.
- 6.62 The ambition is that with further development and engagement with stakeholders in Scotland this can become more meaningful. Work already published in the LGBF from 2019/20 onwards shows the extent of variation in respect of some of the key indicators that support sustainability and care needs to be taken in interpreting the

results, particularly differences between Councils where, for example, some no longer have Housing Revenue Accounts.

- 6.63 Further work will have to be done on appropriate comparison with other Councils to set the Aberdeen City data in context, rather than for direct comparison, as each Council is following a different strategic plan and are at different stages in those plans and by using information from a common data set, prepared using the same accounting standards it gives the opportunity to compare the Council with its peers. Taking this forward, our Framework has been shared with the Director of Finance Section for Scottish Local Government and has been added to their work plan. Conclusions and recommendations from that work will be updated as part of future strategies.

Appendix 1

Strategies on a Page



APPENDIX 2: 2022 GENERAL FUND CAPITAL PROGRAMME, Council, 7 March 2022

Outturn 2021/22 £'000	General Fund Capital Programme NHCP No.	Budget 2022/23 £'000	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	5 Year Total £'000	
Projects Due for Completion in 2021/22								
10	807	A96 Park & Choose / Dyce Drive Link Road	0	0	0	0	0	
34	811	Social Care Facilities - Len Ironside Centre	0	0	0	0	0	
0	843	Station House Media Unit Extension	0	0	0	0	0	
9	850	Community Growing Spaces	0	0	0	0	0	
17	857	Central Library Roof & Parapets	0	0	0	0	0	
0	858	Crematorium Refurbishment	0	0	0	0	0	
886	870	Town Centre Fund	0	0	0	0	0	
208	876	Campus Model for Co-location of Public Services	0	0	0	0	0	
128	888	Nature Restoration Fund	0	0	0	0	0	
242	889	CO2 Monitors	0	0	0	0	0	
1,534			0	0	0	0	0	
Rolling Programmes								
5,000	294	Corporate Property Condition & Suitability	8,383	9,000	9,000	9,500	9,500	45,383
1,270	551	Cycling Walking Safer Streets	1,003	0	0	0	0	1,003
3,530	765G	Nestrans Capital Grant	2,917	1,295	1,295	1,295	1,295	8,097
750	779	Private Sector Housing Grant (PSHG)	863	900	775	800	800	4,138
Fleet Replacement Programme								
6,000	784	(including Zero Waste Strategy Fleet)	7,790	4,700	4,900	5,100	5,100	27,590
5,000	789	Planned Renewal & Replacement of Roads Infrastructure	5,964	5,968	5,968	5,968	4,968	28,836
1,000	789E	Street Lighting	1,111	1,200	1,200	1,200	1,000	5,711
1,500	835	Street Lighting LED Lanterns (PACE 5 Year programme)	1,481	1,400	0	0	0	2,881
4,000	861	Additional Investment in Roads	4,403	0	0	0	0	4,403
2,456	875	Investment in Digital Transformation	1,996	1,996	1,945	1,500	1,500	8,937
1,500	877	Northfield Swimming Pool	2,734	150	0	0	0	2,884
32,006			38,645	26,609	25,083	25,363	24,163	139,863
City Region Deal								
0	825	City Deal	44	0	0	0	0	44
0	845	City Deal: Strategic Transport Appraisal	910	0	0	0	0	910
250	847	City Deal: Digital Infrastructure	2,922	0	0	0	0	2,922
2,708	852	City Deal: City Duct Network	1,610	0	0	0	0	1,610
856	854	City Deal: Transportation Links to Bay of Nigg	1,510	2,500	9,850	10,000	0	23,860
1,000	860	City Deal: Expand Fibre Network	41	0	0	0	0	41
75	862	City Deal: Digital Lead	192	0	0	0	0	192
4,889			7,229	2,500	9,850	10,000	0	29,579
Fully Legally Committed Projects								
20	587	Access from the North / 3rd Don Crossing	400	817	0	0	0	1,217
3,300	627	Aberdeen Western Peripheral Route	9,063	443	0	0	0	9,506
378	776	Orchard Brae	0	0	0	0	0	0
676	799B	Art Gallery Redevelopment - Main Contract (HLF)	0	0	0	0	0	0
50	805	Technology Investment Requirements & Digital Strategy	263	250	0	0	0	513
12,636	809	New Milltimber Primary	558	241	0	0	0	799
10	810C	Energy from Waste (EFW) Procurement and Land Aca.	133	0	0	0	0	133
0	810G	Co-mingled MRF & Depot	39	0	0	0	0	39
20,474	810K	Energy from Waste (EFW) Construction	30,446	0	0	0	0	30,446
4,000	810K	Torry Heat Network	15,840	0	0	0	0	15,840
100	812	Kingsfield Childrens Home	77	350	0	0	0	427
500	819	Tillydrone Community Hub	500	825	0	0	0	1,325
3,400	821	New Aberdeen Exhibition & Conference Centre	3,206	3,000	0	0	0	6,206
161	824	City Centre Regeneration	2,038	300	0	0	0	2,338
674	824	Provost Skene House	1	0	0	0	0	1
12,000	824	Union Terrace Gardens	5,085	0	0	0	0	5,085
0	828	Greenbrae Primary Extension and Internal Works	82	0	0	0	0	82
7	831	Stoneywood Primary	496	0	0	0	0	496
0	848	JIVE (Hydrogen Buses Phase 2)	7,008	0	0	0	0	7,008
0	849	Cruyff Court	43	0	0	0	0	43
5,245	855	Early Learning & Childcare	2,908	0	0	0	0	2,908
100	859	ICT: Human Capital Management System	159	0	0	0	0	159
7,147	865	Countesswells Primary	11,192	167	0	0	0	11,359
974	871	Low Emissions Zone	0	0	0	0	0	0
1,360	873	Queen Street Redevelopment (including Mortuary)	500	0	0	0	0	500
250	878	St Peters RC Primary Relocation (Design Development)	250	0	0	0	0	250
120	882	Auchmill Community Woodland Path	0	0	0	0	0	0
975	885	Place Based Investment Fund	0	0	0	0	0	0
74,557			90,287	6,393	0	0	0	96,680
Partially Legally Committed Projects								
0	791	Strategic Land Acquisition	4,092	0	0	0	0	4,092
140	806A	South College Street (Phase 1)	0	500	0	0	0	500
1,553	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	1,803	7,546	0	0	0	9,349
0	808B	New Academy to the South - Infrastructure Improvements	0	284	0	0	0	284
1,307	820	Investment in Tenanted Non-Residential Property Portfolio	1,000	0	0	0	0	1,000
10	836	Flood Prevention Measures: Flood Guards Grant Scheme	50	100	100	100	103	453
4,565	840	Tillydrone Primary School	21,431	2,334	460	0	0	24,225
0	844	Sustrans Active Travel Infrastructure Fund	165	300	400	0	0	865
500	868	Car Parking Infrastructure	972	0	0	0	0	972
1,000	869	Safety and Security Measures (including CCTV)	500	836	0	0	0	1,336
135	880	Electric Vehicle Infrastructure	210	135	135	135	0	615
4,000	881	Aberdeen Hydrogen Hub	15,000	0	0	0	0	15,000
20,000	883	City Centre and Beach Masterplans	25,000	25,000	40,000	40,000	20,000	150,000
1,936	886	Bus Prioritisation Fund	10,094	0	0	0	0	10,094
188	887	Play Park Renewal Programme	185	0	0	0	0	185
35,334			80,502	37,035	41,095	40,235	20,103	218,970

Projects with indicative budgets							
50	810J	Bridge of Don Household Waste Recycling Centre (HWRC)	1,000	1,350	0	0	2,350
0	838	Flood Prevention Measures: Millside & Paddock Peterculter	1,000	2,000	0	0	3,000
2,896	841	Torry Primary School and Hub	18,118	5,893	351	0	24,362
0	872	Smart City	360	0	0	0	360
50	874	B999 Shielhill Road Junction Improvements	100	490	0	0	590
75	879	The Woodies Environmental Improvements	0	0	0	0	0
0	884	Torry Development Trust - Former Victoria Road School	845	564	0	0	1,409
0	890	Dyce Library Relocation	740	15	0	0	755
150	891	Aberdeen Hydrogen Hub (Joint Venture)	1,350	13,500	4,400	0	19,250
0	892	Defibrillators	50	0	0	0	50
0	893	Joint Integrated Mortuary	8,500	16,900	600	0	26,000
197	806B	CATI - Berryden Corridor (additional funding)	(1,053)	(3,246)	15,600	9,900	29,701
0	tb	St Peters RC Primary Relocation	500	1,000	7,750	7,750	17,000
0	tb	Bucksburn Academy Extension (temporary solution)	2,000	0	0	0	2,000
0	tb	Early Learning & Childcare - St Josephs	500	2,300	200	0	3,000
0	tb	King's Gate & Forest Road Pedestrian Crossings	70	0	0	0	70
0	tb	Lighting in St Nicholas Kirkyard	250	0	0	0	250
0	tb	Demolition of old Milltimber Primary	500	0	0	0	500
0	tb	Upgrade of Paths in Newburgh Estate	30	0	0	0	30
0	tb	Garthdee Link Road	300	300	2,900	1,500	5,000
0	999	Contingency	20,000	5,000	0	0	25,000
3,418			55,160	46,066	31,801	19,150	160,677
151,738	Totals		271,823	118,603	107,829	94,748	645,769

Outturn	General Fund Capital Programme - Funding		Budget	Budget	Budget	Budget	Budget	5 Year
2021/22	NHCP No.		2022/23	2023/24	2024/25	2025/26	2026/27	Total
£'000			£'000	£'000	£'000	£'000	£'000	£'000
0	294	Corporate Property Condition & Suitability	(1,003)	0	0	0	0	(1,003)
(1,270)	551	Cycling Walking Safer Streets	0	0	0	0	0	0
0	587	Access from the North / 3rd Don Crossing	(2,000)	0	0	0	0	(2,000)
(530)	765	Nestrans Capital Works	0	0	0	0	0	0
		Fleet Replacement Programme						
(85)	784	(including Zero Waste Strategy Fleet)	0	0	0	0	0	0
(38)	789	Planned Renewal & Replacement of Roads Infrastructure	0	0	0	0	0	0
(2)	799B	Art Gallery Redevelopment - Main Contract (HLF)	(7,792)	0	0	0	0	(7,792)
0	805	Technology Investment Requirements & Digital Strategy	0	0	0	0	0	0
(2)	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	0	0	0	0	0	0
(22)	809	New Milltimber Primary	(1,812)	0	0	0	0	(1,812)
(6)	810C	Energy from Waste (EFW) Procurement and Land Acq.	(119)	0	0	0	0	(119)
0	810K	Energy from Waste (EFW) Construction & Torry Heat Network	(5,853)	0	0	0	0	(5,853)
0	821	New Aberdeen Exhibition & Conference Centre	0	0	0	0	0	0
(13)	824	City Centre Regeneration	(133)	0	0	0	0	(133)
(68)	828	Greenbrae Primary Extension and Internal Works	(115)	0	0	0	0	(115)
(308)	831	Stoneywood Primary	(3,407)	0	0	0	0	(3,407)
0	836	Flood Prevention Measures: Flood Guards Grant Scheme	(80)	(80)	(80)	(54)	(76)	(370)
0	838	Flood Prevention Measures: Millside & Paddock Peterculter	0	(2,400)	0	0	0	(2,400)
0	843	Station House Media Unit Extension	0	0	0	0	0	0
0	844	Sustrans Active Travel Infrastructure Fund	0	0	0	0	0	0
0	848	JIVE (Hydrogen Buses Phase 2)	(10,362)	0	0	0	0	(10,362)
0	849	Cruyff Court	(25)	0	0	0	0	(25)
(2,708)	852	City Deal: City Duct Network	(1,610)	0	0	0	0	(1,610)
(856)	854	City Deal: Transportation Links to Bay of Nigg	(1,510)	(2,500)	(9,850)	(10,000)	0	(23,860)
(5,245)	855	Early Learning & Childcare	(2,908)	0	0	0	0	(2,908)
(1,000)	860	City Deal: Expand Fibre Network	(41)	0	0	0	0	(41)
(75)	862	City Deal: Digital Lead	(192)	0	0	0	0	(192)
(100)	865	Countesswells Primary	(1,809)	(2,500)	(2,500)	(1,442)	0	(8,251)
0	869	Safety and Security Measures (including CCTV)	0	0	0	0	0	0
(886)	870	Town Centre Fund	0	0	0	0	0	0
(974)	871	Low Emission Zone	0	0	0	0	0	0
(50)	874	B999 Shielhill Road Junction	(100)	(150)	0	0	0	(250)
0	877	Northfield Swimming Pool	(1,100)	0	0	0	0	(1,100)
0	878	Aberdeen Hydrogen Hub	(15,000)	0	0	0	0	(15,000)
(75)	880	Electric Vehicle Infrastructure	0	0	0	0	0	0
(750)	883	City Centre and Beach Masterplans	(2,318)	(16,932)	0	0	0	(19,250)
0	884	Torry Development Trust - Former Victoria Road School	(845)	(564)	0	0	0	(1,409)
(975)	885	Place Based Investment Fund	0	0	0	0	0	0
(1,936)	886	Bus Prioritisation Fund	(10,094)	0	0	0	0	(10,094)
0	890	Dyce Library Relocation	(740)	(15)	0	0	0	(755)
0	893	Joint Integrated Mortuary	(8,500)	(13,076)	0	0	0	(21,576)
0	tb	Garthdee Link Road	0	0	0	0	(5,000)	(5,000)
(17,974)		1. Programme Funding Streams Sub-Total	(79,468)	(38,216)	(12,430)	(11,496)	(5,076)	(146,686)
(19,375)		2. Capital Grant	(18,638)	(18,512)	(18,512)	(18,512)	(18,512)	(92,686)
(114,389)		3. Borrowing	(173,717)	(61,874)	(76,887)	(64,740)	(29,178)	(406,396)
(151,738)		Sub-total	(271,823)	(118,603)	(107,829)	(94,748)	(52,766)	(645,769)
0		Net Position	0	0	0	0	0	0

APPENDIX 3: Top 20 Income and Expenditure Categories

Title	Type of Income	2021/22	last 3-year	last 5-year	Continues	Subject to	Dependancies
		Actual Value £'000	change £'000	change £'000	for at least 5 years?	regulation/ policy change in next 2 years?	
1 GRG + NDR Distribution	Non-Specific Grant	375,000	54,000	43,000	Yes	Yes	Barclay review - Spending Review
2 Council Tax	Fiscal Powers	129,000	13,000	25,000	Yes	Yes	SG / LG Fiscal Framework Outcomes
3 NHS Grampian	Specific Grant	45,717	8,281	20,944	No	Yes	NCS (Scotland) Bill
4 AWPR / Aberdeen Roads Ltd	Specific Grant	44,311	27,815	44,123	Yes	No	Contract terms and conditions
5 Housing Benefit	Specific Grant	41,377	(14,301)	(16,031)	Yes	No	Universal Credit & Economic Conditions
6 Building Services	Fees & Charges	39,017	8,753	8,416	Yes	No	HRA work programme
7 Capital cluster - General Fund Capital	Fees & Charges	36,466	18,879	15,995	Yes	No	Capital programmes
8 ELC Expansion	Specific Grant	25,195	22,889	25,195	Yes	Unknown	Distribution formula & ELC Quantum
9 Aberdeenshire Council Charges	Fees & Charges	21,113	15,120	12,224	Yes	No	Capital programmes
10 Property Letting	Fees & Charges	16,145	4,237	8,968	Yes	Yes	Economic conditions in Aberdeen
11 Adult Social Care Residential	Fees & Charges	9,183	772	(265)	No	Yes	NCS (Scotland) Bill
12 Parking Charges/Fines	Fees & Charges	6,132	(1,489)	(1,630)	Yes	No	Customer behaviour
13 Moray Council Charges	Fees & Charges	5,911	5706	5692	Yes	No	Capital programmes
14 Capital cluster - Housing Capital	Fees & Charges	2,275	(3,920)	(1,493)	Yes	No	Capital programmes
15 Planning / Building Control Fees	Fees & Charges	2,250	(102)	196	Yes	No	Statutory basis, no local discretion
16 NESPF Charges	Fees & Charges	1,810	396	718	Yes	Unknown	National LGPS Review in Scotland remains a commitment
17 Bereavement Services Fees	Fees & Charges	1,795	534	(204)	Yes	No	Competition
18 Common Good Charges	Fees & Charges	1,621	174	(160)	Yes	Yes	Council review of Common Good
19 Adult Social Care Non-Residential	Fees & Charges	1,307	(119)	(29)	No	Yes	NCS (Scotland) Bill
20 Garden Waste Charges	Fees & Charges	1,113	1,113	1,113	Yes	Yes	Review under Partnership Agreement
		806,738	161,738	191,772			

Top 20 Revenue Expenditure Commitments by Value 2021/22

Title	Type of Expenditure	2021/22 Actual Value £'000	last 3-year change £'000	last 5-year change £'000	Continues for at least 5 years?	Subject to regulation/ policy change in next 2 years?		Dependencies
						Yes	No	
1 Pay bill - non teachers	Staff	193,981	10,658	18,971	Yes	No		Local Terms & Conditions & National pay negotiations NCS (Scotland) Bill
2 Pay bill - teachers	Staff	102,324	19,797	22,498	Yes	No		National Terms & Conditions & pay negotiations
3 Care Home Placement - Adults	Contracts	46,762	4,536	3,449	No	Yes		NCS (Scotland) Bill
4 AWPR / Aberdeen Roads Ltd	Contracts	44,311	27,815	44,123	Yes	No		Contract terms and conditions
5 Housing Benefits	Transfer	42,092	(15,198)	(15,952)	Yes	No		Universal Credit & Economic Conditions
6 Capital Financing Costs	Capital Financing	38,126	(132)	10,312	Yes	Yes		Capital programme
7 Bon Accord Care - ALEO	Contracts	34,405	5,394	7,799	No	Yes		NCS (Scotland) Bill
8 Unitary Charge - Schools	Assets	19,557	1,590	5,214	Yes	No		Inflation & Number of Buildings
9 Suez waste disposal Contract	Contracts	16,570	1,344	1,622	No	Yes		Contract terms and conditions
10 Non-domestic Rates	Assets	12,391	(133)	2,282	Yes	Yes		Number & Value of Buildings
11 Care Home Placement - Children	Contracts	12,323	1,260	1,666	No	Yes		NCS (Scotland) Bill
12 Utilities	Assets	11,749	1,063	2,170	Yes	No		Inflation
13 ELC Provider Payments	Contracts	10,240	7,336	7,580	Yes	Unknown		Living Wage
14 Fostering Payments - External	Contracts	9,626	(498)	2,053	No	Yes		NCS (Scotland) Bill
15 External Rents	Assets	5,821	(1,439)	3,445	Yes	No		Contract terms and conditions
16 Hire of Vehicles	Contracts	5,292	51	805	Yes	Yes		Number of Employees
17 Sport Aberdeen - ALEO	Contracts	4,895	(564)	(564)	Yes	No		Budget decisions
18 Software Licences	Contracts	4,768	1,429	1,890	Yes	No		Inflation
19 Provision for Bad Debt	Contracts	3,010	2,579	2,796	Yes	No		Collection levels
20 Fostering Payments - ACC	Contracts	809	(45)	(146)	No	Yes		NCS (Scotland) Bill
		619,053	66,845	122,014				

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ABERDEEN CITY COUNCIL

COMMITTEE	Full Council
DATE	24 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Council Target Operation Model (TOM) 1.2
REPORT NUMBER	CUS/22/171
DIRECTOR	Angela Scott
CHIEF OFFICER	Andy MacDonald
REPORT AUTHOR	Andy MacDonald
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 This report proposes the next iteration of our Target Operating Model (TOM) 1.2 to support the necessary scale of transformation that will contribute to the level of savings required over the next 5 years, as outlined in the Medium-Term Financial Strategy (MTFS).

2. RECOMMENDATIONS

That Council: -

- 2.1 Agree the Target Operation Model (TOM) 1.2 for 2022- 27, attached to the report as Appendix A, to support the necessary scale of transformation to deliver the level of savings required over the next 5 years, as outlined in the Medium-Term Financial Strategy (MTFS).
- 2.2 Note that the level of investment required to enable the release of savings will be identified as part of the Council Budget process, as outlined in the MTFS.
- 2.3 Note the whole system change projects being taken forward with partners via the Multi-Agency Transformation Management Group (MATMG) and instruct the Chief Executive to seek further delivery opportunities of statutory services

through a Statutory Function Review, reporting back to Council at its meeting on 14 December 2022.

- 2.4 Instruct the Chief Executive to report back to the next Full Council with the recommended interim structure resulting from the recent resignation of the Chief Operating Officer taking into consideration the longer term needs to support the changes from the 21/22 and 22/23 Programme of Government.

3. CURRENT SITUATION

- 3.1 The foundation for the Council's transformation remains our collective vision for the future of Aberdeen and our understanding of the strategic outcomes we need to address, as articulated in our strategies, the Local Outcome Improvement Plan (LOIP) and the Council Delivery Plan.

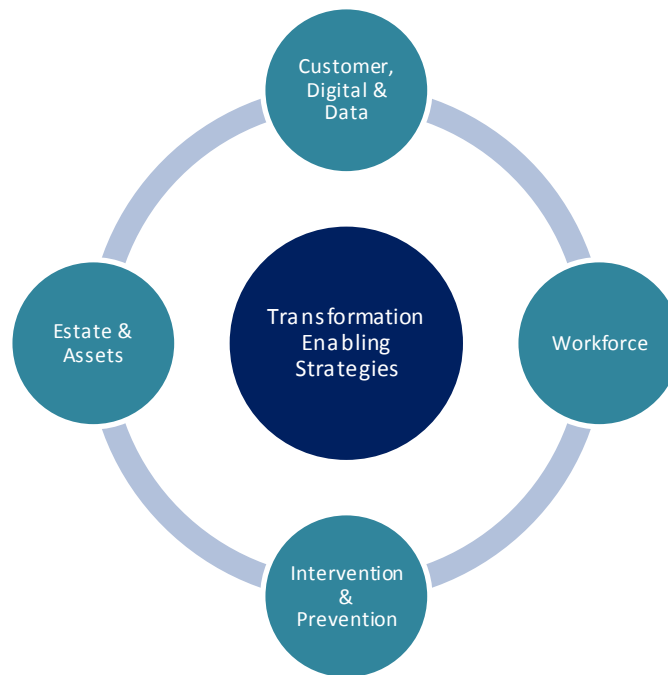
- 3.2 The Council's Transformation Programme has, over the last 3 years, supported the implementation of the Target Operating Model by developing the necessary organisational capabilities. This has fundamentally changed the organisation through, amongst other things:

- £125m savings
- Deliberate shift towards influencing the culture of the organisation as well as ensuring that all staff have the right skills and working environment to operate within.
- An aligned strategy and policy framework.
- The joint outcome-based commissioning approach.
- A systematic approach to identifying and managing demand.
- A new Scheme of Governance to facilitate the strategic use of resources through commissioning.
- A new organisational structure.
- Multiple digital achievements including increased efficiency through online customer service and increasing our digital capability.
- Guiding principles and behaviours cocreated with staff; a capability framework and workforce plan.

- 3.3 With the implementation of the TOM and delivery of the digital strategy, along with the delivery of required savings and a balanced budget over the five years (2018/19 to 2022/23), we now look to the next chapter of our transformation journey and the next phase of our Target Operating Model – TOM 1.2.

Enabling Strategies

- 3.4 The Council is developing a suite of enabling strategies to support the vision set out above for organising the future. This vision builds on the strong foundations in place via the previous TOM, and each strategy is articulated in the TOM 1.2.



- 3.6 Each enabling strategy will have a robust implementation plan and the appropriate level of projects and actions to enable and support the delivery of the TOM 1.2 objectives.

ACC Transformation Programme

- 3.7 The ACC Transformation Programme has been developed to align with the timeline set out in the Medium-Term Financial Strategy (MTFS).
- 3.8 Meeting the financial challenges are a fundamental aim of the programme, but on top of this, the programme, and associated projects, will put in place better technology and assets, and further equip our workforce, that will enable and stimulate further service redesign.
- 3.9 The programme structure and associated projects, along with an indicative timeline, is articulated in the TOM 1.2.
- 3.10 The delivery of transformational change will always be flexible depending on the changing demand and delivery of the desired benefits. Therefore, as we move through the years, projects will be delivered, the scope of them may change, and new projects will be commissioned and added to the programme.

Multi-Agency Transformation Programme

- 3.11 In addition to the Council’s transformation programme, the Multi-Agency Transformation Management Group (MATMG) work collaboratively to continuously identify areas where shared demand pressures exist and can be mitigated through whole system reform. Further narrative on the initial

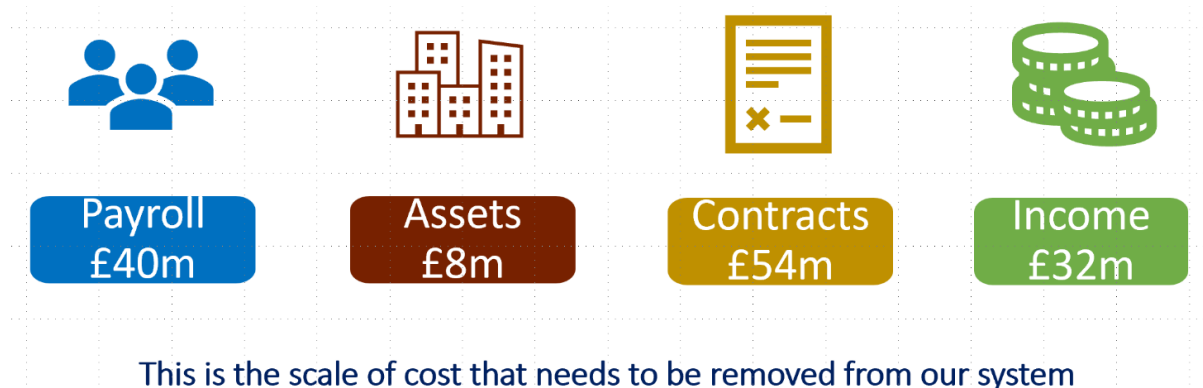
projects is in the TOM 1.2.

4. FINANCIAL IMPLICATIONS

4.1 The Medium-Term Financial Strategy (MTFS) sets out assumptions regarding the ongoing short-term implications of Covid-19 in terms of financial year 2021/22, and then goes on to make some informed assumptions for financial years 2022/23 – 2027/28. The overall financial challenge ahead is likely to sit within a range of financial scenarios. The MTFS identifies the following range over the 5 years.

General Fund Budget Gap	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
	£m	£m	£m	£m	£m	£m
Upside Scenario	0	34	38	40	43	47
Central Scenario	0	53	87	114	126	134
Downside Scenario	0	106	132	157	184	211

4.2 When we consider our current budget, funding model and the allocation of that budget to deliver Council services, in comparison to the £134m gap as identified within the central scenario in the table above, we need to seek efficiencies in relation to the four categories listed below:



4.3 With approximately 50% of spend on either staff or buildings, continuing to deliver services the way they have been traditionally, is not sustainable. The Council must fundamentally address either **HOW** it delivers services going forward (service design and transformation) or **WHAT** it delivers (demand management and self-help).

4.4 Clearly demand management could simply be interpreted as stopping the provision of services and should be seen as a last resort. The more dynamic approach is to look to transform the organisation going forward.

5. LEGAL IMPLICATIONS

- 5.1 The Council is under a legal obligation to achieve a balanced budget whilst complying with its statutory obligations to deliver services and to secure best value. As indicated in this report, this is unlikely to be achieved under the Council's current operating structure. Such a scenario would have far reaching implications for the Council in terms of the public and in terms of the Council's Bond which may require to be repaid.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 None

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	None			
Compliance	Failure to deliver the programme resulting in a failure to balance the budget	Robust governance arrangements and programme of work are in place to ensure delivery of the transformation programme.	L	Yes
Operational	None			
Financial	Not putting in place the necessary investment to enable the savings to be realised	This will be progressed in line with council budget requirements as confirmed within the MTFS	M	Yes
Reputational	None			
Environment / Climate	None			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The enabling strategies and transformation programme, articulated within the TOM 1.2, are enablers for the delivery of the outcomes and commitments.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The enabling strategies and transformation programme, articulated within the TOM 1.2, are enablers for the delivery of the outcomes and commitments.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	
Regional and City Strategies	The enabling strategies and transformation programme, articulated within the TOM 1.2, are enablers for the delivery of the outcomes and commitments.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required at this stage
Data Protection Impact Assessment	Not required at this stage
Other	None

10. BACKGROUND PAPERS

10.1 Medium-Term Financial Strategy

11. APPENDICES

11.1 Organising for the Future - Target Operating Model (TOM) 1.2

12. REPORT AUTHOR CONTACT DETAILS

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Organising for the Future

Target Operating Model 1.2

(TOM 1.2)



Purpose

The foundation for the Council's transformation remains our collective vision for the future of Aberdeen and our understanding of the strategic outcomes we need to address, as articulated in our strategies, the Local Outcome Improvement Plan (LOIP) and the Council Delivery Plan.

The Council's transformation portfolio had three objectives that were approved by Council in August 2017 as part of the adoption of the Target Operating Model (TOM):

- To deliver the Digital Strategy by 2020
- To deliver the Target Operating Model (TOM) by 2020/2021
- To deliver approximately £125 million of benefits realisation (or savings) over five years (2018/19 to 2022/23)

Phase 1 of that transformation shifted the organisation to a new way of working through the move to a transitional organisational structure and appointment to the Extended Corporate Management Team roles, providing the foundation to allow the transformation to move to the next phases. The Transformation Blueprint (1.0) outlined the approach and plan for the delivery of phases 2 to 4 of the transformation portfolio, which was achieved through the creation and implementation of seven organisational capabilities, flowing from the design principles of the TOM.

With the implementation of the TOM and delivery of the digital strategy, along with the delivery of required savings and a balanced budget over the five years (2018/19 to 2022/23), we now look to the next chapter of our transformation journey and the next phase of our Target Operating Model – TOM 1.2.

Every aspect of society has been affected by the exceptional circumstances of the Covid-19 pandemic and the broader impact on the city of Aberdeen, and the Council's role in supporting the city and its people, will continue to be felt into the foreseeable future. We need to build on the achievements from our response to the Covid-19 pandemic. Before Covid-19, the Council had in place several structures and a way of working, and during Covid-19, we have had to take a more empowered approach to the management of risk and the associated decision making. We have been deliberate about our use of the leadership team's capacity and capability, ensuring that we avoid over populating participation in meetings, avoid duplication between different structures and ensuring we play to the strengths of individual member in terms of what they lead on, whilst not compromising on the continuous development of our team. As we come to the end of the pandemic, staff will wish to hold onto their Covid experience of increased empowerment and faster decision making, whilst organisationally the governance structures, systems and processes of Council are not designed to support empowerment and speed of decision making. Our future way of working will have to balance the benefits of staff empowerment with our duty for public accountability for the decision making of Council.

Of course, transformation is not only about delivering the necessary savings; there is an even more crucial need for organisational culture to be strategically oriented towards the capabilities envisaged by the Council's Operating Model, e.g., preventing service demand, anticipating demand, supporting citizens to manage their demand and, in the event, we respond to demand ensuring that staff are working with a focus on outcomes. A very deliberate attempt has been made, and will continue to be made, towards influencing the culture of the organisation as well as ensuring that all staff have the right skills and working environment practices to operate within a changing environment.

Building on our achievements, TOM 1.2 will focus on further embedding the design principles and capabilities, supporting deeper and broader service redesign, with digital as an enabler. Crucially it will enable the organisation to deliver savings required for the next 5 years from 2023/24 to 2027/28 as set out in the Medium-Term Financial Strategy (MTFS).

TOM 1.2 Objectives

TOM 1.2 will support deeper and broader service redesign, with digital as an enabler, that will be required to contribute to the savings required for the next 5 years from 2023/24 to 2027/28 as set out in the Medium-Term Financial Strategy (MTFS). The objectives of TOM 1.2 are:

1. Support the Council to address the 5-year funding gap of £134m as outlined in the MTFS.
2. Continue to exploit digital technologies within the Council's Digital Transformation agenda to enable services to adopt technology for various activities and processes, thus enabling the Council to fully leverage technologies to accelerate their processes.
3. Develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within the Council's operating model.

Medium Term Financial Strategy

The Council's environment continues to be extremely complex and multi-dimensional, with significant demand and a high ambition for improvement. This places pressure on how we resource all elements of Council activity to the desired level and where funds are deployed for best value. The events that occurred, because of the global health pandemic, have made this even more challenging going forward.

Financial Challenge

The Medium-Term Financial Strategy (MTFS) sets out assumptions regarding the ongoing short-term implications of Covid-19 in terms of financial year 2021/22, and then goes on to make some informed assumptions for financial years 2022/23 – 2027/28. The overall financial challenge ahead is likely to sit within a range of financial scenarios. The MTFS identifies the following range over the 5 years.

Extract from MTFS

General Fun Budget Gap	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
	£m	£m	£m	£m	£m	£m
Upside Scenario	0	34	38	40	43	47
Central Scenario	0	53	87	114	126	134
Downside Scenario	0	106	132	157	184	211

Looking ahead to the next 5 years, the Council will need to continue to reduce costs in an environment of increasing demand on Council services - we must get to a position where all our staff, elected members, and citizens look for cost saving opportunities relentlessly in every way that does not affect the experience or the efficiency of delivery. Collective and continued attention on not wasting resources is critical.

When we consider our current budget, funding model and the allocation of that budget to deliver Council services, in comparison to the £134m gap as identified within the central scenario in the table above, we need to seek efficiencies in relation to the four categories listed below:



Payroll
£40m



Assets
£8m



Contracts
£54m



Income
£32m

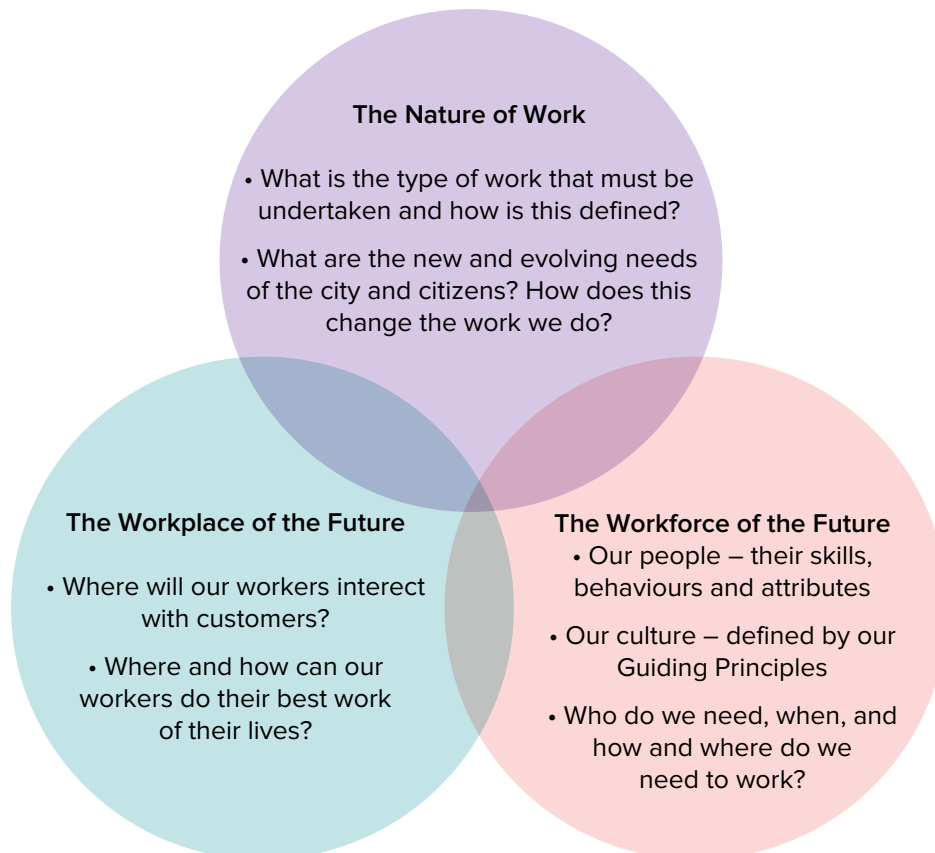
This is the scale of cost that needs to be removed from our system

Approach

Organising for the future

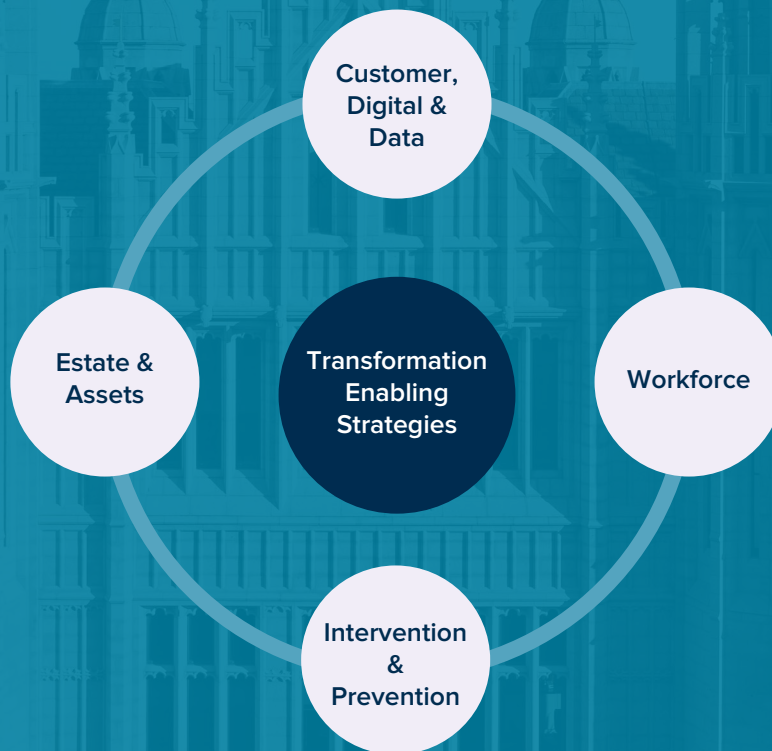
The key strategic linkages to create a future environment for the way in which we will operate can be summarised in the following dimensions:

- **The nature of our work (why we work)** - we work to prevent our citizens from experiencing negative and harmful outcomes and increasingly will be providing less direct service delivery and focusing more on helping our citizens, families, and communities to be empowered to help themselves and each other.
- **Building our 'Workforce' of the future (how we work and how we behave)** - enabled by technology, the public sector and partner organisations have, and will increasingly make use of, more varied work arrangements, accessing more diverse pools of skills and capabilities, both inside, outside and across organisational boundaries. As a result of the next phase of our digital maturity journey, our staff will undertake less and less transactional work, thereby creating more capacity for our workforce to focus on building relationships with citizens and supporting community capacity building. We will work with a singular focus on outcomes, working as groups of staff to make our contribution to those outcomes. And as teams, we will enjoy increased empowerment and flexibility.
- **Re-imagining our 'Workplace' of the future (where we work)** - technology, and new models for employing talent, are starting to redefine the workplace and its organisational supports. These changes have and will continue to impact physical workspaces (including remote and hybrid work) along with policies that promote employee well-being. We will no longer define our workplace by a defined building and instead will view our workplace as wherever we can best serve our citizens.



Enabling Strategies

The Council is developing a suite of enabling strategies to support the vision set out above for organising the future. The vision of TOM 1.2 builds on the strong foundations already in place via the previous TOM.



Customer, Digital and Data

Our vision for the City as “a place where all people can prosper” relies on the effective use of data and digital technologies to connect people; to understand and meet their needs; to build on the strengths of individuals and communities; and support their independence and resilience. Current and future data and digital technologies, including the Internet of Things, robotic process automation, artificial intelligence, machine learning and data analysis provide an unprecedented opportunity to create a richer personalised digital experience for citizens and communities; to transform how services are designed; to broaden and deepen citizen and community engagement; and to improve outcomes with proactive and preventative decision making.

The Council’s operating model focusses on early intervention and problem solving to help citizens become more self-sufficient and resilient. We will always react appropriately to the needs of all citizens and service users, and we will also seek to understand why those needs arise and to reduce and prevent future demand. We recognise that all lives are multi-dimensional and to most effectively improve outcomes, prevent and reduce demand, services and data need to be integrated and have the individual person and their circumstances at their core.

Our operating model puts citizens at the heart of everything we do and is underpinned by the principles of promoting self-help, proactively anticipating needs and managing demands through meaningful engagement, better use and transparency of data and by harnessing digital solutions. The Customer, Digital and Data Strategy aligns the delivery of this vision with our ‘We CARE’ charter, under the 4 key responsibilities:



Digital and data have been, and remain, fundamental in both leading and enabling the continuing transformation of the organisation. We will develop and provision the foundational technologies, infrastructures, systems and skills that will enable and underpin service designs and transformations, taking full advantage of opportunities presented through the rapid acceleration of digital technology, the availability and management of data and how this can support both planning and transactional services for our citizens and service users.

The key elements of the strategy are Core Services Modernisation, through which we will rationalise and modernise dated and costly software applications with enterprise software packages, using Microsoft Dynamics, that provide a common platform across many business areas. This will enable more complete records to drive personalised services and demand forecasting. The implementation of a corporate data platform will allow the full benefit of an enterprise digital approach through the use of data, to understand our services, drive redesigns, reduce demand, manage our own resources, and support self-serve. And all of this will be further underpinned through necessary Digital Infrastructure Modernisation of our underlying technical infrastructure and the rationalisation of multiple websites and supporting technologies towards a Core Web Platform with common and reusable technology. The strategy will also identify the specific changes required to improve and evidence an organisation with a fully embedded citizen-centric culture.

What will success look like?	Why are we doing this?	What needs to be done?
<ul style="list-style-type: none"> • Citizens will access and interact with the Council in ways that suit them, supported to access self-serve digitised services, reducing avoidable contact • The Council understands, predicts and responds to people’s needs, supporting those most in need and reducing overall demand • Citizens are listened to, integrated services are designed and delivered to meet their needs • Our staff will be trained to provide digital support and tackle digital poverty 	<ul style="list-style-type: none"> • To give citizens and businesses the ability and choice to interact with the Council through integrated digital access • To be able to personalise the service user experience • To reduce avoidable contact and unnecessary demand, allowing resources to be prioritised to those most in need • To better understand current and future citizen needs preventing problems before they get worse • To offer online services with greater flexibility, longer service hours, faster response and lower costs • To give citizens a real voice and to put their views at the heart of the design and delivery of services 	<ul style="list-style-type: none"> • Develop Citizen; Education; Tenant; and Business Customer Portals with self-serve on-line services • Integrate access across Council & partners • Deploy ‘Assisted Digital’ Customer Delivery Model • Develop customer service, digital & data skills • Enhance citizen feedback and community engagement and deploy an on-line Community Platform • Enable automated efficient processes to improve responsiveness • Extend deployment of robotic process automation, AI & Machine Learning • Deploy a modern data platform, embed consistent data standards, appropriate data quality and information

Workforce

The overall purpose of the strategy is to continue to transform the culture of the organisation by stretching the aims articulated in the TOM to align organisational culture with the ethos of the 21st Century Public Servant.

Achieving our cultural ambitions needs to be done whilst managing an approach to reducing resources, including reductions to the pay bill. To achieve this, we will need to direct our limited and reducing resources to those areas which will have the greatest long term impact for our citizens and on shifting the demand on our services through early intervention and prevention and utilising digital technologies. The nature of our work will therefore need to continue to shift, and our workforce of the future will be shaped around this. Our organisation must be structured, our roles must be designed, and our people must be skilled to effectively operate within this context to meet the challenges that are present now and to adapt over the coming years.

Our Guiding Principles, which were designed by staff in 2019, provide a framework for all of our activity to achieve this.

- **Purpose** - We care about our purpose, our city and our people
- **Pride** - We take pride in what we do and work to make things better
- **One Team** - One team, one council, one city
- **Trust** - We trust each other and take responsibility
- **Value** - We value each other and recognise a job well done

We will draw on the feedback and experience of staff gained during the pandemic and continue to engage with all staff throughout our change journey.

We will continue to modernise our structures and our processes, thus creating an environment in which employees are clear on what is expected of them and how this connects to our purpose, are empowered to deliver what is needed for our citizens and have the skills and confidence to do so effectively with colleagues. This is achieved by increasing accountability and empowerment and improving management and leadership capability and is supported by modern and progressive employment policies that focus on employee wellbeing. We will continue to strive for adult to adult relationships between employer and employees and to support employees to be their whole selves at work.

The focus on further embedding our cultural ambitions will produce tangible outcomes. Some examples of the predicted benefits include increased flexibility which will reduce spend on agency and achieve improved employee engagement and increased uptake of digital technologies and modern flexible working practices, which will improve productivity and reduce absence rates.

What will success look like?	Why are we doing this?	What needs to be done?
<ul style="list-style-type: none"> • A workforce that delivers on our purpose, flexibly and adaptively, focusing on the areas of greatest impact through early intervention and prevention • Our workforce is able to change, improve, think and act in radically different ways • Collectivism and collaboration is the norm, diverse voices within the organisation have a platform • Our workforce is empowered to act at the point of need • We recognize individual skills and passions and reward delivery against our core purpose 	<ul style="list-style-type: none"> • To reduce demand on our services and harms to our people and place • To improve and adapt services responding to reducing resources • Our workforce should be representative of our community • Empowered people will take effective decisions to meet the needs of our customers, and with the effective use of data and digital allows limited public resources to be targeted • Approaches to recognition and reward need to be modernized in line with our shifting workforce demographic 	<ul style="list-style-type: none"> • Redesign services against organisational design principles • Use job families and worker styles to provide a framework to support our varied workforce in their development aligned to our priorities • Build on our approaches to hybrid and flexible working through effective use of digital, guidance and workspaces • People Change toolkits and management development • Workforce plans in place that focus on talent pipelines and our equality outcomes • Build self-managing communities and self-managing teams • Reduce layers of management • Build feedback structures with our workforce of the future in mind

Intervention & Prevention

This strategy will instil prevention and early intervention into all service planning and design, providing the foundation for the commissioning cycle and budget planning.

Analysis of the current model with regard to embedding prevention and early intervention has identified several core themes, including the lack of agreed definitions of prevention, early intervention and harm. Without these, it is impossible to fully classify services provided as being preventative; understand the resources allocated to preventing harm occurring, or those required when intervening once harm is identified. This means there is no institutional understanding of the totality of risks around harm and it's escalation; of risks faced when trying to prevent harm or intervene early once harm is identified; and no coherent range of outcomes sought when commissioning services to prevent harm or intervene early.

Adopting agreed definitions of 'Prevention'; 'Early Intervention' and 'Harm' will allow us to focus on external demand, internal demand and demand created by external agencies. Combined with the established demand analysis framework, we will understand service delivery, resource allocation and demand Council wide across the three tiers of prevention – Prevention, Early Intervention and Response – and implement demand elimination tactics. The tiered model will be applied to all clusters to identify demand and spend. This will allow a deeper understanding of risks evident across the Council, the interdependencies of risks across the tiered model, and the identification of mitigations to de-escalate those risks.

Tactics will include reviewing the commissioning pipeline; using levers such as policy and legislation; community empowerment; revised governance arrangements, and workforce development, ensuring prevention is understood and built into role profiles.

Key strategic outcomes include demand elimination; Community empowerment and independence; Improved prediction and agile response; Stronger citizen voice in decision making; Strategic resource allocation; Reduced operating cost – all leading to a more resilient organisation.

What will success look like?	Why are we doing this?	What needs to be done?
<ul style="list-style-type: none"> • We prevent more than we provide • A more mature relationship between the Council and the city • Predictive analytics to identify potential harm before it happens • Community and citizen engagement at the heart of planning and delivery • A clear route into Council decision making for residents and communities • Constantly learning from our customers • A budget that is allocated to services based on understanding of risks at each level of the Tiered model • Those who truly need help will receive it, without others experiencing detriment 	<ul style="list-style-type: none"> • Quick identification and elimination of unwanted demand • Increased sense of ownership by communities • A clear role in preventing harm before it happens • To allocate resources appropriately • We want people to have the best chance in life • Continuous Improvement and a decisive shift to prevention are evidenced • Increasing gap between expenditure and income 	<ul style="list-style-type: none"> • Forensic identification and examination of internal and external demand • A clearly articulated analysis of demand using the tiered model • Focused workforce development to support cultural change • Reviewing governance models • Development of roles focused on prevention and early intervention • Effective engagement with communities and customers • Agreement of definitions for prevention, early intervention and harm • Forensic demand analysis and risk profiling

Estates and Assets

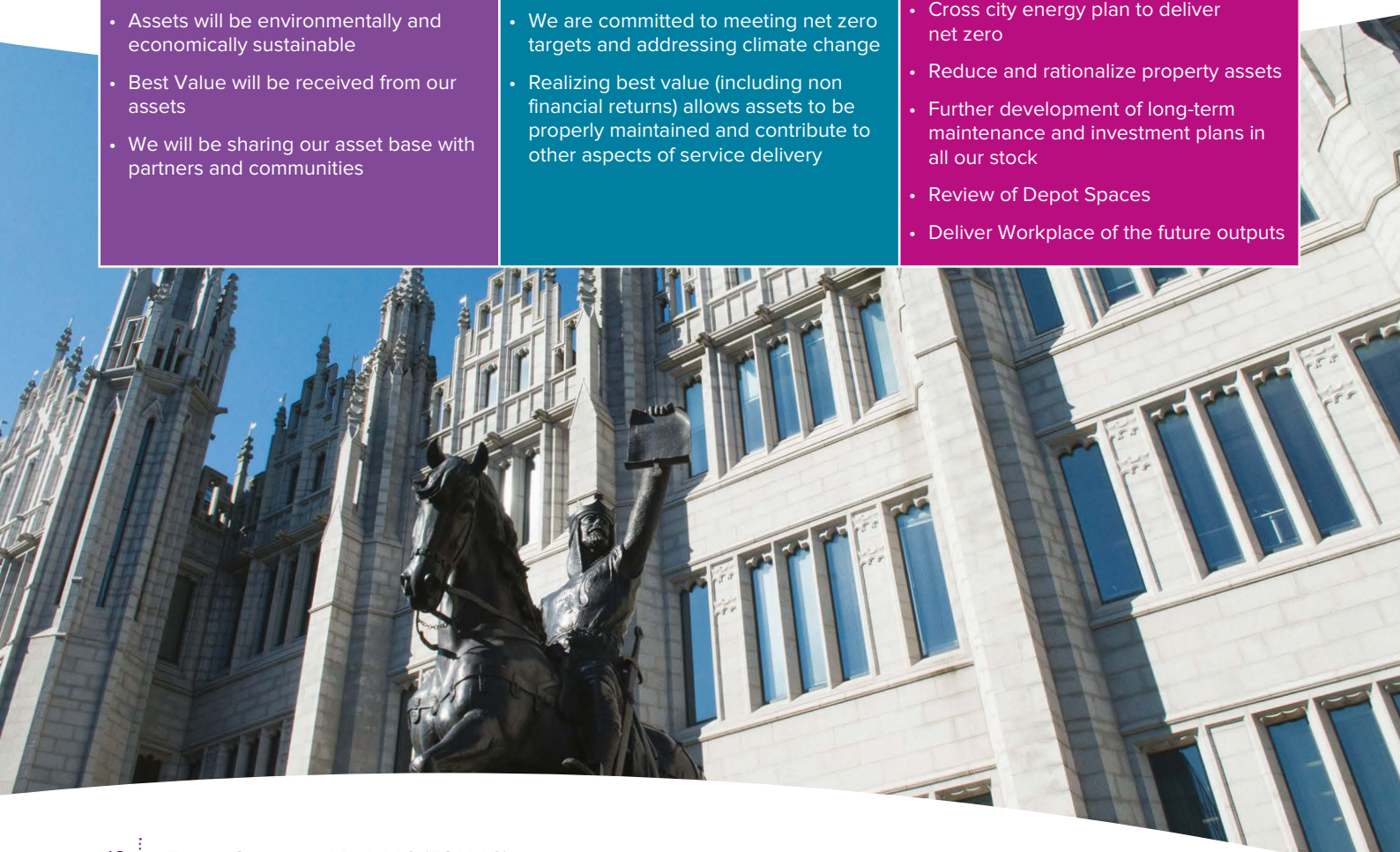
The Estates and Assets strategy will consider how the Council and partners can best use their asset base to efficiently deliver services and support wider transformation aims. Assets make a significant financial contribution to Council revenue, but also carry significant holding and maintenance costs along with compliance and income risks. Our backlog maintenance costs will continue to increase, and substantial investment is required to meet climate change and net zero aspirations.

Through the implementation of an updated Estate and Asset Strategy, we will continue to optimise the use of our assets, including a review of assets with communities, to maximise utilisation with a reduced, more affordable footprint. By its nature, the estate should react to organisation of the future by supporting the work we do, how we do it and the physical spaces used to deliver it. Working across all services and transformational workstreams we aim to have the right assets, at the right time and in the right place to deliver for our citizens, staff and partners.

The Estates and Asset Strategy will include a School Estates Plan, and a review of Housing, Operational and Commercial properties. We will clarify and implement key roles and responsibilities in maintenance and management of our buildings, and develop standard practices and guidance on premises, all ensuring sustainability and carbon reduction is at the heart of decision-making. We will move to implement a community campus model in partnership with other public and voluntary bodies.

As part of this strategy, and in conjunction with the transformation programme, initial work will also review Council depot and office provision and linking this with the Multi-Agency transformation activity, looking for opportunities to share with partners and make the estate fit for purpose, including its connectivity and digital delivery aspirations.

What will success look like?	Why are we doing this?	What needs to be done?
<ul style="list-style-type: none"> • Assets will be safe, secure and legally compliant • Assets will be fit for purpose, in good condition and well utilised • Assets will be environmentally and economically sustainable • Best Value will be received from our assets • We will be sharing our asset base with partners and communities 	<ul style="list-style-type: none"> • Our assets need to be safe environments for users • We can't afford to have assets not being fully utilised • We are committed to meeting net zero targets and addressing climate change • Realizing best value (including non financial returns) allows assets to be properly maintained and contribute to other aspects of service delivery 	<ul style="list-style-type: none"> • Learning estates plan • Review of commercial estate • Housing asset review • Cross city energy plan to deliver net zero • Reduce and rationalize property assets • Further development of long-term maintenance and investment plans in all our stock • Review of Depot Spaces • Deliver Workplace of the future outputs



ACC Transformation Programme

The Transformation Programme has been developed to align with the timeline set out in the Medium-Term Financial Strategy (MTFS).

The delivery of transformational change will always be flexible depending on the changing demand and delivery of the desired benefits. Therefore, as we move through the years, projects will be delivered, the scope of them may change, and new projects will be commissioned and added to the programme.

An initial high-level programme delivery plan has been developed and is appended at the end of this paper, and more detailed plans, both delivery and benefit realisation, are in place for each project.

The Programme is structured around 8 strategic projects, which are a combination of specific business area redesign and commercial opportunities.



Redesign and reconfiguration of Estates portfolio (including ALEO estate)

The assets redesign and reconfiguration project recognise the financial and delivery impact our property assets have on our services and aims to align our asset commitments with the MTFS. The project will not only look to reconfigure our estate but seek to use our property differently with ALEO's and public sector partners. The scope will look at addressing the strategic outcomes with the Estates Strategy and transforming how we manage and use the estate. This will, in particular, include how our assets contribute to meeting our net zero ambitions and service delivery requirements.

Redesign of Property Management and Maintenance

The project will consider the most efficient delivery model (on both a capital and revenue basis) for the management of the Council's property portfolio, providing clarity and agreement on the client, contractor and customer roles and the interaction and interdependencies between Corporate Landlord, Operations, Capital, and Housing, around all remits of property management, including maintenance, inspection, repair, compliance, voids, improvement, and construction works.

The project will look to develop and implement the most effective delivery model for construction and maintenance works, including voids management, implementing a scheduled maintenance approach against all property types to improve standards and reduce the need for reactive maintenance, and consider the role of Building Services, with an aim to develop additional income streams and expertise, as well as reduce lost income.

Operational and Protective Services Alternative Delivery Models (ADMs)

The project will consider the most appropriate delivery model for different services within the Operational and Protective Services Cluster. There are a number of service delivery models that can be considered, however not all will be suitable for every service. Delivery models that may be explored include joint ventures with other organisations, regional models, and the potential for services to become more commercial.

Reconfiguration of working arrangements with Arm's Length External Organisations (ALEOs)

This would be a phased approach looking at key strands, starting with a fresh review of all SLAs, ALEO Business Plans and usage of estate (linking to above project), to inform an option appraisal on potential alternative delivery models. The project will also look to deliver clear social outcomes through enhanced collaboration of early intervention programmes.

Commercial opportunities from Green Energy

Working with Aberdeen Heat & Power (AH&P) to expand and invest in existing heat infrastructure to support the fuel for poverty crisis, and receive a dividend return on investment. There is an opportunity to align with the energy strategy linking initially the city centre and beach within those Masterplan proposals. An outline business case is in development for energy centre options at the Beach and the project will develop this further and future proof as technology and demand evolves. The project will also consider opportunities to further enhance our ability to provide business and residents with alternative energy sources that are greener and more efficient.

The project will also look at further opportunities around electric vehicle charging. The aspiration is to enable a network of charging infrastructure that is accessible to a wide range of public and private consumers, which is both reliable and affordable, whilst providing an income stream to the Council. It is also considered that this project will contribute to the requirements for Council fleet electric charging infrastructure.

Digital automation

The project will look to further develop a centre of excellence for PowerAutomate and Power Virtual Agents (PVA). These will create capabilities to take current robotic process automation work to the next level by linking with Dynamics, Microsoft365, Teams Voice and other line of business applications to remove manual processes, create automated flows and align chatbots to respond to service demand.

Digital system rationalisation

The project will take every business application and assess it against the Customer, Digital and Data Strategy. Based on this assessment each application will be ranked as one of the following:

- **Rehosting** – The application can be moved to cloud as a lift and shift reducing hosting costs.
- **Replatform** – The application should be redesigned to use cheaper technologies
- **Repurchase** – The system is required and should be kept in its current form
- **Retire** – The system should be retired with the business functions being moved to another existing application.
- **Revisit** – The system should be modified as per a to d above but business or cost factors mean that this should be delayed.

Reviewing the application estate in this way will allow Aberdeen City Council to manage its application estate holistically and enable cost reductions.

Establishment of a Digital Agency

The project will consider a city wide digital/ data service that could bring in other public sector partners and also engage in commercial activity. As part of current activity, the Council is engaged in developing a refreshed Smart Cities strategy, agreeing an MOU with Microsoft and working with partners on the Aberdeen Computing Collaborative. Each of these have complementary pathways covering lifelong learning and supporting Aberdeen City as a centre of excellence for Computing Science education and the Digital Sector, leading to economic transition.

It is proposed to limit any initial discussions to autonomous bodies within Aberdeen City. Areas of scope would be refined as part of any feasibility study but could include: - IT Support (2nd and 3rd line), IT infrastructure (Cloud), Development, Digital Services and Delivery, Data services.

Consideration of using an alternative delivery model to create a Digital Agency that would become a city asset. The ability to operate as a commercial body could also mean increased support for the local business community, establishment of new career opportunities for young people in Aberdeen and the ability to attract other sources of funding.

Multi-Agency Transformation

In addition to the Council's transformation programme, the Multi-Agency Transformation Management Group (MATMG) work collaboratively to continuously identify areas where shared demand pressures exist and can be mitigated through whole system reform, specifically relating to digital services; use of assets; early intervention and prevention through the management of demand; and the design of specific services, with a particular focus on education and children's services.

Currently the key programmes of work being taken forward by the MATMG are:

1. Family Support Model

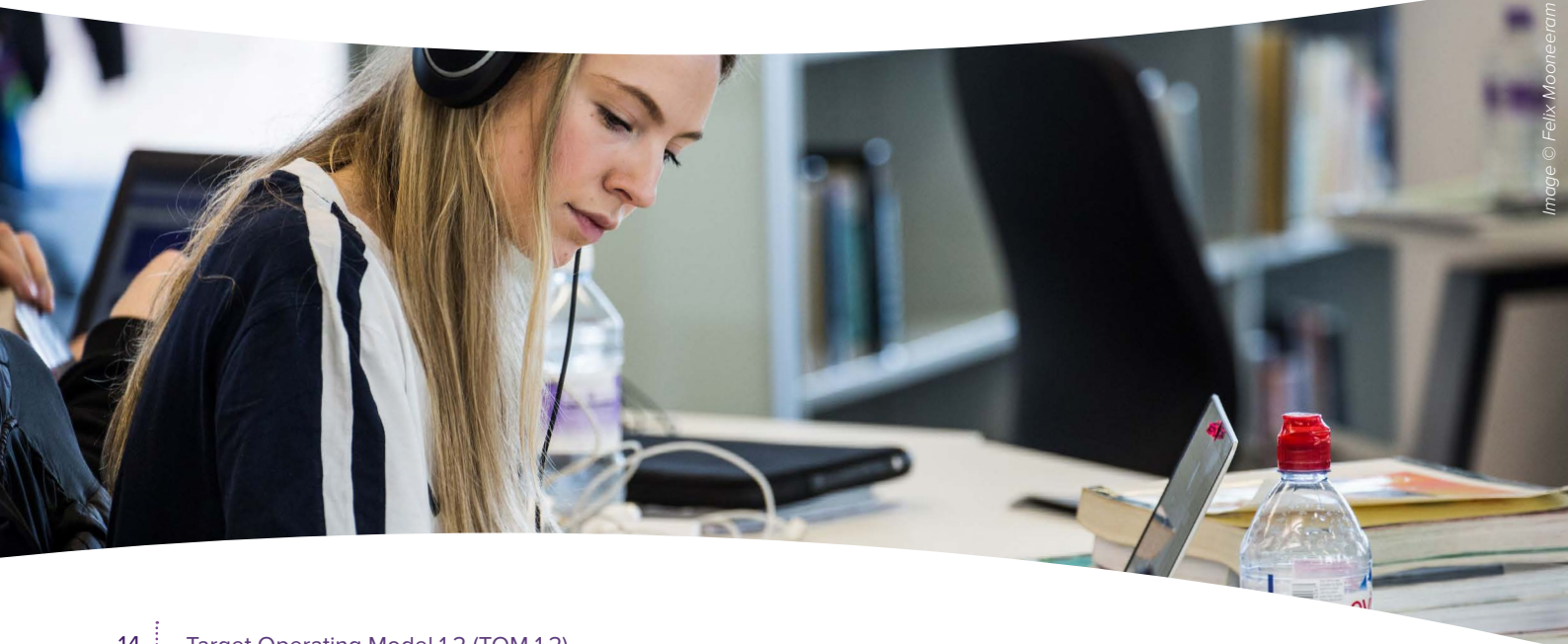
The challenges of the pandemic, increased demand on services and changes in national policy, present an opportunity for partners to rethink how we can best meet the needs of children and families. The purpose of the Target Operating Model (TOM) for children and young people is to transform how multi-agency partners work together to strengthen the co-ordination and delivery of services to children and young people within Aberdeen City, and ensures "whatever issues family face, intensive family support is available, proactive and characterised by the 10 Principles of Intensive Family Support" (as set out in The Promise). "These principles apply to all families that need support to stay together."

The redesign of Family Support is a key initiative that will help ensure the objectives of the TOM for Children and Young People are achieved. The proposed Family Support model will improve upon the current services and systems in place to keep children and young people safe and prevent harm. It will focus on providing a more coherent and agile approach at Tier 2 early intervention, to reduce risk being escalated to Tier 3 specialist services and enable a redirection of specialist resources and knowledge to further upstream prevention. A further focus will be around Tier 1 universal services, which will be shaped and informed by demand with a focus on primary prevention.

The redesign of the Family Support model will draw on the skills and expertise of all partners to ensure resources are targeted with maximum effect and financial savings from the implementation of the model can be realised.

2. Education - Senior Phase Redesign

All secondaries are currently developing ABZ Campus. The citywide senior phase ABZ Campus will offer city wide courses in order to broaden the range of pathways available to young people. The first phase of the programme will be operational in June 2023 and will provide 20 additional courses. Phase 2 is anticipated to be delivered in June 2024. By working more closely with partners on the design and delivery of the senior phase there are likely to be efficiencies.





3. Community Safety

The Intervention Hub establishes the Priority People Service to complement the Priority Family Service and refreshes the Community Safety service to become a more pro-active delivery model through the increased use of data. Officers in the Hub will work closely with partners including the Housing and Support Service, Social Work, Police Scotland and Scottish Fire and Rescue Service. Savings options are still being explored for the Hub as the work is closely linked to the developing Family Support Model.

4. Community First

To design a community based whole system approach with partners and create a “Community First” front door for the triaging and treatment of the excess demand and high intensity users on health and social care as a result of the health debt created by COVID and divert demand away from ARI.

- Improve Health outcomes for our vulnerable communities – bringing to life the policy rhetoric of “right care, at right time and right place”.
- Reduce escalating demand on ARI presentations, initially for respiratory, mental health and addiction related issues, by prioritising and triaging the required support in a different way.
- Create a Single Point of Contact for partners when referring patients to be triaged onwards to correct community-based support.
- Create priority community intervention hubs that respond to the triaged demand and provide co-ordinated community-based support for citizens.
- Design a process that better connects health and Council data and systems, along with partners, to support the analysis of demand and the prioritising and triaging of patients.

Although these reform projects are not part of the Council’s transformation programme, Council officers are a key stakeholder in the delivery, and as such are included in the TOM 1.2, to highlight our whole system approach.

Governance Framework for the TOM 1.2

ACC Transformation Board

The Transformation Board is part of the Council's executive officer governance arrangements and reports to the Corporate Management Team.

The Board govern and provide strategic direction to the development and delivery of the enabling strategies, ensuring that the inter-connections between all four strategies are made, as well as ensuring the linkages between the transformation programme as a single system.

The Board also govern and provide strategic direction to the projects within the transformation programme, ensuring the projects are delivered to the desired quality, monitoring the return on investment and subsequent delivery of benefits, both financial and non-financial.

The Board will also have an oversight and work alongside the multi-agency whole system reform led by the Multi-Agency Transformation Management Group (MATMG).

The Transformation Board is chaired by the Director of Customer and membership consists of:

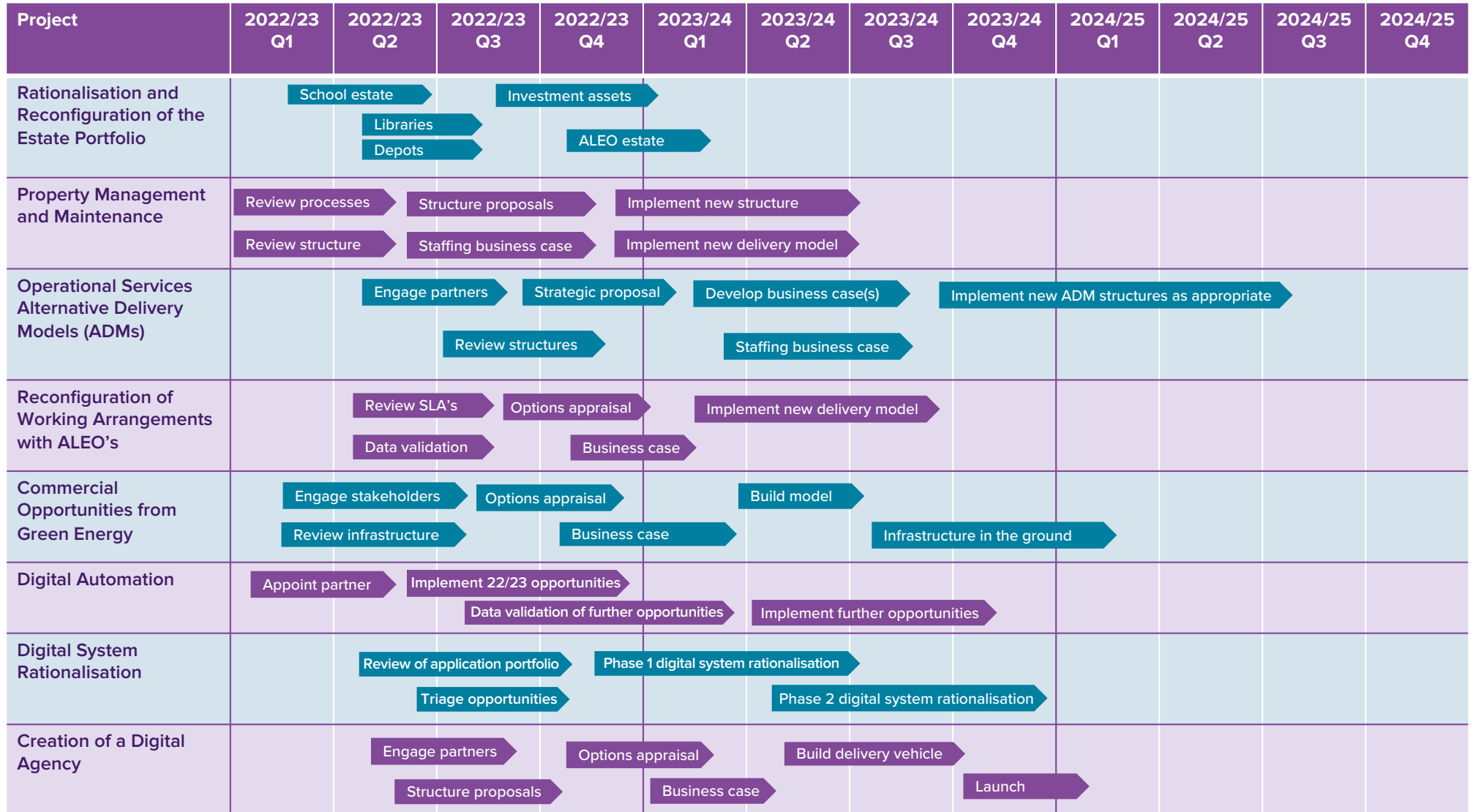
Transformation Board Membership	
Director of Customer	Chief Officer Corporate Landlord
Chief Officer Customer Experience	Chief Officer Operational and Protective Services
Chief Officer Digital and Technology	Chief Officer Commercial and Procurement
Chief Officer Data and Insights	Chief Officer Finance
Chief Officer Early Intervention and Community Empowerment	Chief Officer People and Organisation
Service Manager (PMO)	

Governance for multi-agency whole system reform is overseen by the MATMG. The Group is chaired by the Council's Chief Executive, with support from the Council's Corporate Programme Management Office (PMO). Membership of the Group consists of:

Multi-Agency Transformation Management Group (MATMG) Membership	
Chief Executive, Aberdeen City Council	North East Police Commander, Police Scotland
Director of Customer, Aberdeen City Council	Area Commander, Scottish Fire and Rescue Service
Director of Resources, Aberdeen City Council	Depute Chief Executive and Director of Strategy, NHS Grampian
Director of Commissioning, Aberdeen City Council	Principal and Vice Chancellor, University of Aberdeen
Chief Operating Officer, Aberdeen City Council	Principal, Robert Gordons University
Chief Officer, Aberdeen Health and Social Care Partnership	Principal and Chief Executive, North East College

Indicative ACC transformation programme timeline

The below is an initial indicative timeline for the ACC transformation programme. The timeline will be further developed and adjusted as the projects are fully scoped.



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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	“Working in Partnership for Aberdeen” - Commissioning Intentions and Service Standards 2022/23
REPORT NUMBER	CUS/22/169
DIRECTOR	Gale Beattie
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Martin Murchie
TERMS OF REFERENCE	2

1. PURPOSE OF REPORT

- 1.1 Aberdeen City Council has embedded a strategic commissioning approach to enhance integrated service provision and deliver the Council’s commissioning intentions. As part of this approach, the Council agreed commissioning intentions and service standards for 2022/23 at its meeting on 7th March 2022.
- 1.2 This report identifies areas where revisions may be required to the commissioning intentions and service standards, to ensure alignment with the policy statement - “Working in Partnership for Aberdeen”, noted by the Council on 18th May 2022.

2. RECOMMENDATIONS

- 2.1 That Council:-
 - i. Notes the review of the commissioning intentions, service standards in the context of the policy statement, “Working in Partnership for Aberdeen”;
 - ii. Agrees to the recommended amendments to 2022/23 commissioning intentions and service standards set out in Appendix A;
 - iii. Instructs the Director of Commissioning to report any further amendments required in 2022/23 to existing commissioning intentions and service standards, as a result of subsequent decisions of the Council and its Committees, to Council; and
 - iv. Notes that the policy statement will be fully reflected within the Council’s strategic commissioning cycle for 2023/24 onwards.

3. CURRENT SITUATION

- 3.1 In noting the policy statement, “Working in Partnership for Aberdeen”, the Council instructed the Chief Executive to report back to the meeting of Full Council in August on any revisions required to the Council’s commissioning intentions, service standards and budget for 22/23.
- 3.2 Through the existing strategic commissioning cycle, full consideration of the implications and implementation of the policy statement from 2023/24 onwards will, of course, be completed and reported for the Council’s consideration in February / March 2023. This report, therefore, only identifies areas where commissioning intentions or service standards might be revised during 2022/23.
- 3.3 The policy statement includes a range of commitments which either:-
- Reflect a policy position
 - Relate to Council resource allocation
 - Relate to a specific ACC action
 - Call for a review or further report

Where a commitment relates to the Council’s allocation of resource or to a specific action, the timing, scale and nature of implementing that commitment will, in most cases, be subject to further consideration and agreement by the Council or its Committees. Therefore, whilst the review has identified where there is likely to be an impact on 2022/23 commissioning intentions and service standards, it has not always been possible to recommend specific amendments.

- 3.4 Appendix A lists those policy statement commitments where, it has been assessed, there may be an impact on existing 2022/23 commissioning intentions and service standards and, in a number of cases, recommends specific amendments.

4. FINANCIAL IMPLICATIONS

- 4.1 In completing this review of the commissioning intentions and service standards, officers have begun to identify potential financial implications arising from policy statement commitments. As stated above, the implementation of individual commitments will be subject to further decisions of the Council and its Committees and all specific financial implications within 2022/23 will be confirmed at that point. Financial implications from 2023/24 onwards will be explicitly considered through the established annual strategic commissioning and budgeting cycle.
- 4.2 Council will also note that the City Growth and Resources Committee considered the “Council Financial Performance – Quarter 1, 2022/23” report on 3rd August 2022. This included recommendations for reprofiling capital spend. This report was referred to Council for decision in terms of Standing Order 34.1 and is therefore also on the Council agenda.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report. Any actions arising from policy statement commitments which do have legal implications will be subject of further consideration by the Council or its Committees.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report. Any actions arising from policy statement commitments which do have environmental implications will be subject of further consideration by the Council or its Committees.

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	None. This report aligns stated policy commitments with planning and delivery.	N/A	L	Yes
Compliance	None.	N/A	L	Yes
Operational	None.	N/A	L	Yes
Financial	None. Financial implications in 2022/23 are included within the report to Council on 24/08/22 "Medium Term Financial Strategy". Additional financial implications arising from policy statement commitments will be subject to further reporting			Yes

	and consideration.			
Reputational	Reputational damage from risks identified in all areas resulting in delivery commitments not being achieved.	M	ACC strategic planning and performance management arrangements	Yes
Environment / Climate	Non-compliance with environmental legislation and failure to achieve or deliver environmental targets and commitments contained within the Council's strategic plans.		Monitoring of environmental risks captured within delivery programmes	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	This report is specifically recommending measures to implement the noted policy statement in 2022/23.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The alignment of the policy statement with the Council's commissioning intentions and service standards also ensures alignment with the delivery of the Community Planning Partnership's vision. The Council Delivery Plan, which contains the commissioning intentions, has been aligned to support the delivery of all stretch outcomes in the LOIP.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	
Regional and City Strategies	The policy statement commitments can both respond to and shape regional and city strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	N/A – Programmes of work within the policy statement may require assessments and will be completed as necessary
Data Protection Impact Assessment	N/A – Programmes of work within the policy statement may require DPIAs and will be completed as necessary
Other	N/A

10. BACKGROUND PAPERS

- Council Delivery Plan 2021/22 – COM/21/054
- Policy Statement – Noted 18th May 2022
- Council Target Operating Model - OCE/17/024
- Commissioning Approach - COM 18/292 & COM 19/329
- Refreshed Aberdeen City Local Outcome Improvement Plan 2016-26-CUS/21/226
- Strategy Framework – GOV/19/413
- Guiding Principles – RES/19/12
- ACC Workforce Plan – RES/19/216
- Performance Management Framework – CUS/21/224
- Population Needs Assessment – COM/21/042

11. APPENDICES

Appendix A – Analysis of and proposed amendments to Council commissioning intentions and service standards 2022/23.

12. REPORT AUTHOR CONTACT DETAILS

Name	Martin Murchie
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Recommended Amendments to 2022/23 Commissioning Intentions and Additional Potential implications in 2022/23

	Policy Statement Commitment	Implications for 2022/23 Commissioning Intentions	Implications for 2022/23 Service Standards
Supporting People with Cost of Living			
1.	Commission an urgent report, to identify how the Council could further support struggling and vulnerable people throughout this crisis.	Subject to Council's consideration of options.	None anticipated
2.	Actively support Aberdeen's foodbanks and provide assistance with bulk purchasing where desirable.	Potential additional commissioning intention, subject to Council's consideration of options and linked to 1. above.	None anticipated
3.	Top-up the locally administered Scottish Welfare Fund and look at expanding the criteria for applications to the fund, to help more people to access crisis grants during this cost of living crisis.	Additional commissioning intention for 2022/23.	Expanded criteria will become a service standard for eligibility.
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Implementation will be subject of further consideration by the Council.			
A City of Opportunity			
4.	Build on the success of the Summer of Play, extending these learning experiences at least into school holidays, including the Spring and October holidays.	Additional commissioning intention for 2022/23.	None anticipated
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Implementation will be subject of further consideration by the Council.			
Building a Greener & Sustainable City			
5.	Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net-zero city by no later than 2037, and earlier if that is possible.	Commissioning intentions for 2022/23 respond to Aberdeen's Net Zero Vision & Routemap which will be impacted by this commitment. However, no specific amendments to 2022/23 commissioning intentions are proposed at this time.	None anticipated

6.	Promote and improve woodland in our city and in particular launch a “A Million Trees for Aberdeen” programme to plant, with partners, a further one million trees in Aberdeen by 2032 at minimal cost to the Council.	Additional commissioning intention for 2022/23. Existing commissioning intention focusses on tree planting on Council owned land. Adoption of the policy statement commitment would broaden the intention to work with partners.	None anticipated
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Implementation will be subject of further consideration by the Council.			
Keeping our City Moving			
7.	Beginning the construction of the Berryden Corridor.	Depending on wider Capital Programme review, potential to adopt this commitment as an additional 2022/23 commissioning intention.	None anticipated
8.	Expanding mandatory 20mph speed limits in residential and other areas where this is supported by communities.	Subject to specific proposals, potential to adopt this commitment as an additional 2022/23 commissioning intention.	None anticipated
9.	Installing new bus shelters to meet local needs.	Funding for 2022/23 has been secured from Nestrans so can be added as a 2022/23 commissioning intention.	None anticipated
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Implementation will be subject of further consideration by the Council.			
Homes for the Future			
10.	Ensure that Aberdeen City Council’s housing stock provides more choice for our city’s older citizens.	Housing Needs Demand Assessment has commenced, informing Local Housing Strategy delivery.	Service standards should be reviewed in relation to choice.
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Implementation will be subject of further consideration by the Council.			
11.	Ensure that sufficient resources are available for the monitoring and landlord registration and HMO licensing, work to support	The policy statement commitment may be adopted as an additional	Service standards should be reviewed in line with agreed policy and actions.

	tenants in private rented housing and work with private landlords to improving housing standards across the city.	Commissioning Intention for 2022/23, subject to further consideration of outstanding Notice of Motion and Short Terms Lets legislation.	
12.	Invest in amenity improvements in and around the Council's housing stock – such as painting of communal areas and properly maintaining and improving communal gardens.	Potential additional commissioning intention, subject to resource allocation.	Service standards should be reviewed in line with agreed policy and actions.
Empowering Communities			
13.	Support Inchgarth Community Centre with their extension plans.	Ongoing support being provided. Can be added as a 2022/23 commissioning intention.	None anticipated
Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Specific actions with resource implications will be subject of further consideration by the Council.			
An Active City			
14.	Install distance markers along popular walking and running routes across the city.	Subject to specific proposals, potential to adopt this commitment as an additional 2022/23 commissioning intention.	None anticipated
A Caring City			
15.	Support the roll-out of further changing places toilets across the city.	Subject to specific proposals, potential to adopt this commitment as an additional 2022/23 commissioning intention.	None anticipated
16.	Support greater personalisation of care and consider whether it would be possible to implement policies to maintain quality of life of disabled citizens in our community and support the health and well-being of carers by providing support and respite.	This aligns with new Strategic Plan of ACH&SCP. If new / additional actions are agreed, potential for this to be added as a 2022/23 commissioning intention.	Revised services are likely to lead to revised service standards.
A Safer Aberdeen			
17.	Tackle fly tipping and establish a squad to tackle illegal graffiti across the city.	Additional commissioning intention for 2022/23. Work underway to engage resource for additional work.	Included within environmental standards. Any change in policy /

			practice may require a change in standard.
	Recommendation: The policy statement commitment above be adopted as an additional Commissioning Intention for 2022/23. Specific actions with resource implications will be subject of further consideration by the Council.		

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24 August 2022
EXEMPT	No Appendix 12 is exempt - paragraphs 6 and 8
CONFIDENTIAL	No
REPORT TITLE	Committee Structure and Scheme of Governance
REPORT NUMBER	COM/22/161
DIRECTOR	Gale Beattie, Director of Commissioning
CHIEF OFFICER	Vikki Cuthbert, Chief Officer - Governance
REPORT AUTHOR	Martyn Orchard
TERMS OF REFERENCE	7, 17, 18 and 21

1. PURPOSE OF REPORT

- 1.1 To respond to the instruction from the adjourned Council meeting on 13 July 2022, following approval of the notice of motion by the Co-Leaders proposing changes to the Scheme of Governance and the committee structure in particular.

2. RECOMMENDATIONS

That the Council:-

- 2.1 agree, with effect from 14 October 2022, to
- disestablish the Capital Programme Committee
 - disestablish the Strategic Commissioning Committee
 - disestablish the Operational Delivery Committee
 - disestablish the Public Protection Committee
 - rename the Education Operational Delivery Committee as the Education and Children’s Services Committee
 - rename the City Growth and Resources Committee as the Finance and Resources Committee
 - establish the Communities, Housing and Public Protection Committee
 - establish the Net Zero, Environment and Transport Committee
 - establish the Anti-Poverty and Inequality Committee;
- 2.2 approve the Terms of Reference for the Finance and Resources Committee, Council, Education and Children’s Services Committee, Communities, Housing and Public Protection Committee, Net Zero, Environment and Transport Committee, Anti-Poverty and Inequality Committee and Audit, Risk and Scrutiny Committee as set out in Appendices 1 to 7, to take effect from 14 October 2022;

- 2.3 delegate authority to the Chief Officer - Early Intervention and Community Empowerment, following consultation with the Chief Officer - Governance and the Convener of the Anti-Poverty and Inequality Committee, to determine the process for the selection and appointment of the external advisers to the Anti-Poverty and Inequality Committee and report back to the next Council meeting to seek approval of the appointments;
- 2.4 agree that the Conveners and Vice Conveners of the City Growth and Resources Committee and Education Operational Delivery Committee become the Conveners and Vice Conveners of the Finance and Resources Committee and Education and Children's Services Committee respectively, with effect from 14 October 2022, and that the membership of those committees be unchanged;
- 2.5 appoint Conveners and Vice Conveners to the following committees with effect from 14 October 2022:-
- Communities, Housing and Public Protection Committee
 - Net Zero, Environment and Transport Committee
 - Anti-Poverty and Inequality Committee;
- 2.6 agree the compositions of the new committees as below:-

Committee	Partnership	Labour	Conservative	Cllr Boulton	Cllr Stewart	Total
Communities, Housing and Public Protection	7	3	2	0	1	13
Net Zero, Environment and Transport	7	3	3	0	0	13
Anti-Poverty and Inequality	7	3	3	0	0	13

- 2.7 agree that there be no change to the Planning Scheme of Delegation (i.e. the Scheme of Delegation for dealing with planning applications for Local Developments) in the Powers Delegated to Officers, as detailed in section 3.3 of the report; instruct the Chief Officer – Strategic Place Planning to draft a procedure to allow all interested parties, including ward members, to make representations at Planning Development Management Committee and report this draft procedure to the November meeting of that Committee for approval; and note that said Chief Officer will continue to develop local engagement on planning matters, including through the network of community councils;
- 2.8 approve the changes to Standing Orders 13, 16, 34 and 40, as set out in Appendix 8, with effect from 25 August 2022;

- 2.9 instruct the Chief Officer - Governance to remove from the Scheme of Governance all references to Business Manager and Depute Business Manager, and approve the replacement wording contained within Appendix 9 with immediate effect;
- 2.10 approve the amended Council diary for 2022 and the Council diary for 2023 as set out in Appendices 10 and 11 respectively;
- 2.11 consider the information with regard to additional webcasting requirements as set out in section 3.7 of the report and Appendix 12 (exempt) and refer the matter to the budget process;
- 2.12 appoint Vice Conveners to the Appeals Sub Committee and Licensing Sub Committee as detailed in section 3.8 of the report;
- 2.13 appoint one member to each of the COSLA Boards as set out in section 3.9 of the report;
- 2.14 approve the establishment of the Void Properties Working Group, agree the membership and approve the Terms of Reference as set out in Appendix 13; and
- 2.15 instruct the Chief Officer – Governance to, following consultation with the Co-Leaders, make all other amendments to the Scheme of Governance which are necessary to reflect the decisions taken by the Council at this meeting in relation to this report.

3. CURRENT SITUATION

3.1 Notice of Motion by Councillors Nicoll and Yuill

- 3.1.1 At the Adjourned Council meeting on 13 July 2022, Council approved the following notice of motion by Councillors Nicoll and Yuill:-

“That Council notes the Policy Statement considered at its meeting on 18 May 2022, and instructs the Chief Officer - Governance to bring forward proposals to the meeting of Full Council on 24 August 2022 with recommended changes to the Scheme of Governance to incorporate the following:-

Terms of Reference

- Dis-establish the Capital Programme Committee and transfer the remit to the City Growth and Resources Committee
- Dis-establish the Strategic Commissioning Committee and transfer the remit to Full Council and any other committee as appropriate
- Extend the scope of the Education Operational Delivery Committee to include children’s services and rename it Education and Children’s Services Committee to reflect its expanded remit
- Dis-establish the Operational Delivery and Public Protection Committees, and create:
 - Communities, Housing and Public Protection Committee; and

- Net Zero, Environment and Transport Committee
- Establish an Anti Poverty Committee for addressing poverty in the city
- Rename the City Growth and Resources Committee as the Finance and Resources Committee

Powers Delegated to Officers

- To review the Planning Scheme of Delegation with a view to exploring the possibilities for ward members to direct that applications be determined by the Planning Development Management Committee rather than be determined under officer delegation.

Standing Orders

- Amend Standing Order 13 to remove Administration Leaders from the list of people to whom draft reports must be submitted except for reports to the Council and City Growth and Resources Committee
- Amend Standing Order 16 to reflect that any local member can speak at a committee without the need for consent from the Convener
- Amend Standing Order 34 to reflect that where one third of committee refers a matter to Full Council, and the next Full Council meeting is too late, the matter can be considered at a meeting of the Urgent Business Committee
- Amend Standing Order 40 regarding the length of meetings to reflect that meetings cannot last any longer than 6 hours (including, for the avoidance of doubt, any adjournments), unless Standing Orders are suspended

Scheme of Governance

- Remove all references to Business Manager and Depute Business Manager

Council Diary

- Meetings to be on an eight-week cycle, including Full Council, other than those which meet more frequently (e.g. PDMC) or less frequently (e.g. Pensions Committee)
- Change all committee start times to 10.00am

Webcasting

- Bring forward a proposal on how all Full Council and committee meetings could be made hybrid and webcast from the Chamber or Committee Room 2.”

3.1.2 This report fulfils the instruction to the Chief Officer - Governance as set out in the approved notice of motion.

3.1.3 Furthermore, the Council resolved:-

- to note that at the Budget Meeting in March 2022 as noted in the Business Planner, Council agreed to instruct the Chief Executive to bring forward a refreshed Target Operating Model to the August Council meeting; and

- to agree the Chief Executive's refreshed Target Operating Model report should set out in a manner which allows for the discharge by the Council of its different functions taking into consideration the financial climate the Council finds itself in and taking into consideration the agreed Partnership's Council 2022-2027 policy document adopted at the May 2022 Council meeting.

3.1.4 The refreshed Target Operating Model is also on the agenda for this meeting and fulfils this further instruction.

3.2 **Committee Structure**

3.2.1 It is proposed that the current committee structure continue for one further cycle of meetings, with the last meeting under the current structure being the Public Protection Committee on 12 October 2022. This will allow a smoother transition of business from the current committee structure to the new committee structure.

3.2.2 Terms of Reference for the affected (current) committees, Council and the new committees are set out in Appendices 1 to 7, and significant changes are tracked where possible. It is recommended that these be effective from 14 October 2022.

3.2.3 The Terms of Reference of Council and all committees will be reviewed again towards the end of the year and in early 2023, as part of the annual review of the Scheme of Governance to be reported to Council in February 2023. This will allow the new committees and renamed committees the opportunity to bed in and for officers and members to feed into the review based on their operation from October to February.

3.2.4 It is proposed that the existing Conveners and Vice Conveners of the City Growth and Resources and Education Operational Delivery Committees become the Conveners and Vice Conveners of the Finance and Resources and Education and Children's Services Committees respectively, and that the memberships of those committees be the same as is currently the case.

3.2.5 Conveners and Vice Conveners of the three new committees (Communities, Housing and Public Protection, Net Zero, Environment and Transport and Anti Poverty and Inequality) will require to be appointed, and the Council will be required to determine their level of remuneration with regard to senior councillor allowances.

3.2.6 By way of comparison, senior councillor allowances are currently paid to the four Conveners of the committees proposed to be disestablished, however the four Vice Conveners are not in receipt of a senior councillor allowance for that role.

3.2.7 When making these appointments, the Council must have regard to the following structure for the payment of allowances to Councillors:-

- (a) up to 19 Councillors can hold senior positions with an allowance between £25,691 (lower level in terms of current practice) and £34,254 (upper level) provided that the total is within the maximum permissible of £511,316; and
- (b) a basic allowance of £19,571 must be paid as a minimum to each member of the Council as set out in the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007. No member can be paid more than one allowance.

3.2.8 The Council is asked to agree the senior allowances to be paid, bearing in mind that separate provision is made for the Civic Head (Lord Provost) and the Leader of the Council. For the avoidance of any doubt, the Lord Provost and the Leader of the Council are not included in the maximum of 19 Councillors who can hold senior positions, nor the maximum £511,316 limit referred to above.

3.2.9 With regard to the composition and membership of the three new committees, it is proposed that they each have 13 members based on the following compositions. Names can be provided to the Chief Officer - Governance following the Council meeting.

Committee	Partnership	Labour	Conservative	Cllr Boulton	Cllr Stewart	Total
Communities, Housing and Public Protection	7	3	2	0	1	13
Net Zero, Environment and Transport	7	3	3	0	0	13
Anti-Poverty and Inequality	7	3	3	0	0	13

3.3 Planning Scheme of Delegation

3.3.1 Officers in Strategic Place Planning do not recommend amending the Planning Scheme of Delegation (i.e. the Scheme of Delegation for dealing with planning applications for Local Developments) in the Powers Delegated to Officers to allow ward members to direct that applications be determined by the Planning Development Management Committee (PDMC) rather than determined under officer delegation.

3.3.2 If an application was to be referred to PDMC, this could add up to 5 weeks to the determination process based on the current committee intervals, depending on when in the committee cycle such a referral was requested; such delays

would make the process less efficient and would have a detrimental impact in a number of areas.

- 3.3.3 The current triggers in the Planning Scheme of Delegation are tailored to allow more controversial applications to be considered by PDMC and allow members to directly participate in decision making. These triggers erode the justification for referral to PDMC, as such referrals would by definition be for applications with fewer than 6 objections or where the Community Council had not objected, rather than for applications that were more controversial in the local community.
- 3.3.4 Officers have also considered ward members making representations on behalf of constituents at PDMC. This can be done, but due to provisions in the Councillors' Code of Conduct, there must be a procedure to allow equal opportunity for all interested parties to make representations. Officers will draft a procedure to allow all interested parties, including ward members, to make representations at PDMC and will report back to the November PDMC. In addition, further work to increase community engagement on planning matters will be undertaken, particularly to utilise the network of community councils to provide opportunities for participation and engagement.
- 3.3.5 Officers will also look to produce an easy to read PDF guidance leaflet for wide circulation to make it easier for people to compose and submit a valid representation to a planning application. This would show people how to monitor and view planning applications, and the document would also be publicised and displayed on the Council website.

3.4 Standing Orders

- 3.4.1 Appendix 8 provides details of the proposed changes to Standing Orders 13, 16, 34 and 40 in terms of the notice of motion by the Co-Leaders.
- 3.4.2 Similar to the Planning Scheme of Delegation, officers in Strategic Place Planning and Legal Services do not recommend amending Standing Order 16 in respect of quasi-judicial matters. However, as detailed at 3.3.4 above, it is proposed that a procedure be prepared on making representations to the PDMC. There is already a process in place to allow equal opportunity for interested parties to speak at the Licensing Committee, so ward members can make representations there, subject to the statutory processes governing licensing.

3.5 Scheme of Governance - Business Manager and Depute Business Manager and other amendments

- 3.5.1 The vast majority of references to Business Manager and Depute Business Manager within the Scheme of Governance documents can simply be removed without any impact. However, there are a small number of Business Manager references where the Council is requested to make a decision in terms of replacement wording, and these are contained within Appendix 9.
- 3.5.2 Furthermore, numerous (minor) amendments to the Scheme of Governance will be necessary in order to reflect the Council's decisions in relation to this

report and an instruction is sought for the Chief Officer – Governance to make these amendments following consultation with the Co-Leaders. For example, in the Powers Delegated to Officers, references to conveners of disestablished Committees will require to be replaced with references to conveners of the relevant new Committees. As another example, various amendments to the Procurement Regulations will be required in order to reflect any changes made to the Terms of Reference in relation to procurement matters.

3.6 Council Diary

3.6.1 Appendix 10 is the amended Council diary for the remainder of 2022, which is based on the current committee structure running up to and including the Public Protection Committee meeting on 12 October 2022, although with committee start times generally changed to 10.00am. Thereafter, the new committees are scheduled. In line with the instruction that all meetings be on an eight-week cycle, including Full Council, an additional Council meeting has been identified on 13 October 2022.

3.6.2 Appendix 11 is the proposed Council diary for 2023. This is based on an extra meeting of most committees taking account of the desire for an eight-week cycle. In line with previous practice, the school holidays have been kept free of ordinary committee meetings which results in the first half of the year being more congested than the second half of the year, however this cannot be avoided unless meetings are scheduled during the school holidays.

3.7 Webcasting

3.7.1 The relevant information is contained within Appendix 12 which is exempt.

3.8 Appeals Sub Committee and Licensing Sub Committee

3.8.1 The Conveners of the Staff Governance and Licensing Committees have indicated that they would like Vice Conveners to be appointed for the Appeals Sub Committee and the Licensing Sub Committee, in order that if the Convener was not available the Vice Convener would chair the meeting.

3.8.2 The Appeals Sub Committee Procedure can be amended by officers under delegated powers to that effect, however only once the decision to appoint a Vice Convener has been agreed.

3.9 COSLA Boards - Appointment of Members

3.9.1 Colleagues at COSLA (Convention of Scottish Local Authorities) have advised that their board structure has been confirmed and they therefore require one elected member to be appointed by the Council to each of the following boards:-

- Health and Social Care
- Children and Young People
- Environment and Economy
- Community Wellbeing

3.10 Void Properties Working Group

3.10.1 At its meeting on 19 January 2022, the Operational Delivery Committee resolved to hold a cross party meeting to establish the feasibility and potential remit of a Voids Working Group. Following the local government election in May 2022, the Chief Officer - Early Intervention and Community Empowerment contacted Group Leaders and Independent Councillors requesting nominations to participate in this meeting. Such meeting took place where it was agreed that a working group was feasible, and Terms of Reference were agreed amongst the group which are attached at Appendix 13.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications associated with appointing new Conveners and Vice Conveners will be met from existing approved budgets.

4.2 The financial implications relating to additional webcasting provision are not currently covered by existing budgets and, if the Council wish to proceed with additional webcasting, a source of funding would need to be identified. The specific costs are contained in Appendix 12.

5. LEGAL IMPLICATIONS

5.1 Under Section 56 of the Local Government (Scotland) Act 1973, subject to certain exceptions, the Council may arrange for the discharge of any of its functions by a Committee or Sub Committee.

5.2 The Scheme of Delegation for dealing with planning applications for Local Developments is a statutory requirement and as such any changes to it may require to be approved by Scottish Ministers.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

7.1 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	N/A	N/A	N/A

	risks identified			
Compliance	Council must comply with legislation and the Scheme of Governance	The recommendations comply with statutory obligations and the Scheme of Governance	L	Yes
Operational	No significant risks identified	N/A	N/A	N/A
Financial	No significant risks identified	N/A	N/A	N/A
Reputational	No significant risks identified	N/A	N/A	N/A
Environment / Climate	No significant risks identified	N/A	N/A	N/A

8. OUTCOMES

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

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

- Appendix 1 - Finance and Resources Committee - Terms of Reference (ToR)
- Appendix 2 - Council - ToR
- Appendix 3 - Education and Children's Services Committee - ToR
- Appendix 4 - Communities, Housing and Public Protection Committee - ToR
- Appendix 5 - Net Zero, Environment and Transport Committee - ToR
- Appendix 6 – Anti-Poverty and Inequality Committee – ToR
- Appendix 7 - Audit, Risk and Scrutiny Committee - ToR
- Appendix 8 - Standing Orders 13, 16, 34 and 40
- Appendix 9 - Scheme of Governance - Business Manager
- Appendix 10 - Proposed Council Diary 2022
- Appendix 11 - Proposed Council Diary 2023
- Appendix 12 - Webcasting - **Exempt**
- Appendix 13 - Void Properties Working Group - ToR

12. REPORT AUTHOR CONTACT DETAILS

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Finance and Resources Committee (tracked changes included)

PURPOSE OF COMMITTEE

To approve and monitor financial strategies, budgets and financial performance in light of available funding, including the development and delivery of the Council's capital programme as well as monitoring the development of the Local Development Plan.

The Committee will also consider:

- strategies to support the city's economic growth;
- additions to the Capital Programme; and
- recommendations regarding the Council's property and estates portfolio.

The Committee monitors the delivery of all services provided by the Resources Function (with the exception of those within the remit of the Communities, Housing and Public Protection Committee and the Education and Children's Services) and the Commissioning Functions and City Growth, Governance and Strategic Place Planning. It scrutinises performance and approves options to improve ~~these~~ services within those Functions' set budgets to ensure best value and delivery of the Council's agreed outcomes.

REMIT OF COMMITTEE

1. Budgets

The Committee will:

1.1 approve recommendations regarding the Council's resources including finance, staffing structures and property; and monitor all Council budgets including all Useable Reserves, and in particular:

1.1.1 scrutinise function budget monitoring reports and make decisions to ensure that Council spending is delivered on budget;

1.1.2 hold budget holders to account for the proper control of the budget for which they are responsible;

1.1.3 approve changes to the budget including vire between function budgets where this is in excess of the amount delegated to officers in the Financial Regulations and Powers Delegated to Officers;

1.1.4 consider and approve Outline and Full Business Cases for projects added to the Capital Programme outwith the budget process;

1.1.5 approve all non-capital programme procurement activity by the Council below £1m, and capital programme procurement activity irrespective of value, -including :-

Procurement Business Cases submitted in accordance with the Procurement Regulations;:

— Grants and associated conditions; and

— Contract management arrangements and Service Level Agreements

1.1.41.1.6 approve annual procurement workplans in respect of the Capital Programme;

- 1.1.51.1.7 approve Procurement Business Cases in respect of projects added to the Capital Programme outwith the budget process, submitted in accordance with Procurement Regulations;
- 1.1.61.1.8 approve the allocation of additional funding to, or removal of funding from, ~~to~~ existing projects, both capital and revenue;
- 1.1.71.1.9 approve the addition of new projects to the Capital Programme outwith the budget process;
- 1.1.81.1.10 approve use of the Council's Useable Reserves;
- 1.1.91.1.11 monitor the Code of Guidance on Funding External Bodies and Following the Public Pound and take such action as is required to ensure that the Council meets its duties;
- 1.1.101.1.12 receive Moody's formal credit rating reassessment; ~~and~~
- 1.1.111.1.13 approve financial guarantees, including requests received from relevant Admitted Bodies of the Pension Fund; ~~and~~
- 1.1.121.1.14 consider numbers and values of Council Tax, Non-Domestic Rates, Housing Benefit overpayments and Rent made unrecoverable, as required in terms of the Financial Regulations, and approve Non-Domestic Rates write-offs.
- 1.1.131.1.15 scrutinise the progress and delivery of capital projects against the approved business cases
- 1.1.141.1.16 review progress in the delivery of the benefits of the Capital Programme, including through the receipt and scrutiny of Post Project Evaluations (PPEs) and Post Occupancy Evaluations (POEs); and
- 1.1.151.1.17 request a report to allow for the detailed consideration of any project which is of particular concern or interest.

2. Service Delivery

- 2.1 The Committee will, for the Resources Function and the Commissioning Functions ~~and the City Growth, Governance and Strategic Place Planning Clusters~~:-
 - 2.1.1 oversee and make decisions relating to service delivery;
 - 2.1.2 approve options to improve/transform service delivery;
 - 2.1.3 scrutinise operational performance and service standards in line with the Performance Management Framework and consider recommendations for improvements where required;
 - 2.1.4 receive the cluster risk registers relative to its remit and scrutinise to ensure assurance that efficient controls are in place;
 - 2.1.5 approve all policies and strategies relative to its remit; and
 - 2.1.6 receive reports on inspections and peer reviews in order to ensure best practice and note any actions arising from those inspections and reviews.
- 2.2 In undertaking the aspects at 2.1, the Committee will ensure that it is acting within the budget set by Council and overseen by this Committee and in accordance with best value

and supporting delivery of the Council's agreed outcomes, commissioning intentions, service specifications and service standards.

3. City Growth and Strategic Place Planning

The Committee will:

- 3.1 approve reports to support the annual re-assessment of the Council's credit rating;
- 3.2 approve the Council's actions for city growth and place planning except in relation to major infrastructural planning ~~and the Local Development Plan~~;
- 3.3 oversee and approve the preparation of the Local Development Plan, subject to final approval thereon being given by Council; and
- 3.4 approve key actions required by the Council to facilitate the delivery of strategies (including partnership strategies) and the Inward Investment Plan to support city growth and place planning.

4. Property and Estates

The Committee will:

- 4.1 approve recommendations regarding the Council's assets, property and estates;
- 4.2 hear and determine requests for review under s86(10) of the Community Empowerment (Scotland) Act 2015 of decisions taken in respect of against the refusal by officers to approve community asset transfer requests;
- 4.3 approve the procedure for the Community Asset Transfer Review Sub Committee; and
- 4.4 approve the acquisition and disposal of land, and property.

Executive Leads: Directors of Resources and Commissioning and Chief Officer - Finance

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Aberdeen City Council (tracked changes included)

The Council reserves the following functions:

1. The setting of council tax in accordance with s93(1) of the Local Government Finance Act 1992 or the setting of a reduced amount of council tax under s94 of that Act or paragraph 3 of Schedule 7 to that Act.
2. The setting of a balanced budget annually, including the setting of fees and charges, including the approval of commissioning intentions and service standards.
3. The approval of the capital programme.
4. The borrowing of money as provided for in s56(6)(d) of the Local Government (Scotland) Act 1973.
5. The approval of any annual investment strategy or annual investment report required by any consent issued by Scottish Ministers under s40 of the Local Government in Scotland Act 2003.
6. The approval of the Council's Treasury Management Policy and Strategy.
7. The appointment of committees, including external members, and the number and allocation of committee places, the appointment and removal from office of the Lord Provost, Depute Provost, Leader or Co Leaders and/ or Depute Leader, Business Manager and Depute Business Manager, a convener for each committee and a vice convener as appropriate and the approval of senior councillor allowances.
8. The election of members to the Licensing Board.
9. The review of polling districts and polling places.
10. Subject to the Powers Delegated to Officers, the administration of trusts in respect of which the Council is sole trustee or the only trustees are elected members of the Council.
11. The approval of the Local Development Plan.
12. The approval of an Administration's political priorities.
13. The consideration of the Council's Delivery Plan.
14. The consideration of its annual report of its effectiveness and each committee's annual report of its effectiveness.
15. The consideration, where required, of reports by both the Standards Commission for Scotland and the Financial Conduct Authority, and the overseeing of members' standards of conduct.
16. The establishment of the Appointment Panel in accordance with the Standing Orders for Council, Committees and Sub Committees.
17. The approval of the Council's Scheme of Governance.
18. The approval of the Council/Committee Diary.

19. The approval of the Scheme of Establishment for Community Councils.
20. The establishment of Working Groups.
21. To consider any matter which the Council has previously considered and agreed to receive a further report.
22. To consider Monitoring Officer reports under Section 5 of the Local Government and Housing Act 1989.
23. Making schemes for the reorganisation of educational endowments under section 112(2) or 112(3) of the Education (Scotland) Act 1980.
24. To approve ~~all~~ internal and external commissioning activity by the Council, where the estimated contract value is in excess of £1m (~~in accordance with the commissioning cycle~~), with the exception of procurement relating to the Capital Programme which may be approved by the Finance and Resources Committee and in this regard:-

Analysis

- 24.1 to receive a bi-annual Population Needs Assessment to understand the needs which public bodies must address;
- 24.2 to receive, as appropriate, an in-depth analysis of key groups, priorities and challenges across public services to identify and action potential efficiencies and improvements to help ensure that the needs of customers and citizens are met and commissioning intentions are delivered; and
- 24.3 to receive, as appropriate, sufficiency and market analyses to understand existing and potential provider strengths and weaknesses, and identify and take action in respect of any opportunities for improvement or change in providers.

Planning

- 24.4 to endorse the refresh of the Local Outcome Improvement Plan (LOIP) including recommending any changes which may be required; and
- 24.5 to approve annual procurement workplans, reflecting the LOIP, the Population Needs Assessment, the Council's commissioning intentions, the Council's service standards, the views of customers and citizens, and the best evidence of effective interventions to ensure a preventative focus on demand reduction.

Doing

- ~~24.6~~ to approve all procurement activity by the Council where the estimated contract value is in excess of £1m (~~with the exception of procurement relating to the Capital Programme which may be approved by the Finance and Resources Committee~~); including
- ~~24.7~~ Procurement Business Cases submitted in accordance with Procurement Regulations; and
- ~~Grants and associated conditions;~~
- ~~Contract management arrangements and Service Level Agreements; and~~

~~24.8~~24.6 The establishment of Arm's Length External Organisations (ALEOs) where it is determined that services should not be provided in-house.

~~24.9~~24.7 when approving procurement activity, the Council will:

~~24.9.1~~24.7.1 _____ promote investment in the prevention, early intervention and reduction in the demand for services; consider the experience of customers and take such action to ensure that services to be commissioned are co-designed to meet customers' needs;

~~24.9.2~~24.7.2 _____ ensure that commissioned services are focused on delivering the Council's agreed commissioning intentions and contribution to the LOIP; and

~~24.7.3~~ identify potential efficiencies and improvements in quality, including across partner organisations and promote the strategic allocation of resources.

~~24.8~~ to establish Arm's Length External Organisations (ALEOs) where it is determined that services should not be provided in-house;

~~24.10~~24.9 to decommission services, including ALEOs, that do not meet the Council's commissioning intentions and outcomes;

~~24.11~~24.10 to take such action to ensure that appropriate supply management and capacity building (market facilitation) is in place to ensure a good mix of resilient service providers, that offer customers an element of choice in how their needs are met; and

~~24.12~~24.11 to approve the Strategy Framework to facilitate the delivery of agreed outcomes.

Reviewing

~~24.13~~24.12 to approve amendments to the Council's Performance Management Framework (PMF);

~~24.14~~24.13 to receive annual reports on the LOIP and Locality Partnership Plans;

~~24.15~~24.14 to consider and monitor performance associated with the Council's agreed commissioning intentions and ultimate contribution to the LOIP outcomes;

~~24.16~~24.15 to receive annual reports from each of the council's ALEOs to enable scrutiny of performance;

~~24.17~~24.16 to receive an annual procurement performance report to enable scrutiny of performance; and

~~24.18~~24.17 to receive reports on any changes in legislative requirements, policy and population needs which may facilitate opportunities to work differently to improve outcomes or may require revisions to existing commissioning intentions and outcomes.

However procurement relating to the Capital Programme may be approved by the Finance and Resources Committee.

For the avoidance of any doubt, this reservation 24 does not affect the Terms of Reference of the Pensions Committee, Aberdeen City Region Deal Joint Committee or Aberdeen City Integration Joint Board, and it does not prevent the exercise of delegated powers where authority is

delegated to officers under the Powers Delegated to Officers, Procurement Regulations or otherwise.

Executive Leads: Chief Executive and Chief Officer - Governance

Education and Children's Services Committee (tracked changes included)

PURPOSE OF COMMITTEE

To advise on and discharge the Council's functions as:

- ~~a) an~~ education authority as set out in the Education (Scotland) Act 1980 and all other relevant legislation and regulations where not otherwise delegated; and
- ~~b) a social work authority as set out in the Social Work (Scotland) Act 1968 and all other relevant legislation and regulations where not otherwise delegated,~~ in relation to children.

The ~~C~~committee will also:

- monitor the delivery of educational services undertaken as education authority (including community learning and development) and children's services provided by Integrated Children's and Family Services;
- receive assurance on the statutory and regulatory duties placed on the Council for Child Protection and Corporate Parenting;
- make recommendations in respect of school property matters to the ~~City Growth~~ Finance and Resources Committee;
- scrutinise performance; and
- agree changes such as school zoning arrangements (within set budgets), or make recommendations to another committee, for improvements to functions related to education in order to ensure best value and delivery of the Council's agreed outcomes, commissioning intentions, service specifications and service standards.

REMIT OF COMMITTEE

1. Service Delivery and Performance

- 1.1 The Committee will, in respect of educational services (early years, ~~and~~ schools and community learning and development) and children's services provided by Integrated Children's and Family Services and ~~the management of the services delivered within the school estate undertaken by the Corporate Landlord:-~~
 - 1.1.1 oversee, and make decisions relating to, service delivery; (such decisions including those relating to population changes);
 - 1.1.2 approve options to improve/transform service delivery relative to the functions of the Council as education authority under the Education (Scotland) Act 1980 and all other relevant legislation and regulations and social work authority;
 - 1.1.3 scrutinise operational performance and service standards in line with the Performance Management Frameworks and consider recommendations for improvements where required;

- 1.1.4 receive the cluster risk registers relative to its remit and scrutinise to ensure assurance of the controls in place;
 - 1.1.5 approve all policies and strategies relative to its remit; and
 - 1.1.6 receive reports on school inspections and peer reviews in order to ensure best practice and note any resultant improvement actions arising from those inspections and reviews.
- 1.2 In undertaking the aspects at 1.1, the Committee will ensure that it is acting within the budget set by Council and is supporting the delivery of the Council's agreed outcomes, commissioning intentions and service standards.
- 1.3 The Committee may make recommendations to the appropriate committee(s) or sub committee(s) on matters/areas affecting educational services-its remit where the authority to approve sits within the remit of another committee or sub committee.

2. Child Protection

The Committee will receive assurance from the Child Protection Committee and the Children's Services Board on:

- 2.1 Services delivered to children and young people in need of care and protection including care experienced young people~~the impact and effectiveness of child support and protection improvement initiatives~~, including:
 - 2.1.1 delivery of national initiatives and local implications;
 - 2.1.2 learning from learning ~~from significant case~~ reviews;
 - 2.1.3 quality assurance;
 - 2.1.4 training and development; and
 - 2.1.5 local evidence-based initiatives;
- 2.2 effective working across child protection; and
- 2.3 statistics relating to the Child Protection Register and children and young people for whom the Council has Corporate Parenting responsibilities~~the Vulnerable People's Database~~, whilst noting that it has no remit to challenge entries.

The Committee will also:

- 2.4 receive assurance on the Council's compliance with statutory duties in respect of child poverty; and
- 2.5 consider the Chief Social Work Officer's Annual Report

EXTERNAL MEMBERSHIP

3. The Committee's membership will include seven persons who are not members of the Council but who have full membership of the Committee and voting rights in connection with advising on and discharging the functions of the Council as Education Authority only. The seven external members will be appointed by the Council at its statutory meeting (or other meeting as appropriate) as follows:-

~~1.3.1~~ three persons representing religious bodies in accordance with the requirements of s124(4) of the Local Government (Scotland) Act 1973; and

~~2.3.2~~ in accordance with the discretion conferred by s124(3) of the Local Government (Scotland) Act 1973:

~~2.1~~ ~~3.2.1~~ two teachers employed in educational establishments managed by the Council and nominated by the Teachers' Consultative Forum, comprising one representative from primary ~~(including nursery)~~ and one representative from secondary; and

~~2.2~~ ~~3.2.2~~ two parent representatives, selected by the Aberdeen City Parent Council Forum from within its own membership, comprising one representative from primary ~~(including nursery)~~ and one representative from secondary.

Executive Leads: ~~Chief Executive, Operating Officer and Chief Officer - Education and the Director of Customer Services~~ and Chief Officer – Integrated Children's and Family Services

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Net Zero, Environment and Transport Committee

PURPOSE OF COMMITTEE

To monitor the delivery of all services and functions relating to net zero, the environment and transport; to scrutinise performance and approve options within set budgets to ensure best value and delivery of the Council's agreed outcomes; and to ensure that the Council has robust arrangements for the delivery of the Council's environmental targets and the meeting of its related statutory obligations.

The Pupil Climate Support Champion will be invited to attend one meeting a year as a non-voting contributor.

REMIT OF COMMITTEE

The Committee will:

1. Monitor the Council's compliance with its environmental targets, including its carbon budget, and statutory obligations, and any charters or memorandums of understanding which it enters, in relation to matters such as net zero, climate change, environmental sustainability, food growing and biodiversity.
2. Approve the annual Climate Change Report for submission to the Scottish Government.
3. Approve the Council's Climate Change Plan and monitor its delivery.
4. Approve the Council's Biodiversity Duty Report.
5. Monitor key performance indicators in relation to, and progress towards, the Council's decarbonisation pathway, climate adaptation and the 2045 target for zero carbon.
6. Consider environmental evidence and advice from the widest possible range of sources.
7. Oversee, and make decisions relating to, service delivery in respect of transport and roads matters, and approve options to improve/transform service delivery. This includes scrutiny of operational performance and service standards in line with the Performance Management Framework and considering recommendations for improvements where required.
8. Approve and oversee all transport and roads related policies, strategies, programmes, and projects.
9. Receive risk registers relative to its remit and scrutinise to ensure assurance of the controls in place.
10. Receive reports on inspections and peer reviews in order to ensure best practice and note any actions arising from those inspections and reviews.

11. Make recommendations to the appropriate Committee(s) or Sub Committee(s) on matters affecting its remit where the authority to approve sits within the remit of another Committee or Sub Committee.
12. In undertaking its remit, ensure that it is acting within the budget set by Council and is supporting the delivery of the Council's agreed outcomes, commissioning intentions and service standards.

Executive Leads: Director of Commissioning and Chief Officer – Strategic Place Planning

ANTI-POVERTY AND INEQUALITY COMMITTEE

PURPOSE OF COMMITTEE

To monitor and determine the Council's contribution to alleviating and mitigating all forms of poverty and inequality in the city.

The Committee will develop an Anti-Poverty Strategy.

REMIT OF COMMITTEE

1. The Committee will, in respect of poverty and inequality issues in the city:
 - 1.1 Consider the impact of poverty on the city as a whole and targeted population levels, including on key groups such as children, minority ethnic communities and those of pensionable age who are known to be particularly disadvantaged by poverty;
 - 1.2 Consider the evidence from Citizen's Assemblies on poverty and inequality matters;
 - 1.3 Seek the views and involvement of those experiencing poverty and inequality; and
 - 1.4 Consider the effect of In-work Poverty and the Living Wage, including by receiving reports on Living Wage accreditation rates.
 - 1.5 Consider evidence of "what's worked" in combating poverty and inequality.
 - 1.6 Consider the impact of ongoing Welfare Reform measures, including by receiving reports on benefit access and uptake.
 - 1.7 Consider the impact of poverty on Employability and Youth Employment, including by receiving reports on employment rates and positive destinations.
 - 1.8 Consider the impact of Food Insecurity and Fuel Poverty, including by receiving reports on community food provision and energy cost impacts.
 - 1.9 Consider the impact of stigma and discrimination on those experiencing poverty.
 - 1.10 Consider the impact of poverty on the health and wellbeing of those experiencing it.
 - 1.11 Monitor the progress of research relevant to poverty and inequality, including in relation to health determinants
 - 1.12 Consider matters relating to the provision of Credit Unions, fair and affordable banking and advice services.
 - 1.13 Examine the nature of institutional and systemic discrimination in Aberdeen, and consider the steps required to eradicate such discrimination.

- 1.14 Monitor the performance of Council-funded community programmes and projects which seek to address poverty or inequality.

2 The Committee will:

- 2.1 agree the submission of Child Poverty Action Plans and Reports to the Scottish Government;
- 2.2 agree the submission of the Council's Equalities Mainstreaming Outcomes Reports to the Scottish Government; and
- 2.3 monitor the Memorandum of Understanding between the Council and the Department for Work and Pensions through receipt of an annual report.

External advisers:

Emphasising the close links with Community Planning Aberdeen's Anti-Poverty Group, the Committee will appoint advisers who are not members of the Council. These external advisers will be appointed by the Council at its statutory meeting (or other meeting as appropriate) as follows:

- 1 resident of Aberdeen with lived experience of poverty;
- Up to 2 people representing the charitable sector in Aberdeen;
- 1 person representing higher and further education in Aberdeen;
- 1 person representing key interest groups in Aberdeen (that may be appointed for a defined period of time); and
- 1 public health professional/practitioner who works in Aberdeen.

Executive Leads:- Director of Customer Services and Chief Officer - Early Intervention and Community Empowerment

AUDIT, RISK AND SCRUTINY COMMITTEE (tracked changes included)

PURPOSE OF COMMITTEE

To ensure that the Council has robust arrangements for:

- Good governance including information governance, surveillance, fraud, bribery and corruption;
- Maintaining an effective control environment through an effective approach to risk management; and
- Reporting on financial and performance reporting.

The Committee will also monitor the effectiveness of the Internal Audit function and the Council's implementation of its recommendations, as well as the implementation of the recommendations of its external auditors.

REMIT OF COMMITTEE

1. Risk Management

The Committee will ensure the effectiveness of the Council's risk management system and will:

- 1.1 receive an annual review of the system of risk management and an annual report on the corporate risk register and related action plans;
- 1.1.2 receive assurance that services are maintaining and reviewing Business Continuity Plans in accordance with the priorities allocated to them;
- 1.21.3 monitor the implementation of the Council's ALEO Assurance Framework by receiving reports from the ALEO Assurance Hub on the monitoring and mitigation of risks to the Council associated with its ALEOs;
- 1.31.4 receive an annual report in respect of the Council's information governance; [and](#)
- 1.41.5 approve all relevant policies.

2. Internal Audit

The Committee will:

- 2.1** approve the Internal Audit Annual Plan;
- 2.2** consider reports prepared by Internal Audit (with the exception of reports related to Pensions);
- 2.3** monitor compliance with Internal Audit recommendations (with the exception of reports related to Pensions); [and](#)
- 2.4** monitor the performance of Internal Audit.

3. External Audit

The Committee will:

- 3.1** consider reports prepared by the Council's External Auditor;
- 3.2** monitor the Council's relationship with the External Auditor;
- 3.3** receive reports from the Local Area Network; and
- 3.4** monitor compliance with External Audit recommendations.

4. Governance, Accounts and Finance

The Committee will:

- 4.1** approve the Council's Annual Report and Annual Accounts;
- 4.2** approve the annual governance statement;
- 4.3** approve and monitor the Council's Code of Corporate Governance and approve such action as appropriate; and
- 4.4** monitor the integrity of financial reporting, and governance processes and internal control functions and approve such action as appropriate.

5. Legal obligations

The Committee will:

- 5.1** consider reports in respect of the whistle blowing policy; and
- 5.2** monitor the Council's compliance with its statutory obligations relating to surveillance, information governance, bribery, corruption and fraud, including the approval of all relevant policies.

6. Scrutiny

The Committee will:

- 6.1** once a matter, process or practice has been the subject of a report to Council or committee (including internal and external audits) and the consideration of the matter concluded by Council or said committee action (with the exception of quasi judicial matters and the Appeals, Business Rates Appeals and Community Asset Transfer Review Sub Committees), the committee, to ensure good practice, can determine that further consideration is required. It will not prevent, or alter, any decision being taken and will only review the effectiveness of decision making, or monitoring and may make recommendations to the relevant committee or Council;
- 6.2** on occasion, where appropriate and as it sees fit, seek information from partner organisations, contractors or other stakeholders such as Community Councils or groups of interest on any particular issue;

6.3 request, where appropriate and in terms of any contract or agreement, representatives of external organisations to attend and contribute to meetings; and

6.4 receive reports from regulatory bodies and those providing external assurance such as the Scottish Public Services Ombudsman and Inspector of Crematoria, ensure that the Council responds appropriately and monitor compliance with recommendations.

Executive Leads: Director of Commissioning and Chief Officer – Governance

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Standing Orders 13, 16, 34 and 40 - Proposed Changes

13. Reports by Officers

- 13.1 Reports to the Council, Committees or Sub Committees will be in the name of the Chief Executive, Directors, Statutory and Chief Officers or by the Council's Internal or External Auditors; or by a representative of Police Scotland or the Scottish Fire and Rescue Service.
- 13.2 Reports must be provided in draft to the following for consultation in accordance with the published timetable:
- 13.2.1 Chief Officer - Finance
 - 13.2.2 Chief Officer - Governance
 - 13.2.3 Chief Officer – Strategic Place Planning
 - 13.2.4 Chief Executive
 - 13.2.5 Clerk
 - 13.2.6 Administration Leaders Co-Leaders (for reports to Council and the City Growth and Resources Committee only)
 - 13.2.7 Convener of the City Growth and Resources Committee
 - 13.2.8 Convener and Vice Convener of Council or the relevant Committee or Sub Committee
 - ~~13.2.9 Business Manager~~
 - 13.2.910 Executive Lead for their respective committee

16. Rights of Members to Attend Meetings

- 16.1 Subject to Standing Orders 12.14, 16.2 and 16.3 any Member will be entitled to attend any Committee or Sub Committee meeting of which they are not a member and will, ~~with the consent of the Convener,~~ be entitled to ask questions or address the meeting.
- 16.1.1 The Member may not propose or second any motion or amendment or vote.
- 16.2 A Member cannot be present at a meeting of a Committee or Sub Committee for which they are not a member when all of the following three conditions apply:-
- 16.2.1 The press and public have been excluded from the meeting; **and**
 - 16.2.2 The meeting is likely to involve the taking of a decision which may affect the interests of any person or body following a hearing; **and**

- 16.2.3 The person or body has a right in terms of the law, Standing Orders or other administrative procedure, to be heard at that meeting in person or through a representative, for example the Appeals Sub Committee or Licensing Committee.
- 16.3 In respect of the following, Members will only be entitled to make representations through, as applicable, the formal statutory process or other procedure agreed by Council, Committee or Sub Committee:
- 16.3.1 quasi-judicial matters;
- 16.3.2 individual housing allocation decisions; or
- 16.3.3 reviews to be undertaken by the Community Asset Transfer Review Sub Committee.
- 16.4 Prior to sitting as a member or a substitute of the Pensions Committee and the Appeals Sub Committee, a Councillor must have undertaken the required training.

34. Referrals

- 34.1 Immediately following a vote at Committee or Sub Committee, at least one third of the membership of the Committee or Sub Committee may refer the matter to the Council, a Committee or Sub Committee for a decision (see Glossary for calculation).
- 34.1.1 With the exception of items of business which are of a Quasi-Judicial nature, a Member does not require to have participated in the initial vote to participate in a referral.
- 34.2 Subject to Standing Orders 34.3 and 34.4, should the matter be referred in terms of Standing Order 34.1, the Clerk will then arrange for the matter to be referred to the next meeting of Council, relevant Committee or Sub Committee for determination. For referrals to Council, where the next Council meeting is in the opinion of the Leader too late for the matter to be appropriately dealt with, the matter can instead be considered at a meeting of the Urgent Business Committee.
- 34.3 Standing Orders 34.1 and 34.2 will not apply to any proceedings relating to:-
- 34.3.1 The appointment of or retirement of staff;
- 34.3.2 Grievance or disciplinary appeals by staff;
- 34.3.3 School attendance;
- 34.3.4 Bursaries;
- 34.3.5 Admission of any particular child to school;
- 34.3.6 Provision of school transport for any particular child;
- 34.3.7 The granting of any licence, registration or certificate;
- 34.3.8 Assumption of parental rights or adoption in the case of any individual; or
- 34.3.9 Aids and adaptations to premises for the benefit of social work clients.

34.4 Where an item is referred to a meeting of the Council, Committee or Sub Committee, and it is not possible for the item to be open to the public for inspection at least three Clear Days before the meeting, the referring Committee or Sub Committee must specify why the item should be considered as a matter of urgency.

33.4.1 The Convener of the Council, Committee or Sub Committee to which the item is referred will then determine whether it is added to the agenda.

40. Length of Meetings

40.1 The Convener can call a break in proceedings at any time. Breaks in proceedings should be called on a regular basis and in consultation with the Executive Lead.

40.2 Meetings will not last longer than six hours (said duration including, for the avoidance of doubt, any break(s) in proceedings). For example, if a meeting begins at 10.00am, it shall not continue beyond 4.00pm - irrespective of the number and duration of any breaks. ~~where there has been no break in proceedings. On such occasions, there shall be a break in proceedings of no shorter than 20 minutes before the meeting goes beyond six hours.~~

~~40.2.1 For the avoidance of doubt, the calculation of six hours will not include any break in proceedings.~~

40.3 If the meeting is adjourned to another date, the Convener, following consultation with the Clerk, will determine the time and date that the meeting will resume.

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SCHEME OF GOVERNANCE - REMOVAL OF BUSINESS MANAGER (AND DEPUTE BUSINESS MANAGER)

TERMS OF REFERENCE

INTRODUCTION

10. Non material amendments to these committee and sub committee terms of reference can be made by the Chief Officer - Governance, following consultation with the ~~Business Manager~~ Co-Leaders, without the requirement to report to Council or the appropriate parent committee.

URGENT BUSINESS COMMITTEE

PROCESS

- 1.1 A meeting of the Committee will be called by the Chief Officer - Governance on the instruction of the Chief Executive where the Chief Executive and the ~~Business Manager~~ Convener are satisfied that the relevant business is urgent.
- 1.2 The Chief Officer - Governance may subject to the ~~Business Manager~~ Convener's approval add further matters to the agenda of a meeting already called only where the Chief Executive and the ~~Business Manager~~ Convener are satisfied that the matters are urgent.

STANDING ORDERS

- 13.12 Any officer listed under Standing Order 13.1 will have the authority to withdraw his/her report from the agenda, following consultation with the ~~Business Manager~~ Co-Leaders.

43. Amendments to Standing Orders

- 43.1 Non-material amendments can be made to the Standing Orders by the Chief Officer - Governance, following consultation with the ~~Business Manager~~ Co-Leaders, without the requirement to report to Council.

POWERS DELEGATED TO OFFICERS

GENERAL DELEGATIONS TO CHIEF OFFICERS

39. To determine Participation Requests (requests by community participation bodies to participate in outcome improvement processes) under the Community Empowerment (Scotland) Act 2015; and to inform the ~~Business Manager~~ Co-Leaders, and members of affected wards, of the receipt and determination of any such requests.

CHIEF OFFICER - GOVERNANCE

General Legal/Governance

1. Following consultation with the Co-LeadersBusiness Manager, to amend the Council's Scheme of Governance documentation to:
 - correct obvious, technical or clerical errors;
 - reflect the law (including changes to the law), government guidance, regulators' guidance, codes of conduct, codes of practice and Council policies and decisions;

CHIEF OFFICER - STRATEGIC PLACE PLANNING

General Delegations

6. To determine following consultation with the Chief Officer - Governance, the Convener of the Planning Development Management Committee and the Co-LeadersBusiness Manager, whether to appeal a decision of the Scottish Ministers which overturned or modified a decision of the Council and thereafter, if applicable, to instruct the making of such an appeal.

August

2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3 <u>Special City Growth & Resources Committee (10am-2pm)</u>	4 Special City Growth & Resources Committee (2pm)	5	6	7
8	9	10	11	12	13	14
15	16	17 Local Review Body (10am)	18	19	20	21
22 <u>IN SERVICE DAY</u>	23 <u>SCHOOL TERM STARTS</u> Licensing Board (10.30am)	24 Council (10.30am)	25 Planning Development Management Committee (10am) Pre Application Forum (2pm)	26	27	28
29	30	31 Operational Delivery Committee (10a-2pm)				

September

2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1 Strategic Commissioning Committee (10am) 2pm Planning Development Management Committee (visits) (2pm) 9.30am	2	3	4
5	6 Licensing Committee (10am)	7	8 Education Operational Delivery Committee (10am)	9	10	11
12	13	14 Community Planning Aberdeen Board (2pm) Capital Programme Committee (10a) 2pm	15	16 Pensions Committee & Board (10:30am)	17	18
19	20	21 City Growth & Resources Committee (10am) 2pm	22	23 <u>SCHOOL HOLIDAY</u>	24	25

26 SCHOOL HOLIDAY	27 Audit, Risk & Scrutiny Committee (10a2pm)	28 Local Review Body (10am)	29 Planning Development Management Committee (10am) Pre Application Forum (2pm)	30		
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October

2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
3 Staff Governance Committee (10a2pm)	4 Licensing Board (10.30am)	5	6 Planning Development Management Committee (visits) (9.30am)	7	8	9
10	11	12 Public Protection Committee (10am)	13 <u>Council (10:30am) IF REQUIRED</u>	14 <u>SCHOOL TERM END</u>	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

31						

November

2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	1 <u>Communities, Housing and Public Protection Committee (10am)</u> <u>Operational-Delivery Committee (2pm)</u>	2 <u>Special Finance and Resources Committee (10am)</u> <u>City Growth & Resources Committee (2pm)</u>	3 Planning Development Management Committee (10am) Pre Application Forum (2pm)	4	5	6
7	8 <u>Education and Children's Services Committee</u> <u>Education Operational-Delivery Committee (10am)</u>	9 Local Review Body (10am)	10 Planning Development Management Committee (Visits) (9:30am)	11	12	13
14	15 Licensing Committee (10am)	16	17 <u>Net Zero, Environment and Transport Committee (10am)</u> <u>Strategic Commissioning Committee (2pm)</u>	18 <u>IN-SERVICE DAY</u>	19	20

21	22	23	24	25	26	27
Staff Governance Committee (10am-2pm)		<u>Anti Poverty Committee</u> (10am) <u>Capital Programme Committee</u> (2pm)				
28	29	30				
		Community Planning Aberdeen Board (2pm)				

December

2022

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1 Planning Development Management Committee (10am) Pre Application Forum (2pm)	2	3	4
5 Local Review Body (10am)	6 Licensing Board (10.30am)	7 <u>Finance and Resources Committee</u> (10am)	8 Planning Development Management Committee (visits) (9.30am)	9	10	11

		City Growth & Resources Committee (2pm)				
12	13	14	15	16	17	18
Public Protection Committee (10am)	Audit, Risk & Scrutiny Committee (10am2pm)	Council (10:30am)		Pensions Committee & Board (10:30am)		
19	20	21	22	23	24	25
			<u>SCHOOL TERM ENDS</u>			
26	27	28	29	30	31	

January 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
2	3	4	5	6	7	8
9 <u>SCHOOL TERMS STARTS</u>	10 Net Zero, Environment and Transport Committee (10am)	11 Anti-Poverty and Inequality Committee (10am)	12 Planning Development Management Committee (10am) Pre Application Forum (2pm)	13	14	15
16 Staff Governance Committee (10am)	17 Communities, Housing and Public Protection Committee (10am)	18 Local Review Body (10am)	19 Planning Development Management Committee (Visits) (9.30am if required)	20	21	22
23	24 Education and Children's Services Committee (10am)	25 Licensing Committee (10am)	26	27 Grampian Joint Valuation Board	28	29
30	31 Integration Joint Board (10am)					

February 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		1 Finance and Resources Committee (10am)	2 Audit Risk and Scrutiny Committee (10am)	3 City Regional Deal (10am)	4	5
6 Licensing Board (10am)	7	8 Local Review Body (10am)	9 Planning Development Management Committee (10am) Pre Application Forum (2pm)	10	11	12
13 <u>MID TERM HOLIDAY</u>	14 <u>IN-SERVICE DAY</u>	15 <u>IN-SERVICE DAY</u> Community Planning Aberdeen Board (CPA Board) 2pm	16 Planning Development Management Committee (Visits) (9.30am if required)	17	18	19
20	21 Clinical Care Governance Committee (10am)	22 Council (10:30am)	23	24	25	26
27	28 IJB Risk, Audit and Performance Committee (10am)					

March 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		1 Council Budget (10:30am)	2	3	4	5
6 Local Review Body (10am)	7 Net Zero, Environment and Transport Committee (10am)	8 Anti-Poverty and Inequality Committee (10am)	9 Planning Development Management Committee (10am) Pre Application Forum (2pm)	10	11	12
13 Staff Governance Committee (10am)	14 Communities, Housing and Public Protection Committee (10am)	15 Licensing Committee (10am)	16 Planning Development Management Committee (Visits) (9.30am if required)	17	18	19
20	21 Education and Children's Services Committee (10am)	22	23 Audit Risk and Scrutiny Committee (10am)	24 Pensions Committee & Board (10am)	25	26
27	28 Integration Joint Board (10am)	29 Finance and Resources Committee (10am)	30	31 <u>SCHOOL TERM ENDS</u>		

April 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
3 Licensing Board (10am)	4	5	6	7	8	9
10	11	12	13	14	15	16
17 <u>SCHOOL TERM STARTS</u>	18 Clinical Care Governance Committee (10am)	19 Local Review Body (10am) Community Planning Aberdeen Board (CPA Board) 2pm	20 Planning Development Management Committee (10am) Pre Application Forum (2pm)	21	22	23
24	25	26 Council (10:30am)	27 Planning Development Management Committee (Visits) (9.30am if required)	28	29	30

May 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1 <u>MAY DAY HOLIDAY</u>	2 <u>IN-SERVICE DAY</u> IJB Risk, Audit and Performance Committee (10am)	3 Licensing Committee (10am))	4	5	6	7
8	9 Net Zero, Environment and Transport Committee (10am)	10 Anti-Poverty and Inequality Committee (10am)	11 Audit, Risk and Scrutiny Committee (10am)	12	13	14
15 Staff Governance Committee (10am)	16 Communities, Housing and Public Protection Committee (10am)	17 Finance and Resources Committee (10am)	18	19	20	21
22	23 Education and Children's Services Committee (10am)	24 Local Review Body (10am)	25 Planning Development Management Committee (10am) Pre Application Forum (2pm)	26	27	28
29 Licensing Board (10am)	30	31				

June 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
			1 Planning Development Management Committee (Visits) (9.30am if required)	2	3	4
5	6 IJB (10am)	7	8	9	10	11
12	13	14 Council (10:30am)	15	16	17	18
19 Local Review Body (10am)	20 Net Zero, Environment and Transport Committee (10am)	21 Anti-Poverty and Inequality Committee (10am)	22 Planning Development Management Committee (10am) Pre Application Forum (2pm)	23 Pensions Committee & Board (10am) Pension Board Annual Meeting (to follow Committee)	24	25
26 Staff Governance Committee (10am)	27 Audit, Risk and Scrutiny Committee (10am) IJB Risk, Audit and Performance Committee (10am)	28 Licensing Committee (10am) CPA Board (2pm)	29 Planning Development Management Committee (Visits) (9.30am if required)	30 Grampian Joint Valuation Board		

July 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
3	4 Education and Children's Services Committee (10am)	5 Finance and Resources Committee (10am)	6 Communities Housing and Public Protection (10am)	7 <u>SCHOOL TERM ENDS</u>	8	9
10	11	12	13	14	15	16
17 Licensing Board (10am)	18	19 Local Review Body (10am)	20	21	22	23
24	25	26	27	28	29	30
31						

August 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	1 Clinical Care Governance Committee (10am)	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16 Local Review Body (10am)	17	18	19	20
21 <u>IN-SERVICE DAY</u>	22 <u>SCHOOL TERM STARTS</u>	23 Council (10:30am)	24 Planning Development Management Committee (10am) Pre Application Forum (2pm)	25	26	27
28	29 Net Zero, Environment and Transport Committee (10am) IJB (10am)	30 Anti-Poverty and Inequality Committee (10am)	31 Planning Development Management Committee (Visits) (9.30am if required)			

September 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1 Grampian Joint Valuation Board	2	3
4 Staff Governance Committee (10am)	5 Communities, Housing and Public Protection Committee (10am)	6 Licensing Committee (10am) Community Planning Aberdeen Board (CPA Board) 2pm	7	8	9	10
11 Local Review Body (10am)	12 Education and Children's Services Committee (10am)	13 Finance and Resources Committee (10am)	14 Audit Risk and Scrutiny Committee (10am)	15 Pensions Committee & Board (10am)	16	17
18	19 IJB Risk Audit and Performance Committee (10am)	20	21 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	22 <u>MID TERM HOLIDAY</u>	23	24
25 <u>MID TERM HOLIDAY</u>	26 Licensing Board (10am)	27	28 Planning Development Management Committee (Visits) (9.30am if required)	29	30	

October 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
2	3	4	5	6	7	8
9	10 Local Review Body (10am) IJB(10am)	11 Council (10:30am)	12	13 <u>SCHOOL TERM ENDS</u>	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30 SCHOOL TERM STARTS	31 Net Zero, Environment and Transport Committee (10am) Clinical Care Governance Committee (10am)					

November 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		1 Anti-Poverty and Inequality Committee (10am)	2 Planning Development Management Committee (10am) Pre Application Forum (2pm)	3 Grampian Joint Valuation Board	4	5
6	7	8 Licensing Committee (10am)	9 Planning Development Management Committee (Visits) (9.30am if required)	10	11	12
13 Staff Governance Committee (10am)	14 Communities, Housing and Public Protection Committee (10am)	15 Local Review Body (10am)	16	17 <u>IN-SERVICE DAY</u>	18	19
20	21 Education and Children's Services Committee (10am)	22 Finance and Resources Committee (10am)	23 Audit, Risk and Scrutiny Committee (10am)	24	25	26
27 Licensing Board (10am)	28 IJB Risk, Audit and Performance Committee (10am)	29 Community Planning Aberdeen Board (CPA Board) 2pm	30			

December 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1	2	3
4	5 IJB (10am)	6	7 Planning Development Management Committee (10am) Pre Application Forum (2pm)	8	9	10
11	12 Local Review Body (10am)	13 Council (10:30am)	14 Planning Development Management Committee (Visits) (9.30am if required)	15 Pensions Committee & Board (10am)	16	17
18	19	20	21 <u>SCHOOL TERM ENDS</u>	22	23	24
25	26	27	28	29	30	31

Member / Officer Void Properties Working Group

Terms of Reference

Purpose

The Working Group will monitor and consider performance relating to the void property rate across Council housing.

Remit

- Monitor void housing property performance data
- Monitor risk and issues relating to void property
- Monitor the impact of performance improvement work identified
- Refer reports to the appropriate Committee

Membership

- Cllr Boulton
- Cllr Delaney
- Cllr Macdonald
- Cllr Massey
- Cllr Radley
- Cllr Stewart
- Chief Officer – Capital
- Chief Officer – Corporate Landlord
- Chief Officer – Early Intervention and Community Empowerment
- Chief Officer – Operations and Protective Services
- Susan McLeod – Quality Assurance and Performance Management Manager

Governance:

There will be no identified Chair for the Working Group. Meetings will be agenda led with the appropriate officer leading the discussion as required.

Substitutes are welcomed where a core member is unable to attend.

Other officers may be invited to the meeting as required to assist with discussions.

Meetings will be organised on an eight week cycle, to allow one meeting between each Committee meeting.

Meeting papers will be issued three days in advance of each meeting.

Meeting administration will be through a Teams channel, with reports and actions held centrally, and access restricted appropriately.

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	City Centre and Beach Masterplan
REPORT NUMBER	RES/22/173
DIRECTOR	Steven Whyte
CHIEF OFFICER	David Dunne
REPORT AUTHOR	David Dunne
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 This report brings together a number of different workstreams and presents a recalibrated, place-led, masterplan report for both the City Centre and the Beach. The report also provides Members with an update on design work underway to develop a high-quality urban realm around the new Aberdeen Market building, as well as a general update on a number of other City Centre projects.

2. RECOMMENDATIONS

That Council:

City Centre and Beach Masterplan

- 2.1 Note the progress made on the City Centre Recovery Workplan and how this work has, and will continue, to inform the review of the City Centre Masterplan over the short, medium and longer term (Appendix 1).
- 2.2 Approve the City Centre and Beach Masterplan 2022 (Appendix 2), noting that it is a live document and instruct the Chief Officer – Strategic Place Planning to keep this report under review, with progress reported to Full Council after 12 months.
- 2.3 Note that £12,030,000 has been granted by Transport Scotland to Aberdeen City Council to work with partners in the North East Bus Alliance to develop and deliver bus priority interventions (Bus Partnership fund); and that this programme includes a specific package for City Centre interventions.
- 2.4 Note that, to address specific issues around vacant buildings, aspects of Empty Property Relief will be devolved to local authorities on 1 April 2023, allowing local authorities to make decisions based on their own local needs.
- 2.5 Note that on 26 May 2022 the Planning Development Management Committee approved an extension of the Affordable Housing Waiver mentioned in Section

4.8 of the City Centre and Beach Masterplan 2022 (Appendix 2) until September 2022 and agree to further extend the Waiver until 31 December 2025.

- 2.6 Note the progress and update in the City Centre and Beach Masterplan 2022 (Appendix 2) in relation to the Union Street building works programme, and the focus on the pilot project between 107-131 Union Street and note that a further update will be reported to the Full Council meeting in December 2022.

Market Streetscape

- 2.7 Note the progress made on design development for Phases 1 and 2 of the Market Streetscape area (Appendix 4) and instruct the Director of Resources to prepare a Full Business Case to be reported back to Full Council by the end of 2022.
- 2.8 Note the engagement that has taken place on the Market Streetscape proposals to date (Appendix 5) and note that the Director of Resources will continue to engage key stakeholders as designs for this area develop.

Spaces For People

- 2.9 Agree that a question on the temporary Spaces for People measures at the Beach be included in the upcoming public consultation exercise on the Draft Beach Development Framework and report a recommendation on the future of these measures to Full Council in December 2022.

3. CURRENT SITUATION

City Centre and Beach Masterplan – Relevant Background

- 3.1 At Full Council in June 2015 Members unanimously agreed the Aberdeen City Centre Masterplan (CCMP) and Delivery Programme and agreed in principle the interventions contained within.
- 3.2 Following the dramatic changes to the city brought about by the Covid-19 public health emergency, in May 2021 a Workplan (Blueprint for Recovery) was approved by the Council's City Growth and Resources Committee. The workplan was to inform the review of the City Centre Masterplan over the short (year 1), medium (years 2-4) and long term (year 5+) and outlined the scope of work necessary to deliver the objectives of the City Centre Masterplan review. Progress made on the workplan to date is outlined in Appendix 1.
- 3.3 An interim review of the City Centre Masterplan was subsequently approved by the Council's City Growth and Resources Committee at its meeting on 25 August 2021. This review did not replace or supersede the City Centre Masterplan, but instead recognised that many CCMP 2015 projects are not within the direct control of Aberdeen City Council and may no longer be relevant given changing priorities brought about by the public health emergency. Members therefore agreed in the short-term to focus Council resources and attention on a number of intervention areas that the Council itself could progress as priorities to help the City's wider socio-economic post-pandemic recovery.

- 3.4 As part of this exercise, in July 2021 a stakeholder engagement exercise entitled “The Future of Aberdeen City Centre and the Beach” was undertaken. Two of the top ten priorities from this exercise were to improve connections from the Beach to the City Centre (Priority 7) and to improve connections from the City Centre to the Beach (Priority 10). The Beach as a location for a new stadium was also listed (Priority 4).
- 3.5 Following Committee approval of CCMP Masterplan Review exercise, Hub North Scotland (HubNS) were engaged by the Council to act as Project Management Office for the procurement and management of the design, consultancy and technical work for the various priority streetscape interventions and public realm works, and to develop technical studies in inform development of a new Beach Masterplan.
- 3.6 In November 2021, the Council’s City Growth and Resources Committee considered 3 masterplan options for the Beach and instructed development of a Beach Development Framework to sit as a sister document to the City Centre Masterplan 2015.
- 3.7 In February 2022, Members subsequently instructed Officers to “recalibrate” the City Centre Masterplan 2015 to incorporate both the Beach and a separate exercise for George Street, and to report the result to this Full Council meeting (August 2022).

City Centre and Beach Masterplan – Content and Purpose

- 3.8 The City Centre and Beach Masterplan 2022 is attached to this report at Appendix 2. This document is a strategic, place-led, project-focused, overview which sits above the existing suite of more site specific masterplan reports. The existing City Centre Masterplan and Beach Development Framework are not superseded by this strategic report, and ongoing work on production of a Mini Masterplan for George Street will also continue as planned. This relationship is illustrated in Figure 1.

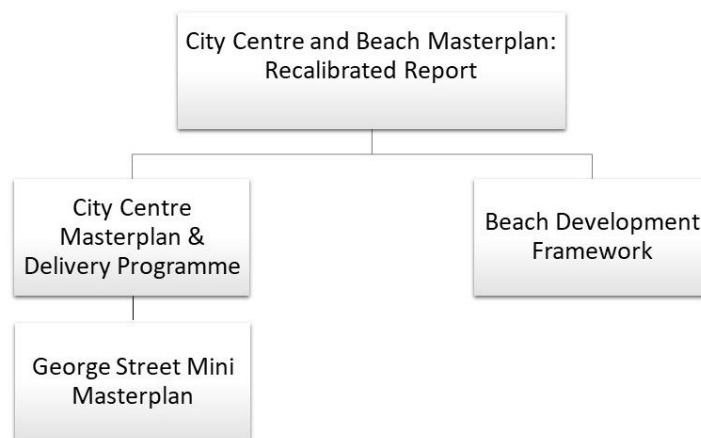


Figure 1: Strategy Relationships

- 3.9 The City Centre and Beach Masterplan sets out revised areas of study and the current context in which those areas are proposed to be developed. This includes a review of lessons learned since 2015 and changes in both legislative policy and guidance at both local and national levels. The current socio-economic landscape has been analysed, alongside a focus on both environmental and economic sustainability in the current climate emergency. Current city trends have also been reviewed to ensure that the future vision for Aberdeen aligns with the current and future market demands of this evolving context.
- 3.10 The City Centre and Beach Masterplan includes a SMART objectives review process to ensure that it can be measured against the four key stakeholder messaging pillars of: Economy, Inclusion, Net Zero and Quality. A robust movement strategy also illustrates the principle of a connected city, prioritising the needs of those walking, cycling, wheeling and using public transport.
- 3.11 It is intended that the City Centre and Beach Masterplan will serve the following purposes:
- An investment tool that showcases the city;
 - A live programme that can be flexible in responding to current and future trends/needs;
 - A communications tool to enable understanding; and
 - A reference document to identify priorities, next steps and monitor progress.
- 3.12 The City Centre and Beach Masterplan has been informed by the Scottish Government's City Centre Recovery Task Force Report from March 2022 which, co-produced, with the Scottish Cities Alliance, sets out the impact of the Covid-19 public health emergency on city centres. This report recognises that the immediate priorities to support city centre recovery must address the harms caused by the pandemic, empower our communities and places, and support inclusive and sustainable economic development – all in line with the Scottish Government's Covid Recovery Strategy and ten-year National Strategy for Economic Transformation (NSET). For Aberdeen this means working to maximise the economic, social and environmental wellbeing of our city centre and its residents and visitors and supporting the creation of new employment opportunities. A key part of this is supporting connections through clean and efficient active travel and transport routes connecting people and place.
- 3.13 Table 1, below, outlines how the City Centre and Beach Masterplan is aligned with the five-year outcomes for city centre recovery set out in the Task Force Report:

Table 1: Assessment of CCMP & Beach Masterplan against National Outcomes for City Centre Recovery

National Five-Year Outcomes for City Centre Recovery	CCMP & Beach Masterplan 2022
1. Increased residential capacity and occupancy in city centres	The Masterplan recognises that living in the city centre is a positive way to ensure it has vibrancy, vitality and viability and to support an economy based around day-to-day living. A City Centre Living Enabling Plan has been prepared on this basis, with the primary objective to add 3,000 new residents to the city centre by 2040.
2. Smaller city centre carbon footprint	Following production of a Net Zero Vision for Aberdeen (2020), the Net Zero Aberdeen Routemap was produced collaboratively and approved in February 2022. The Masterplan recognises that it will be critical to ensure drivers for climate and sustainability are embedded and delivered in the City Centre and Beach Masterplan objectives; and that the projects within the plan do everything possible to align with existing and emerging climate, food, sustainable travel, resource efficiency and nature commitments, targets, strategies, policies and plans. This will include building adaption and a reduction in car journeys, with a focus on multi modal opportunities and bus priority works funded by the successful bid to the Bus Partnership Fund. Development of an Aberdeen Rapid Transit (ART) system running on priority corridors will also allow a competitive, affordable and efficient new mode of public transport.
3. Reduction in the amount of vacant and derelict land and property	As reported to Full Council in February and June 2022, work on identifying occupiers, owners and vacant properties on Union Street has been undertaken and a high-level review of proposed interventions has been prepared. A pilot project from Market Street to Bridge Street has been identified, and progress on an implementation plan for 107-131 Union Street will be reported to Full Council later this year. It is also noted that, to address specific issues around vacant buildings, aspects of Empty Property Relief will be devolved to local authorities on 1 April 2023, allowing local authorities to make decisions based on their own local needs.
4. Increase in city centre creative,	Progress on masterplan projects within the City Centre focused on creative activity will continue to be reported on, including EC05 Aberdeen

entrepreneurial and startup activity	Creative Space and CM08 Independent Aberdeen. Officers are looking to increase access to start up and business support through the Business Gateway in the city. The Scottish Government has also committed £42m for the establishment of ‘tech scaler hubs’ in Scotland, including Aberdeen. The objective is for tech founders to scale up their companies by accessing support in the hubs. Codebase has been awarded the contract to deliver the hubs and officers will work with them to develop the concept. Smart City work will also continue.
5. More revenue raising opportunities for local authorities	Opportunities for revenue raising can be considered as Business Cases for Council projects progress.
6. Reduction in oversupply of retail, and increase in cultural offer	The new Aberdeen Market project will re-purpose vacant prime retail sites to showcase our food, drink and creative industries.
7. Faster and more agile planning decisions	The Council’s planning authority will continue to work with Scottish Government on, for example, the ongoing consultation on changes to Permitted Development Rights, many of which propose changes which will impact on City Centre projects.

3.14 In addition to the table, above, Appendix 3 sets out how the City Centre and Beach Masterplan meets a number of objectives of the Council’s Policy Agreement, as approved at the statutory Council meeting in May 2022.

3.15 The City Centre and Beach Masterplan will be treated as a “live” document and kept under review by Officers. Progress on the projects in the Masterplan will be reported to Full Council on an annual basis, with the opportunity at that point for any changes in circumstances to be flagged and managed.

3.16 It should be noted that the indicative delivery programme presented in section 8.1 of the City Centre and Beach Masterplan presents an estimated timeline for project delivery. This is subject to review and will evolve as project detail progresses, likely resulting in projects being delivered in sequence rather than in simultaneously as impacts on city centre operations are mitigated.

3.17 In terms of the next 12 months, the Masterplan sets out the following key steps / programme:

- Extension of the Council’s current Affordable Housing Waiver until 31 December 2025. This waiver was originally introduced in September 2018 to stimulate delivery of housing in the city centre and has proved a successful measure in bringing forward new City Living developments to date.

- Draft Mini Masterplan for George Street prepared and reported to Council by end of this year.
- Applications for statutory consents submitted for Café Culture in the Belmont Street Zone.
- Full Business Case for the following City Centre Streetscape Projects reported to Full Council by end of this year: Union Street Central, Schoolhill & Upperkirgate, Union Street East & Castlegate, Union Street West & West End and (subject to recommendation 2.7 above) the area around the new Market.
- Strategic Business Case for Queen Street to be reported to Full Council by end of this year.
- Progress updates on Outline and Full Business Cases for all Beach projects reported to Full Council in December 2022.

Market Streetscape

- 3.18 At Full Council on 28 February 2022, Members agreed a design concept masterplan for public realm improvements in the area around the new Aberdeen Market building (Merchant Quarter and the Green), subject to minor text amendments and changes to phasing. Officers were subsequently instructed to develop detailed design for the Phase 1 and Phase 2 areas in consultation with key stakeholders, with the results reported back to Full Council in August 2022. Appendix 4 includes a Phase 1 and 2 Design Development report, with Appendix 5 providing a summary and outcomes of recent consultation and engagement on these proposals.
- 3.19 Planning permission for the new Aberdeen Market building was approved in May 2022 (Application Reference 211517/DPP). The new building will include a mixture of uses including retail, food and drink and leisure. The first phases of streetscape delivery to support the new Market will be focused on achieving improved accessibility and wayfinding between the new Market and Public Transport hubs/Union Square.
- 3.20 The key aspects of Phase 1 and Phase 2 proposals contained within this report (and at Appendix 4) therefore include:

Phase 1:

- Streets to be included in phase: Guild Street crossing, Wapping Street, Carmelite Street, Hadden Street crossing.
- This phase will be key in creating the connection between Union Street, the market and the bus and rail stations via Carmelite Street.
- This phase will improve the through-route from the market across Hadden Street, down Carmelite Street onto Wapping Street, Guild Street and into the train/ bus station.
- This initial phase will also see accessible parking provision improved on Hadden Street for ease of access to the Market.

Phase 2:

- Streets to be included in phase: Carmelite Lane, East Green, Carnegie's Brae, Netherkirkgate, St Nicholas Street, St Nicholas Lane, Hadden Street
- Phase 2 is focused on the regeneration of Carmelite Lane, East Green, Carnegie's Brae, Netherkirkgate, St Nicholas Street, St Nicholas Lane and Hadden Street.
- Carmelite Lane involves implementing street greening and enhanced lighting.
- Carnegie's Brae at present is a particularly uninviting and potentially dangerous route. The proposals include improving this route, by creating a new smooth surface which is more pleasant underfoot, cleaning and lighting the historic arches and through the introduction of an immersive light/art installation which creates an exciting experience.
- At East Green, the project is focused on the restoration of historic setts, improvement of accessibility and the activation of the street with spill-out seating and lighting to complement the Market's ground floor uses.
- The redevelopment of St Nicholas Street aims to create a key space off the main thoroughfare of Union Street where people can dwell and spend time. Ample seating, greening and space for events would create a pivotal moment within the city centre.

3.21 Phase 3 is not part of the current report and will be presented at a later date. In summary however, proposals for this area would include The Green and the Back Wynd Steps, making good of existing paving and rationalising spillout seating and eateries. This later phase would also include enhancements to Stirling Street and Exchange Street in the form of making good existing paving.

3.22 A period of targeted engagement on the streetscape proposals took place from Friday 8 July to Monday 25 July. As well as a press release and social media posts from the Council's accounts, the consultation period included a letter drop to properties in the Market Streetscape area advising of the consultation and inviting people to attend a drop-in event to discuss the proposals with the design team. This drop-in was held on Wednesday 13 and Thursday 14 July between 2-6pm at the Maritime Museum. Consultation material available at the drop-in was also hosted online for anyone unable to attend, alongside an online questionnaire which allowed feedback to be submitted online. A total of 44 people attended the drop-in sessions, with 114 written submissions made in total.

3.23 A report on the recent consultation and engagement is available in Appendix 5. In summary, 77% of respondents considered that the proposals will create a more pleasant walking and wheeling route between the stations and Union Street (77% responding as 'yes' or 'yes with reservations'). The top ten points raised during the consultation are listed in Table 2 (below), alongside a response to the points raised.

Table 2: Review of Top Ten Points Arising From Market Streetscape Consultation

<i>You said...</i>	<i>We will...</i>
Not enough open/green civic space as part of the plans	Aim to incorporate as much greening and open space into the proposals and will continue to review this as designs develop. There may also be opportunity to incorporate more greening within The Green, this doesn't form part of the initial phase 1 & 2 of the market streetscape and will be explored at a later date.
Wider transport changes unclear and problematic	Ensure a more detailed access and circulation plan for the Market area has been prepared. Traffic changes proposed to support market streetscape will be the subject of a separate statutory consultation, called an Experimental Traffic Regulation Order (ETRO,) to commence in the last quarter of 2022. Any traffic comments made as part of the market streetscape will be reviewed by the Council as part of the preparation of the ETRO.
No more commercial space is required	Note this. However, the market building was not part of this consultation. The proposed new market will be a destination venue that attracts additional footfall to the city centre.
Safe bike storage/improved infrastructure needed	Review these comments as designs progress. Cycle parking and bike tool stations will be incorporated into the proposals. Traffic changes being promoted by the wider City Centre Masterplan will support an increase in cycle and wheeling activity, with through car trips removed. The Market area ETRO proposals specifically seek to reduce through traffic, rationalising routes and movements. Many of these changes will contribute towards an environment which is more conducive to cycling activity.
Pedestrianisation is inconsistent across the proposals	Ensure the Market area ETRO proposals specifically seek to reduce through traffic, rationalising routes and movements. Many of these changes will contribute towards an environment which is more pedestrian friendly.
Generally unresponsive	Note this.
Great opportunity to use the space but required more imaginative ideas	Explore, with partners, opportunities to curate events and activates that will animate and activate the improve public streetscape that supports the vibrancy of The Green and Merchant Quarter.
More greenery needed	Aim to incorporate as much greening into the proposals as is possible.
Affordability	Note this comment. The Council is committed to investing in the future of the City Centre.

Ensure pop up space	Deliver pop up space. The plans will accommodate this: Pop up space is available in The Green and St Nicholas Street. Carnegie's Brae also, depending on the type of pop up.
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- 3.24 In terms of next steps for this area, Members are asked to approve the further design development work that has been undertaken since Full Council in February 2022, and to instruct the Director of Resources to prepare a Full Business Case to be reported back by the end of 2022. Phase 1 delivery is proposed to be delivered to coincide with the completion of the Market project.

Additional CCMP / Beach Projects

- 3.25 An update on the additional City Centre streetscape projects (Schoolhill and Upperkirkgate, Union Street East and Castlegate, Union Street West and the West End) was reported to Full Council in June 2022. Business cases for each of these areas is scheduled to be reported back to Full Council by the end of 2022. Design development continues on each of these areas, with further stakeholder engagement on the proposals planned in autumn 2022.

Spaces For People

- 3.26 Members of the Council's City Growth and Resources Committee on 13 November 2021 instructed that Spaces For People measures at the Beach be retained whilst consideration is given to any permanent scheme proposed for this area. Public consultation on the Draft Beach Development Framework was approved by Full Council at its June 2022 meeting and is scheduled to begin in late August / early September 2022. In tandem, work is currently ongoing on developing Traffic Management measures to support both the Beach and City Centre proposals and to ensure enhanced connectivity for active and sustainable transport modes between the two locations. Officers propose to include a question on the future of the Spaces for People measures at the Beach as part of the upcoming public consultation exercise on the Draft Beach Development Framework and report a recommendation on the future of these temporary measures to Full Council in December 2022.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council Budget meeting on 10 March 2021 outlined a funding commitment totalling £150m from the General Fund Capital Programme over financial years 2021/22 to 2025/26 to ensure the Council transforms the City Centre and the Beach area. This £150m funding commitment was used as match funding for the first £20m bid to the UK Government's Levelling Up Fund in 2021, and the second £20m bid submitted in 2022.
- 4.2 The Council will continue to facilitate the next phase of design works with Hub North Scotland Limited and the supply chain of current contractors who will undertake works relating to two or more workstreams allowing lower cost.

5. LEGAL IMPLICATIONS

- 5.1 The City Centre and Beach Masterplan recalibration report (Appendix 2) will inform planning applications, but each application will be decided on a case-by-case basis by the Planning Authority.
- 5.2 As project proposals from the recalibration report progress, they will be examined and managed within the professional scope of property / conveyancing industry accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.
- 5.3 Any work that is recommended to a property not owned by the Council will require effective dialogue and the owner's consent before it can commence. Other local authority consents, such as planning permission and listed building consent, may also be required for works to buildings.
- 5.4 All changes to vehicular movement on the road network are subject to statutory processes.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1. The City Centre and Beach Masterplan recalibration report (Appendix 2) will be screened through the Strategic Environmental Assessment process. This screening process will be circulated to the consultation authorities (Nature Scot, Scottish Environment Protection Agency and Historic Environment Scotland (for Scottish Ministers)) and be informed by both the Local Development Plan Environmental Report and the ongoing production of the Beach Development Framework Environmental 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	Not delivering CCMP and Beach projects	Full programme of works developed, funding approvals in place at key stages	L	Yes
Compliance	ETRO/TRO challenge	Manage through ongoing engagement programme	M	Yes
Operational	Sufficient capacity of	Forward planning through CCMP and	M	Yes

	resources within Councils teams to meet programme objectives	Beach project delivery programme Resource review ongoing and augmented support through the PMO		
Financial	Budget pressures due to current market volatility	Robust budgets established. Independent monitoring process established. With PMO early supply chain mitigations action plan established across the programme	M	Yes
Reputational	Continued debate without decision, ongoing uncertainty over city centre future	Agree and implement projects, clear communications, articulate vision	M	Yes
Environment / Climate	Air quality improvement Active travel Local material supply	Incorporated into project proposals. Early engagement underway with material suppliers	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. 1. – Continue to maximise community benefit from major developments.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.

Prosperous Place Stretch Outcomes	Supports Outcome 14 Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate Supports Outcome 15 38% of people walking and 5% of people cycling as main mode of travel by 2026.
Regional and City Strategies	<p>The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.</p> <p>The report supports the National, Regional and Local Transport Strategies, particularly the Sustainable Travel Hierarchy, which prioritises the needs of those walking, wheeling and cycling above other road users, and the 4 pillars identified in the recent Regional Transport Strategy, Nestrans 2040: Equality, Climate, Prosperity and Wellbeing.</p> <p>It also supports the Aberdeen Active Travel Plan and Sustainable Urban Mobility Plan, both of which seek to improve conditions for people walking and cycling in Aberdeen, particularly to, from and within the City Centre, through the provision of more and safer infrastructure.</p> <p>Measures to reduce unnecessary vehicle traffic in the City Centre will support the Air Quality Action Plan, Climate Change Plan, Net Zero Action Plan and Low Emission Zone by contributing to emissions reduction.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Undertaken as part of separate project update reports
Data Protection Impact Assessment	N/A
Other	Strategic Environmental Assessment

10. BACKGROUND PAPERS

- Aberdeen City Centre Masterplan
<https://www.aberdeencity.gov.uk/services/strategy-performance-andstatistics/city-centre-masterplan>
- Report to City Growth and Resources 25 August 2021
<https://committees.aberdeencity.gov.uk/documents/s123828/CCMP%20Review%20Report%20-%20Final%20Version.pdf>
- Committee Decisions 25 August 2021
<https://committees.aberdeencity.gov.uk/documents/g7956/Decisions%2025th-Aug-2021%2014.00%20City%20Growth%20and%20Resources%20Committee.pdf?T=2>
- Report to City Growth and Resources 12 November 2021
<https://committees.aberdeencity.gov.uk/documents/s126154/Combined%20City%20and%20Beach%20Covering%20Report%20-%20Covering%20Report.pdf>
- Committee Decisions 12 November 2021
<https://committees.aberdeencity.gov.uk/documents/g8139/Decisions%2012th-Nov-2021%2013.00%20City%20Growth%20and%20Resources%20Committee.pdf?T=2>
- Report to Council 28 February 2022
 - City Centre:
<https://committees.aberdeencity.gov.uk/documents/s129266/220228%20City%20Centre%20Masterplan%20Update%20Report.pdf>
 - Beach:
<https://committees.aberdeencity.gov.uk/documents/s129276/Council%20-%20Beachmasterplan%20Progress%20Update.pdf>
- Council Decisions 28 February 2022
<https://committees.aberdeencity.gov.uk/documents/g8184/Decisions%2028th-Feb-2022%2010.30%20Council.pdf?T=2>
- Report to Planning Development Management Committee 26 May 2022
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=348&MId=7982>
- Planning Development Management Committee Decisions 26 May 2022

<https://committees.aberdeencity.gov.uk/documents/g7982/Decisions%2026th-May-2022%2010.00%20Planning%20Development%20Management%20Committee.pdf?T=2>

- Reports to Council 29 June 2022
 - City Centre
<https://committees.aberdeencity.gov.uk/documents/s129266/220228%20City%20Centre%20Masterplan%20Update%20Report.pdf>
 - Beach
<https://committees.aberdeencity.gov.uk/documents/s133385/Beachfront%20Masterplan%20290622.pdf>
- Council Decisions 29 June 2022
<https://committees.aberdeencity.gov.uk/documents/g8188/Decisions%2029th-Jun-2022%2010.30%20Council.pdf?T=2>

11. APPENDICES

Appendix 1:	City Centre Recovery Workplan – Progress Update
Appendix 2:	City Centre and Beach Masterplan 2022
Appendix 3:	Review of City Centre and Beach Masterplan 2022 against the Council's Policy Agreement
Appendix 4:	Market Streetscape: Phase 1 and 2 Design Development
Appendix 5:	Market Streetscape Consultation Report

12. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 – City Centre Recovery Workplan – Progress Update

SHORT TERM (YEAR ONE) BLUEPRINT FOR RECOVERY (Table 1)

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
1. To facilitate the short-term economic recovery through the re-opening of existing CCMP projects, acceleration of completion of existing projects under construction and the continued exploration of how regulatory powers can be used differently to facilitate business innovation.	Re-opening campaign to support the re-opening of CCMP projects	City Growth	Short		Complete
	Complete the construction of Provost Skene's House, Union Terrace Gardens	Capital	Short	Capital Committee	Provost Skene's House was re-opened in October 2021. Union Terrace Gardens works are on-going and are expected to be complete later this year.
	Launch opening campaigns for Provost Skene House and Union Terrace Gardens	City Growth	Short	City Growth & Resources Committee	PSH Complete
	Develop the case for a more permanent change to the requirements of the regulatory system to	Strategic Place Planning	Short	Planning Development Management Committee	The Planning Authority will continue to work with Scottish Government on, for example, the

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
	meet the needs of the City				ongoing consultation on changes to Permitted Development Rights, many of which propose changes which will impact on City Centre projects. Innovative ways to “streamline” the process of applying for consents and receiving pre-application advice will continued to be developed in the context of statutory requirements.
	Renew the Business Gateway contract to ensure it is focused on supporting recovery from Covid for city centre businesses	City Growth	Short	CG&R	The renewed Business Gateway contract placed an emphasis on place based support including the city centre. For example, a series of workshops were delivered to support independent retailers. In addition, officers are exploring the opportunity to establish a Business Gateway

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
	Develop a full business case for Council delivery of redevelopment of the former Aberdeen Market and BHS site linked to design works for public realm improvements to Union Street (central) and Green area	Corporate Landlord, Capital, Strategic Place Planning	Short	City Growth & Resources, Capital, Strategic Place Planning Committees	presence in the city centre to provide easy access to business support. The City Centre and Beach Masterplan includes a progress update on the new Market development and explains how this project acts as a key development in the wider context of City Centre Recovery. Planning permission for the new Market building was granted in May 2022 (Application Reference 211517/DPP). The new building will include a mixture of uses including retail, food and drink and leisure. The first phases of streetscape delivery to support the new Market accompanies this report to Full Council (Appendix 4) and focuses on achieving improved accessibility and wayfinding between the new

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					Market and Public Transport hubs/Union Square. Progress on development of the Market and associated streetscape will be included in the annual review of the City Centre and Beach Masterplan.
	Design works for current City Centre interventions on Union Street, West End, George Street and Schoolhill	Capital	Short	City Growth & Resources, Capital Committees	The City Centre and Beach Masterplan discusses how these projects fit together in the wider context of City Centre recovery. Strategic visions for streetscape projects on Union Street Central, Union Street West, the West End, Union Street East and Castlegate have been reported to Committees during 2021 and business cases for each of these areas will be reported back to Full Council by the end of 2022. A separate Mini Masterplan for the George Street area is also currently underway, with a draft

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					to be reported to Full Council by end of 2022. George Street will ultimately be incorporated into the City Centre and Beach Masterplan once preparation of the Mini Masterplan for this area is completed.
	Scope and procure necessary demolition contract(s) for Queen Street to include Police Headquarters and Shoe Lane, pending acquisition	Capital	Short	Capital Committee	Surveys are currently underway at the former Queen Street Police Headquarters to inform consideration of options for inclusion in a Strategic Business Case for the Queen Street area.
	Procure a development partner to develop options for the redevelopment of Queen Street	Resources	Short	City Growth & Resources	Strategic Business Case for Queen Street scheduled to be presented to Council later this year.
	Design works for Castlegate area (linked	Capital	Short	City Growth & Resources,	The City Centre and Beach Masterplan highlights the importance of the Castlegate

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
	to Beach Connectivity Study below)			Capital Committees	and the Justice Street roundabout as key connectivity points between the City Centre and the Beach which are in need of improvement. Strategic visions for streetscape improvements for the Castlegate have been reported to Committee in 2021, and a business case for this area will be reported back to Full Council by the end of 2022. This will include proposals for enhanced connectivity to the beach.
2. To capitalise on the city's new and developing tourism and cultural attractions, supporting exhibition and event programmes for	Exhibition and Events Programme	City Growth	Short	City Growth & Resources Committee	As the city emerged from covid 19 a number of the planned events have been delivered including Spectra and NuArt. The Grand Depart for the Tour of Britain is at the beginning of September followed by the new Wonderland festival, True North

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
2021/22 – eg the British Art Show, Zandra Rhodes Exhibition, Tour of Britain					and the Comedy Festival. Visiting exhibitions to Aberdeen Art Gallery included the British Art Show, Zandra Rhodes 50 Years of Fabulous, Galloway Hoard and the Book of Deer.
	Undertake a Connectivity Study, identifying options to connect the Beach to City Centre	Strategic Place Planning	Short	City Growth & Resources Committee	As noted above, the City Centre and Beach Masterplan highlights the importance of the Castlegate and the Justice Street roundabout as key connectivity points between the City Centre and the Beach which are in need of improvement. Officers are currently developing an Outline Business Case based on the redevelopment of the Justice Street roundabout 'at grade'. In order to do this, work has started to develop the necessary technical studies which, combined with analysis of economic, social and

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					<p>environmental benefits, will be presented to Council in Q1 of 2023. It is recognised that the development of the existing roundabout is inextricably linked to the emerging proposals for the Beach Boulevard and hence these projects will be developed as a coordinated piece of work. The opportunity exists for a ‘connectivity vision’ leading to transportation, environmental and urban realm improvements which will positively impact on the current junction and surrounding buildings e.g. Hanover Street School and the Health Village.</p>
	Develop a Masterplan for the redevelopment of the Beach, identify a sports development partner for the Council and proceed	Director of Resources	Short	City Growth & Resources, Capital, Planning Development	The City Centre and Beach Masterplan provides a strategic focus for both the City Centre and Beach masterplanning areas, bringing these areas

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
	through the stages of business plan, budget and procurement approval.			Management Committees	together. Under this strategic document sits a Draft Beachfront Development Framework which was approved at Full Council in June 2022 for a period of public consultation. The Beachfront Development Framework identifies a vision, opportunities, areas for potential changes and future design principles and parameters for the future development of this area.
3. To develop an approach for engaging with the public and businesses on the short, medium and long term changes required within the city centre and the beach	Develop a communications programme and appropriate questionnaire	Strategic Place Planning	Short	Corporate Management Team	The City Centre and Beach Masterplan sets out the vision and objectives for key projects, alongside our future commitments for public and stakeholder engagement. To date this engagement has included targeted sessions on areas with key stakeholders, as well as (in July 2021) a wide-reaching public engagement

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					exercise entitled “The Future of Aberdeen City Centre and the Beach”. Engagement plans for individual projects are also being prepared and will be treated as live documents.
4. To consider the implications on city centre footfall as a result of the seismic changes which are happening within the retail sector, the increased levels of sustained hybrid working which are anticipated postpandemic and develop solutions to mitigate this anticipated reduction	North East of Scotland Performs economic database, Economic Policy Panel	City Growth	Short	City Growth & Resources Committee	North East Performs is the Economic Performance Monitoring Framework for the North East of Scotland. It includes key economic indicators against which progress can be assessed covering economic, productivity and inclusive and sustainable growth. It also includes specific analysis of the city centre around footfall, spend, vacancy rates, labour market statistics etc.

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
5. To consider how the regulatory system across planning, and licensing can facilitate the re-purposing of buildings to enable increased city centre living	Explore how the planning system could be used further to support development – review of developer obligations, develop Planning Advice specific spatial guidance for City Centre and explore potential “levers” that are within the control of the Council to set or outline.	Strategic Place Planning	Short	Planning Development Management Committee	The City Centre and Beach Masterplan recognises that living in the city centre is a positive way to ensure it has vibrancy, vitality and viability and to support an economy based around day-to-day living. A City Centre Living Enabling Plan has been prepared on this basis, with the primary objective to add 3,000 new residents to the city centre by 2040. A recommendation to extend the current Affordable Housing Waiver until 31 December 2025 is included within the recommendations of this report to Council. The Waiver will also inform relevant new local planning advice / guidance to sit alongside the emerging Local Development Plan.

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
6. To integrate our environmental thinking (from a place and economy perspective) into the prioritisation and planning of the next wave of CCMP projects over the short, medium term and long term	Review the Spaces for People Interventions and consult with the public about which interventions to retain	Strategic Place Planning	Short	City Growth & Resources Committee	The public engagement exercise entitled “The Future of Aberdeen City Centre and the Beach” undertaken in July 2021 began this discussion, and a recommendation on further consultation on Spaces For People measures at the Beach is included in this report to Council.
	Explore the benefits which can be gained through the LEZ, including parking strategy/ planning policy guidance	Strategic Place Planning	Short	City Growth & Resources Committee	On 19 May 2022, Scottish Ministers confirmed their approval of a preferred Low Emission Zone (LEZ) for Aberdeen, allowing Aberdeen City Council to formally declare its LEZ on 30 May 2022. Work has since commenced on implementation of the LEZ in advance of the expiration of the 2-year grace period, encompassing establishment of the enforcement camera system and appropriate boundary and

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					strategic road signage. The designation of the LEZ will be a key element in considering any relevant new local planning guidance/ advice to sit alongside the emerging Local Development Plan.
	Implement the electric vehicle infrastructure as per City Growth & Resources Committee instruction	Strategic Place Planning	Short	City Growth & Resources Committee	Aberdeen's EV Framework - covering 5 and 10 year periods - was adopted in February 2021. This has seen both rapid and fast chargers installed at a number of sites across the city, including Virginia Street car park and Summer Street car park in the city centre. All new chargers are capable of recharging 2 vehicles at once and will be fully operational by the end of the year. A number of existing chargers are also scheduled for replacement.

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					<p>Further installations beyond this will be informed by a funded business case, currently being undertaken by consultants Urban Foresight and funded by Transport Scotland and the Scottish Futures trust. This will look at how the Council can work with other organisations, including private firms, to roll out further EV charging infrastructure, up to 2045 and what levels of funding – public, Council and from Transport Scotland - may be required to facilitate this. This will consider opportunities for charging hubs, off-street charging and on-street charging. The work looks at Aberdeen City, Aberdeenshire and Highland Councils together. The business case is due to be</p>

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight <i>(to be confirmed following Council decision on Committee Structures)</i>	Progress Update – August 2022
					completed by late summer 2022.

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MEDIUM AND LONG TERM BLUEPRINT FOR RECOVERY (Table 2)

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight	Progress Update – August 2022
7. To consider the implications on city centre footfall as a result of the seismic changes which are happening within the retail sector and the increased levels of sustained hybrid working which are anticipated post the pandemic and consider solutions to mitigating this anticipated reduction		City Growth	Medium	City Growth & Resources Committee	UPDATE TO FOLLOW – currently being factored into streetscape and urban realm projects
8. To integrate our environmental thinking (from a place and economy perspective) into the prioritisation and planning of		Strategic Place Planning	Medium	City Growth & Resources Committee	UPDATE TO FOLLOW - currently being factored into streetscape and urban realm projects

CCMP Review Objective	Tasks	Lead Chief Officer	Timescale	Governance Oversight	Progress Update – August 2022
the next wave of CCMP projects over the short, medium term and long term					
9. To integrate our smart city thinking more deliberately within the prioritisation and planning of future waves of CCMP projects over the medium and long term	To work with Microsoft, on their clean cities initiative	Digital	Medium		ACC is currently refreshing the Smart City strategy and action plan, liaising with partners to focus on key themes for the city. This will align with emerging opportunities to be delivered through the CCMP
10. To determine our long-term objectives (year 5+) arising from the review and ensure the aims and objectives of the CCMP reflect these			Long		The City Centre and Beach Masterplan sets the strategic vision and objectives for the longer term.

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CITY CENTRE AND BEACH MASTERPLAN 2022

ABERDEEN CITY COUNCIL



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1.0 EXECUTIVE SUMMARY

The City Centre and Beach Masterplan (2022) provides an excellent opportunity for the City of Aberdeen to assess the needs of its citizens, look toward the future and create a progressive plan of action for the betterment of all.

The current socio-economic landscape has been analysed in a post-pandemic world where spaces for people have rightly been prioritised with a renewed focus on both environmental and economic sustainability in the current climate emergency. City trends have also been reviewed to ensure that the future vision for Aberdeen aligns with the current and future market demands of this evolving context.

The Masterplan is set out, together with a SMART objectives review process to ensure that it can be measured against the four key stakeholder pillars:

- Economy,
- Inclusion,
- Net Zero and
- Quality.

The Masterplan projects illustrate a coordinated approach to the future development across the city centre and nearby beachfront. A robust movement strategy illustrates the principle of a connected city by prioritising the needs of those walking, cycling, wheeling and using public transport.

The stakeholder and delivery programme set out the next steps of the Masterplan, highlighting key stages, events and identifying funding, implementation and maintenance strategies. The Masterplan will be a live programme that will be reviewed on an annual basis to ensure progress, relevance and deliverability.

Many of the projects being progressed will provide high quality spaces and activities that are free to use for everyone. The projects, both within the city centre and the beachfront, include significant new planting opportunities, improving the natural environment throughout the development area. Key examples include a new urban park at the beach and the creation of public spaces and event opportunities.

The urban park projects within the beach area will also provide a major new play area that will benefit children and young people across a spectrum of ages and interests. Opportunities for incidental play in the city centre streetscape projects and the prioritisation of active travel measures will encourage activity and improve the health and wellbeing of residents.



AERIAL VIEW OF CITY CENTRE AND BEACH MASTERPLAN BOUNDARY, LOOKING NORTH

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2.0 INTRODUCTION

2.1 PURPOSE OF THE REPORT

The Aberdeen City Centre Masterplan (CCMP) and Delivery Programme was approved unanimously in 2015 by Aberdeen City Council. Its purpose was to create a regeneration blueprint to transform the city centre while conserving Aberdeen's proud heritage to ensure greater economic prosperity and a better quality of life for all.

Due to the significant economic, social and environmental changes in the previous 6 years, including the Covid 19 pandemic, in May 2021 the Council undertook a review of the 2015 CCMP in conjunction with the development of a new Beachfront Development Framework and George Street Mini Masterplan.

That review afforded the opportunity to consider how a framework for economic recovery in the short, medium and long terms could be provided, and a basis from which to monitor and consider the impact of structural changes that the pandemic had accelerated, alongside the implications for the future of the city centre. This included, for example, the loss of retail, the impact of home working and the effects on consumer and business confidence and behaviour. The review also presented an opportunity to re-evaluate the role of cultural and other assets in the city and their importance in supporting recovery in the tourism, leisure and hospitality sectors.

This review did not replace or supersede the City Centre Masterplan, but instead recognised that many CCMP 2015 projects are not within the direct control of Aberdeen City Council and may no longer be relevant given changing priorities brought about by the public health emergency. The Council therefore agreed in the short-term to focus resources and attention on a number of intervention areas that the Council itself could progress as priorities to help the City's wider socio-economic post-pandemic recovery.

Following this, in February 2022 the Council announced its intention to recalibrate the City Centre Masterplan to incorporate the Beach and George Street master planning exercises. This was instructed to provide a cohesive, strategic overview and framework for all Masterplan projects and ensure these are aligned within an overarching vision.

It is intended that this recalibrated City Centre and Beach Masterplan (2022) will serve the following purposes:

- An investment tool that showcases the city
- A live programme that can be flexible in responding to future trends/needs
- A communications tool to enable understanding of what the City Centre and Beach Masterplan is about
- A reference document to identify priorities, next steps and monitor progress.

Strategic Environmental Assessment (SEA) is an iterative review process that plans and programmes must undergo to ensure that significant environmental effects arising are identified, assessed and mitigated in order to integrate environmental considerations into strategic decision-making. An assessment will be undertaken to combine existing Strategic Environmental Assessments (SEA) for the City Centre and

the Beach in line with this recalibrated report. This assessment will be screened under the SEA process to confirm that all areas have been appropriately considered.

This report will be a live document that will be updated annually to record progress against delivery. All the proposed changes to the city centre and beach areas are informed by engagement with stakeholders including children and young people, public transport operators, residents, and traders. A child friendly version of this report in a more graphical format will also be prepared.

The audience for this report is anyone with an interest in the city centre and beach. From an engagement perspective, we have identified the following audiences:

- Key stakeholders representing a range of interest groups that are relevant to the individual project objectives
- Technical Stakeholders such as statutory consultees and regulatory bodies
- Immediate neighbours for the individual projects
- Children and young people, including the Aberdeen Youth Parliament
- All Aberdeen residents and businesses, alongside those within the wider Aberdeen City region who travel into the city for leisure or business
- National and international investors and visitors

The annual update will report on progress against the key objectives of the City Centre and Beach Masterplan and comment on any changes or external influences that may impact on it, as well as update on progress of delivery of key projects. It will also provide a look ahead to the next year on delivery of the Masterplan.

2.0 INTRODUCTION

2.2 VISION

The vision for the City Centre and Beach Masterplan is:

TO CREATE A WORLD CLASS CITY CENTRE AND BEACH THAT RESPECTS AND ENHANCES ABERDEEN'S UNIQUE QUALITIES AND CHARACTERISTICS AND PUTS PEOPLE AT ITS HEART.

As well as being appropriate for both the city centre and beach, the vision reflects the aspirations of a number of key plans including the Local Outcome Improvement Plan (LOIP) which was refreshed in 2021 to reflect the additional challenges brought on by Covid 19. The ambition of the Council and its Community Planning Partners remains that Aberdeen should be a place where “all people can prosper”.

Under each LOIP theme, the Community Planning Partnership has developed 15 goals that it is working to achieve over the next seven years. The City Centre and Beach Masterplan will directly contribute to a number of these goals as follows:

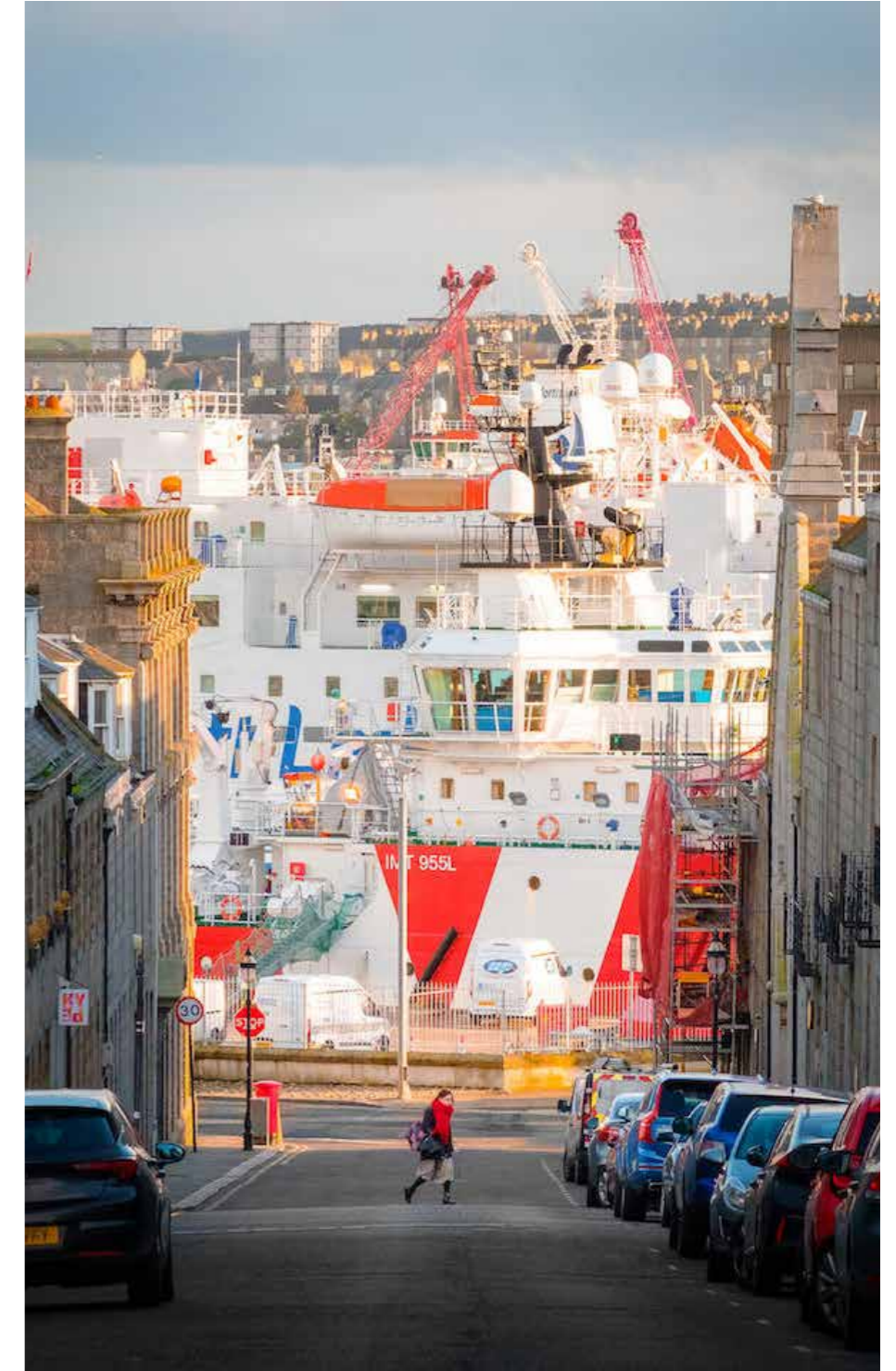
Economy – the 3no. economic goals of the LOIP relate to eradicating poverty, supporting 400 residents into Fair Work and enabling 500 residents to upskill and move into economic opportunity. Delivery of the City Centre and Beach Masterplan will both directly and indirectly contribute to these employment and upskilling goals, therefore tackling poverty.

People – the 9no. people goals relate to both children and young people, as well as adults, and delivery of the Masterplan can have a positive impact on many. For example, our bespoke children and young people engagement will deliver Masterplan related curriculum and work experience opportunities which can support educational attainment and positive destinations, whilst also ensuring the child-friendly goals are supported by enabling children and young people consultation and participation. The new public realm in the city and at the beach will support healthy living for residents and visitors of all ages.

Place – a major objective of the Masterplan, and a goal of the Place theme of the LOIP, is to increase sustainable travel. The proposed transport changes in the city and at the beach will directly support this. The Masterplan will also contribute to the other two goals of reducing carbon emissions and protecting areas for nature.

All projects delivered by the Council and its partners, including the City Centre and Beach Masterplan, should help to deliver the themes of the LOIP. When considering the overarching objectives for the City Centre and Beach Masterplan, we have reflected on the LOIP themes and propose the Masterplan objectives should be: Economy, Inclusion, Net Zero and Quality.

As individual projects are brought forward within the Masterplan, they should be assessed against these objectives.



THE NEW URBANISM CREATED BY COMPACT GROWTH IN ABERDEEN
SOURCE: ABZOLUTELY

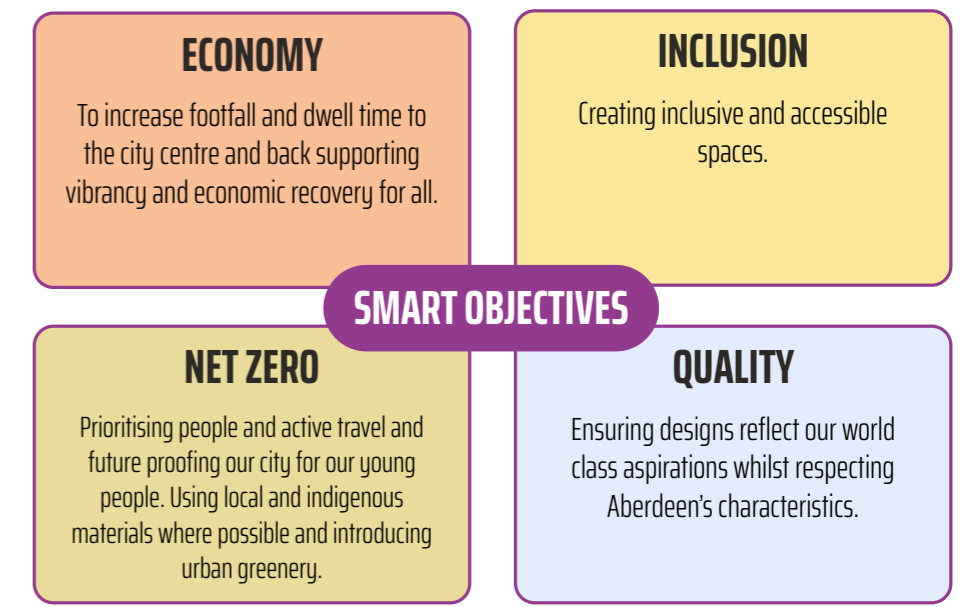
2.0 INTRODUCTION

2.3 SMART OBJECTIVES

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
MASTERPLAN		
City centre population growth	More people live, work, and use city centre facilities	3,000 extra people living in the city centre by 2040
Increased Gross Value Added	Still having the highest GVA per head in Scotland	£s per annum
Reduction in crime (actual)	Offences and crime figures in a downward trend in the city centre	<ul style="list-style-type: none"> • 30% fewer young people (12 to 17) charged with an offence and a crime by 2026 • 2% fewer people re-convicted within one year by 2026 • 1 point increase (4.31 -> 5.31) (/7) in the mean score for people who "Feel safe in the city centre throughout the day and night" by 2026
Increased footfall in the city centre	More locals, visitors and tourists visiting Aberdeen throughout the year	10% increase in daily average footfall in the city Centre by 2026
Reduced Office/Retail vacancy rates in the city centre	Less empty office/retail space in the city centre	2% (13.99% -> 11.99%) decrease in the office vacancy and 1% (6.39% -> 5.39%) decrease in the retail vacancy rate in the city centre by 2026
Increased ease of walking and cycling around Aberdeen	More active travel across all demographics	30% (1,244 -> 1,617) increase in average daily cycling in the city centre by 2026.
Reduction in car journeys in the centre	Less cars in the city centre	20% reduction in average daily traffic flow by 2026
Reduction in CO ₂ /NO ₂ emissions	Ongoing reductions in CO ₂ /NO ₂ emissions in the city centre	<ul style="list-style-type: none"> • By at least 61% by 2026 and NZC by 2045 • Reduce NO₂ to <35ug/m3 annual mean in the city centre by 2026.
Increased educational attainment, skills, and life-long learning	Improved education outcomes	To match or be under Scotland's density of skills gaps in each occupation groupings (High Skilled, Middle Skilled, Service and Labour Intensive) by 2026

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
CITY CENTRE		
Contractor's labour from the local area	Greater use of local labour pool	60% Local labour employed
Creation of new jobs	Construction jobs over build period and market jobs (catering, cleaning, management, and operations)	<ul style="list-style-type: none"> • 60 - 120 new Construction Jobs - Public Realm • 150 - 175 new Construction Jobs - Market • 250 new Market Jobs
Attracting regional and local businesses into the new Market	New businesses attracted to the city centre	20 - 40 new businesses
Creation of new public realm space leading to increased satisfaction with the city centre	Improved perception of city centre from residents and visitors	<ul style="list-style-type: none"> • 62,559 m2 new public realm space • Increased life satisfaction in Aberdeen - 1 point increase (7.21 -> 8.21) in the level of "Life Satisfaction" in Aberdeen residents by 2026 • Increased happiness in Aberdeen - 1 point increase (7.17 -> 8.17) in the level of "Happy" in Aberdeen residents by 2026 • Increased green space for city residents - 1 point (5.2 -> 6.2) increase in the level Aberdeen Central Residents score for "Can you regularly experience good quality natural space? This includes a wide variety of environments from parks and woodlands to green space alongside paths and streets"
Reduction in city centre congestion	Bus journey times reduced, more buses on time etc	Buses generally on time 75% (64% -> 75%) of the time
Materials sourced from the local area	Greater use of locally sourced materials such as granite	30 - 50% of net Construction Costs to be local materials

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
BEACH		
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	100% Footfall and 100% revenue increases (Leisure and Ballroom only)
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	2,000 m ² - Decrease in the average distance (m) for city centre Residents to nearest Park, Garden or Playing Field.
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	30 new Leisure Jobs by 2025
Materials sourced from the local area	Greater use of locally sourced materials such as granite	20 to 30% of net Construction Costs to be local materials
Contractor's labour from the local area	Greater use of local labour pool	50% Local labour employed



Measuring success of any Masterplan requires an understanding of the baseline you start at and what the key objectives are that you want to achieve. A set of SMART (Specific Measurable Achievable Relevant Timely) Objectives with metrics and owners has therefore been developed for the City Centre and Beach Masterplan informed by Aberdeen City Council's vision for the city, the Local Outcome Improvement Plan and recent Economic Performance Reports.

A process for ownership, management, and reporting of the SMART Objectives has been developed where the baseline metrics will be established and regularly reported

against to allow success to be measured. Some areas of data are already being measured by the Council and other Public Sector bodies and we will measure others such as construction related employment and amount of locally sourced materials.

These SMART Objectives will deliver against the four Masterplan objectives of Economy, Inclusion, Net Zero and Quality. A summary of the measures and metrics are shown in the table above and the full suite of SMART Objectives are included in Appendix 01.

SMART (SPECIFIC MEASURABLE ACHIEVABLE RELEVANT TIMELY) OBJECTIVES

3.0 AREA OF FOCUS

3.1 ABERDEEN CITY CENTRE + BEACH MASTERPLAN CONSULTATION + ENGAGEMENT

In 2014/15 the City Centre Masterplan was prepared following an extensive engagement exercise. This included three rounds of consultation with stakeholders and the public; an initial discussion in September 2014 on people's priorities and aspirations; Masterplan vision, objectives, projects and spatial strategy in November 2014 and the draft Masterplan in March/April 2015. Taking into consideration the feedback received through the consultations, the final Masterplan and delivery programme were unanimously agreed by Council in June 2015.

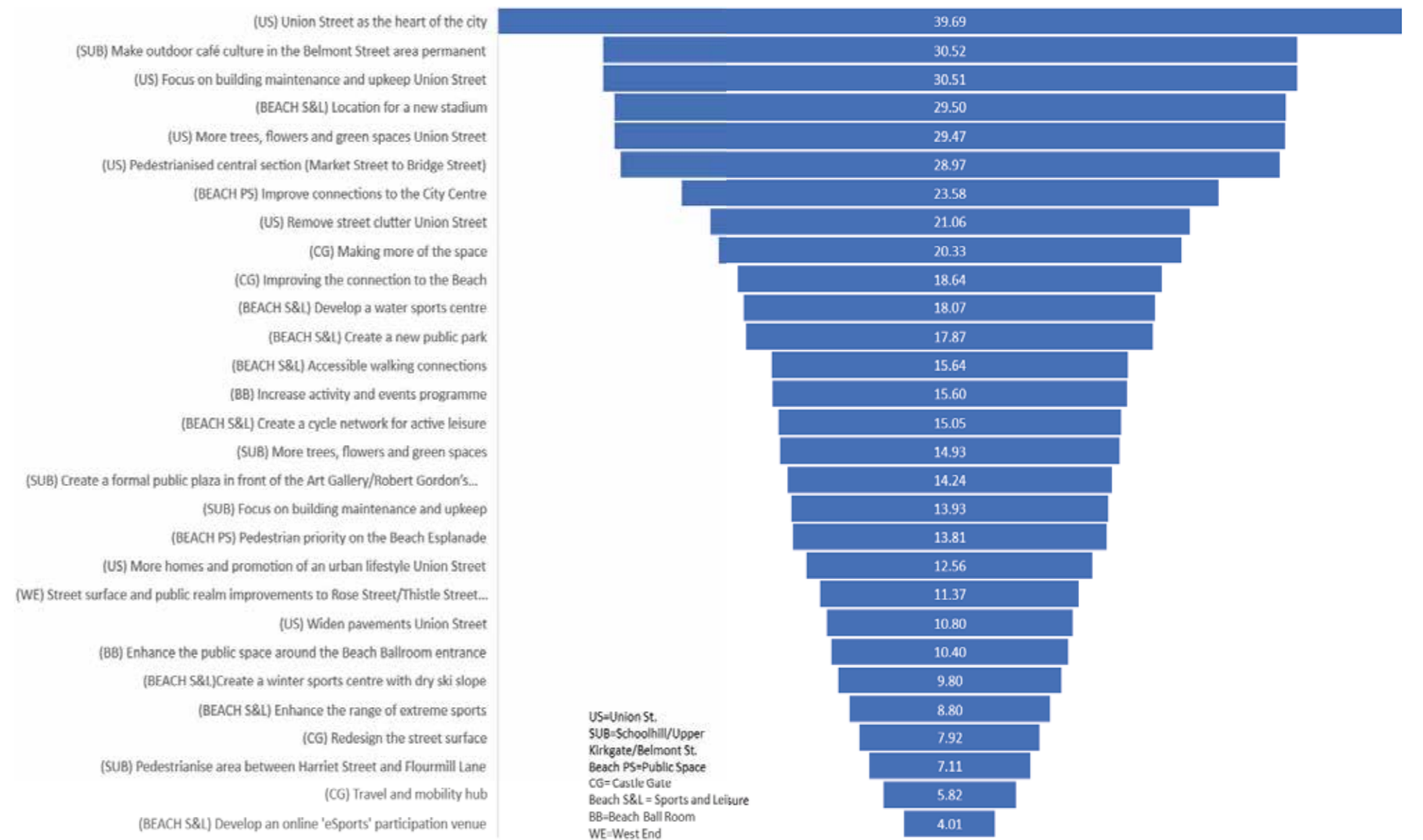
In order to understand current public views and reflect the changing socio-economic context since 2015, a public engagement exercise entitled 'The Future of Aberdeen City Centre and the Beach' ran for 3 weeks from 12 June – 02 July 2021.

Participants were asked to imagine they were responsible for the future of the City Centre and Beach and were allocated a maximum of 500 points to distribute to a series of improvement projects they would most like to see progressed. A maximum of 100 points could be allocated to any single project or theme to reduce the risk of any one project being artificially weighted.

A total of 7697 responses were made to the simulator exercise. Of these, 7610 responses provided demographic information and 2753 responses included 'free text' in one or more of the comments boxes provided. Of those responses, 71% were from those living in Aberdeen City, 23% from those living in Aberdeenshire and the remaining 6% from those in Angus, Moray, Highlands and elsewhere.

In terms of demographics most respondents were in the 35-54 age groups, the largest proportion of respondents listed 'Aberdeen City' as their locality, there was an approximate 60/40 split between male/female genders and the majority of respondents identified as 'White-Scottish' in relation to ethnicity.

The diagram to the right shows the mean score received for all projects and subsequent ranking of priorities by all participants.

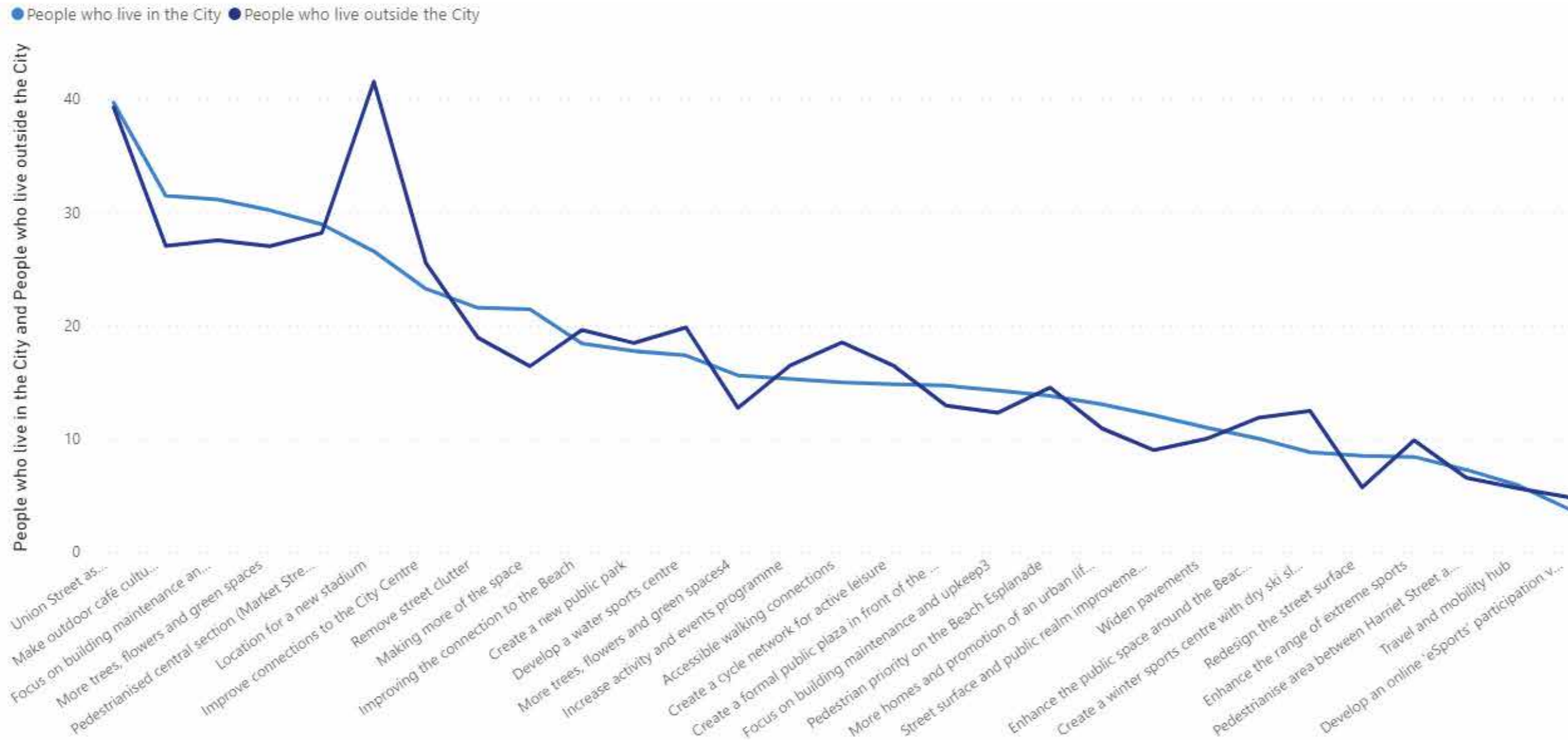


RANKING OF PRIORITIES FOLLOWING CCMP REVIEW
 SOURCE: 'CITY CENTRE MASTERPLAN REVIEW' CCMP REPORT, AUGUST 2021

3.0 AREA OF FOCUS

3.1 ABERDEEN CITY CENTRE + BEACH MASTERPLAN CONSULTATION + ENGAGEMENT

The following graph portrays the differences in response between those living in and those outside the City boundaries. It should be noted that this graph represents the average points scoring in the simulator and not the number of respondents, and therefore represents the priority that those respondents placed on issues. The apparent spike in responses from those outside the City in relation to the beach as location for the stadium represents a points allocation from 29% of respondents, compared to 71% from the City.



COMPARISON OF PRIORITIES FOR THOSE LIVING IN/OUTSIDE OF THE CITY
SOURCE: 'CITY CENTRE MASTERPLAN REVIEW' CCMP REPORT, AUGUST 2021

3.0 AREA OF FOCUS

3.2 MASTERPLAN BOUNDARY + ZONE OF INFLUENCE

The City Centre and Beach Masterplan incorporates the Beach and George Street areas, resulting in a new boundary being developed.

This revised study area combines the City Centre boundary and the Beachfront Development Framework area, in recognition of the importance of the city centre's connection to the beach and vice versa. The George Street Mini Master Plan boundary has also been integrated, due to the overlapping nature of the proposed development areas. Together these individual parts create a new City Centre and Beach Masterplan boundary, shown in purple on the adjacent diagram.

The projects within this revised single boundary will be designed to have a positive impact on the surrounding areas, and act as a catalyst for potential future development in these areas. Particular zones of influence include the adjacent Port of Aberdeen and the former Broadford Works site. This boundary could potentially expand in the future, extending the footprint from the River Dee to the River Don.



- KEY
- CITY CENTRE MASTERPLAN 2015
 - BEACHFRONT DEVELOPMENT FRAMEWORK 2022
 - GEORGE STREET MINI MASTERPLAN CONSULTATION AREA 2021
 - BROADFORD WORKS SITE (NORTH) AND HARBOUR MASTERPLAN (SOUTH)

PREVIOUS MASTERPLAN BOUNDARIES



- KEY
- CITY CENTRE + BEACH MASTERPLAN BOUNDARY 2022
 - MASTERPLAN ZONE OF INFLUENCE

REVISED CITY CENTRE + BEACH MASTERPLAN 2022 BOUNDARY, INCLUDING RADIATING ZONE OF INFLUENCE

3.0 AREA OF FOCUS

3.3 HERITAGE ASSETS

Within the City Centre and Beach Masterplan boundary there are a number of existing built and natural heritage assets which must be protected and enhanced by the Masterplan projects as they are developed and delivered.

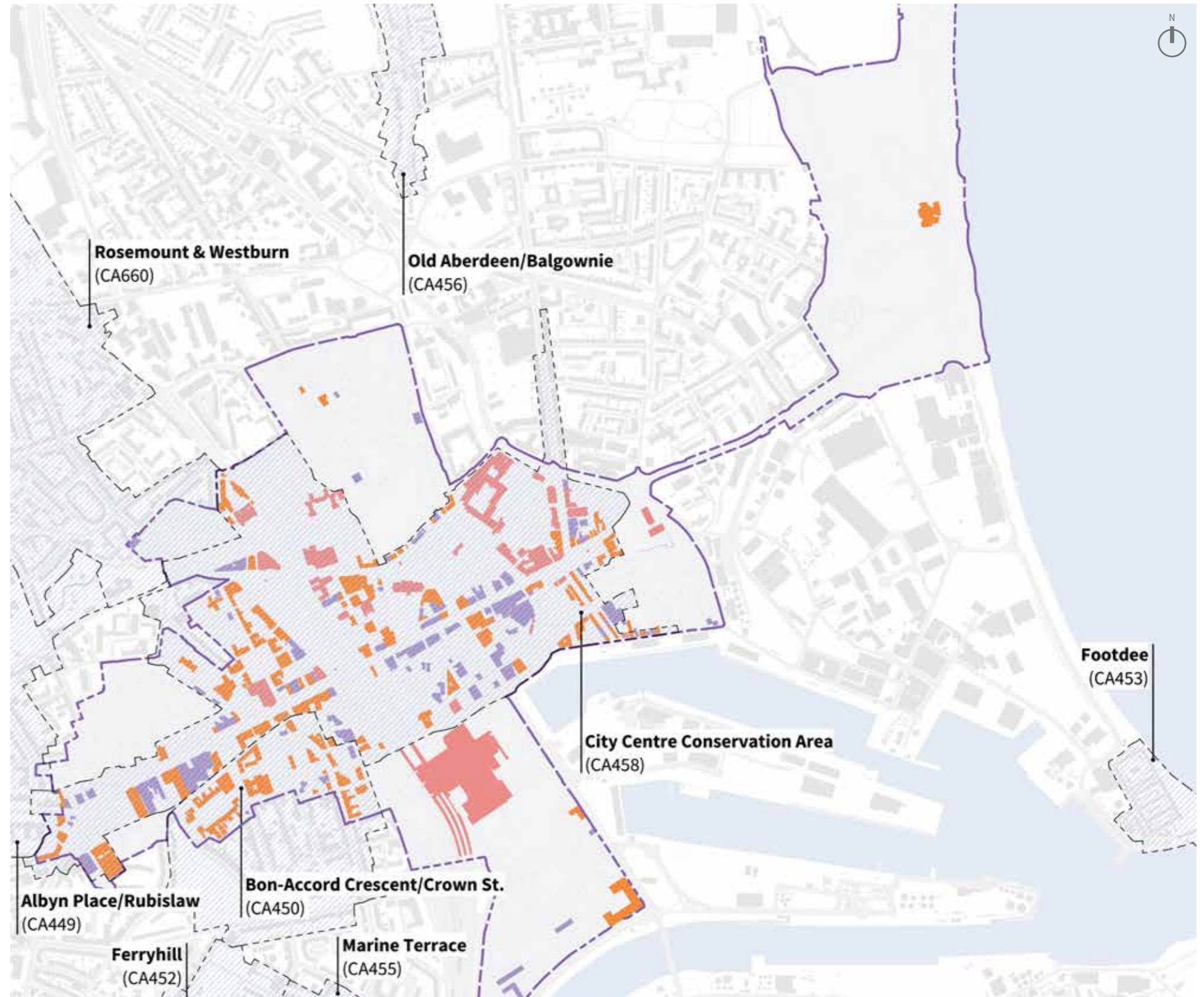
Most of the City Centre is included within the recently reviewed City Centre Conservation Area, and a number of other Conservation Areas such as Footdee, Old Aberdeen and Rosemount and Westburn cover areas within the zone of influence of this Masterplan and the projects it contains. The City Centre is also home to a large number of listed buildings, whilst at the Beach, the Beach Ballroom represents the 'jewel in the crown' for the beachfront proposals.

A Conservation Area Regeneration Scheme (CARS) was set up in 2017 to tackle the problem of run down historic buildings and streetscape on Union Street, the city's main thoroughfare. The scheme has included over £2.4 million in grant funding to owners of eligible buildings to undertake high quality repair, restoration and refurbishment works.

The current CARS project ends in 2023, however, the Council has committed an additional £2 million towards a future heritage led regeneration scheme for the Union Street Area. Moving forward, the Council intends to submit expressions of interest to both Historic Environment Scotland and the National Lottery Heritage Fund for future funding opportunities, including to the new Heritage and Place Programme.

In terms of natural assets and greenspaces, although a lack of meaningful urban external public space currently exists within the City Centre, the beachfront provides an exceptional natural resource for the City and its residents. Improving the public realm in the City Centre and better connecting the City Centre and the Beach are key aims of this Masterplan and were noted as top priorities during public consultation on the City Centre and Beach projects in 2021.

In line with the priorities of this initiative, a pilot project of the Masterplan is the Union Street revitalisation works, which restores the listed frontages along Union Street Central. As reinforced by the Council's public engagement in July 2021, the preservation of Aberdeen's heritage and architecture is of paramount importance to its residents. To learn more about this project, please refer to Section 6 of this report.



LISTED BUILDINGS + CONSERVATION AREAS WITHIN THE CITY CENTRE + BEACH MASTERPLAN BOUNDARY

- A LISTED
 - B LISTED
 - C LISTED
 - CONSERVATION AREAS
 - CITY CENTRE + BEACH MASTERPLAN BOUNDARY
- KEY

4.0 CURRENT CONTEXT

4.1 LESSONS LEARNED 2015-2022

This City Centre and Beach Masterplan report has been prepared within a changing landscape of policy and guidance across all administrative levels, from UK Government level to local community level. This policy landscape is emerging with a view to achieving a post-pandemic economic recovery, a resetting of our relationships with our city centres, and a global shift in emphasis on sustainable responsibility, reinforced with the signing of the Glasgow Climate Pact at COP 26.

SOURCES

As part of this exercise a desktop study was undertaken utilising a number of key sources to establish 'lessons learned', which included bespoke reports and documents prepared with reference to local and national policy guidance:

- Scottish Government + COSLA, Town Centre Action Plan Review (Apr 2022)
- Scottish Government + Scottish Cities Alliance, City Centre Recovery Task Force Report (Mar 2022)
- Scottish Futures Trust, Place Guide (Nov 2021)
- National Planning Framework 4 - Scotland 2045 (Nov 2021)
- Scottish Futures Trust, Net Zero Public Sector Building Standard (Mar 2021)
- Scottish Government, A New Future for Scotland's Town Centres (Feb 2021)
- Mark Logan (commissioned by the Scottish Government), Scottish Technology Ecosystem Review (Aug 2020)
- Scottish Government, Place Principle (Apr 2019)
- Our Place, The Place Based Framework (Apr 2019)

KEY PRINCIPLES

A number of key principles and findings from this research and new policy and guidance can be summarised as follows:

- Adopting the principles of localism and the 20 minute neighbourhood
- Prioritising active travel, recognising the importance of connectivity and accessibility
- Designing places for people, encouraging and facilitating the repopulation of urban centres
- Ensuring long term environmental and economic sustainability
- Providing access to green space for both residents and visitors

IMPACT ON ABERDEEN

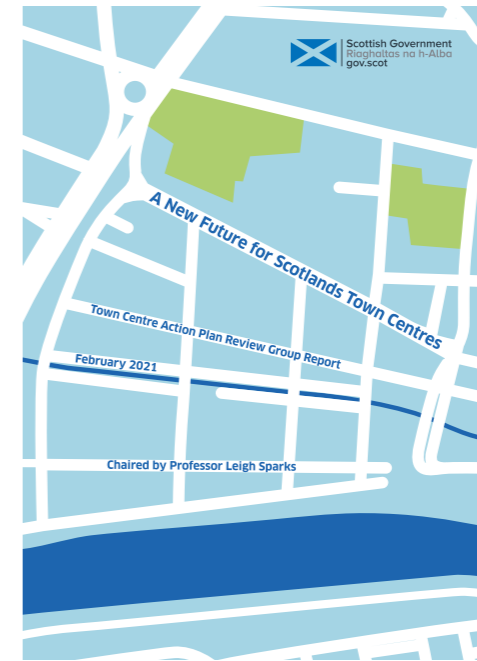
A significant amount of work has already been undertaken to demonstrate what may be possible for the future of the City Centre and Beachfront in terms of individual projects and priority areas for change. Informed by this change in local and regional policy landscape, particular focus will now be given by this recalibrated exercise to prioritising the following areas:

- Prioritising placemaking and providing opportunities for sustainable and active travel connections
- Improving health and well-being and providing inclusive access to outdoor space
- Addressing the recent struggle of commercial retail and revitalising resultant vacant units
- Promoting sustainability and localism

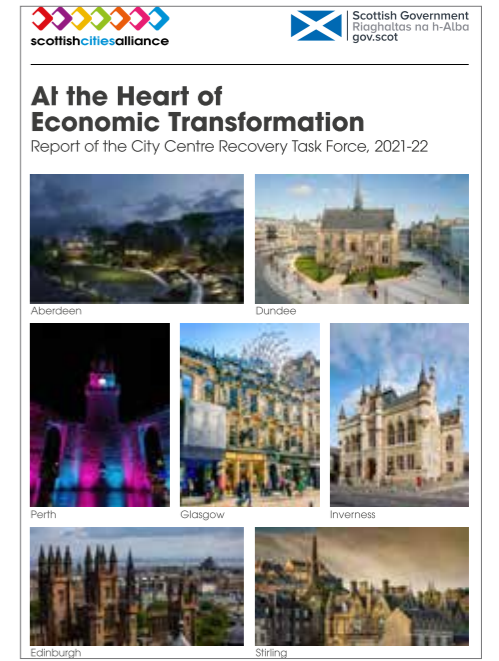
A number of projects, described in more detail later in the report, have been undertaken that begin to address the prioritised areas of focus noted above. These include:

- The City Centre Streetscape Projects which will improve the public realm, enhance active travel and create spaces for people with a real sense of place.
- The redevelopment of the Beach and associated projects will create a wide variety of spaces for outdoor activity, offering a number of opportunities to improve health and well being.
- The Market project will promote the local economy, helping to drive commercial activity in the city centre and arrest the diminishing footfall as a result of a contracting retail sector.
- The projects at George Street and Queen Street offer unique opportunities to re-imagine these neighbourhoods, re-populating the city centre.

The future stages of the Masterplan exercise will continue to identify areas with opportunities for change, to act as a catalyst for the improvement of Aberdeen both short, medium and longer term.



A NEW FUTURE FOR SCOTLAND'S TOWN CENTRES 2021



CITY CENTRE RECOVERY TASK FORCE 2021/22



SCOTTISH TECHNOLOGY ECOSYSTEM REVIEW 2020



NET ZERO PUBLIC SECTOR BUILDINGS STANDARD 2021

4.0 CURRENT CONTEXT

4.2 POLICY OVERVIEW + CONTEXT

This section sets out the policy and guidance at varying administrative levels, namely UK, Scotland, Regional and Local, that have influenced preparation of the Masterplan and which this exercise seeks to comply with.

NATIONAL POLICY

At a National level, in addition to Scottish Planning Policy, the Scottish Government National Strategy for Economic Transformation (NSET) and associated strategies, the emerging National Planning Framework 4 was published in draft in 2021. In July 2022, the Scottish Government confirmed that there was strong support for the general direction of NPF4, and that their intention is to lay a revised draft for the Scottish Parliament's approval in the autumn of 2022.

At a UK level, the UK Government's 'Levelling Up' White Paper identifies the requirement for a clear framework to "act upon the drivers of spatial disparity", and identifies six 'Capitals' to be considered – of particular relevance to Aberdeen City Centre and Beach are: Physical capital; Human capital; Social capital; and, Institutional capital. In addition, the White Paper identifies 12 clear 'Missions' to be achieved by 2030.

Those of particular relevance to the success of the Aberdeen City Centre and Beach include:

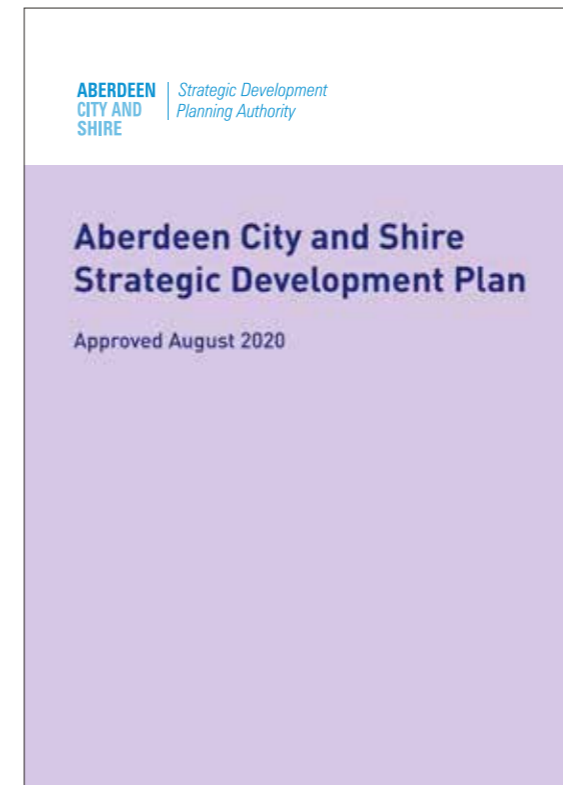
- Transport Infrastructure – improved public transport connectivity and services;
- Health – Health Life Expectancy gaps to be narrowed;
- Well-being – to improve in every area of the UK; and,
- Pride in place - people's satisfaction with their town centre to have risen.

The Aberdeen City Region City Deal in 2016 committed both the UK Government and Scottish Government to jointly investing up to £250m whilst Aberdeen City Council, Aberdeenshire Council and local partners committed to investing £576m over the next decade. Six years in, the Deal is now worth £1.001billion due to partner/private sector investments and benefits realisation. The commitments made under the deal include Transport and Digital Connectivity Projects, Aberdeen Harbour Expansion, Net Zero Technology Centre, Bio Hub and SeedPod. At the same time of the Deal signing, the Scottish Government committed to a further £254m to support the digital and housing investment and £200m to reduce rail journey time between Aberdeen, Edinburgh and Glasgow.

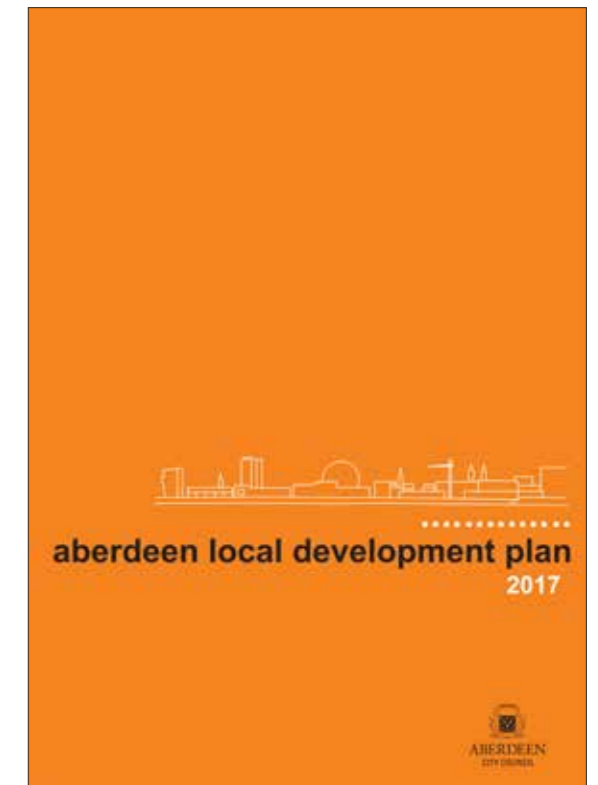
A new regional economic strategy is in the process of being written to reflect progress made on delivering the 2015 plan and the impacts of external shocks on the city centre economy and alignment to UK/SG strategies.



ABERDEEN CITY REGION DEAL 2016



ABERDEEN CITY + SHIRE STRATEGIC DEVELOPMENT PLAN 2020



ABERDEEN LOCAL DEVELOPMENT PLAN 2017

4.0 CURRENT CONTEXT

4.2 POLICY OVERVIEW + CONTEXT

The draft National Planning Framework 4 identifies that each part of Scotland can be planned and developed to create:

- sustainable places, where we reduce emissions and restore and better connect biodiversity;
- liveable places, where we can live better, healthier lives;
- productive places, where we have a greener, fairer and more inclusive wellbeing economy; and
- distinctive places, where we recognise and work with our assets.

In addition, NPF4 sets out specific actions for a “North east transition” which actively plans a just transition from oil and gas to a net zero future. These actions include: Transition to net zero; Improve local liveability; Regenerate coastal communities; Decarbonise connectivity.

Additional Scotland-wide actions which are key to the City Centre and Beach Masterplan Recalibration are that of: 20-minute neighbourhoods and local living representing liveable environments and great access to services for all; Sustainable Tourism, where tourism is a priority sector within the Aberdeen Regional Economic Strategy; and the Reinvention and Future Proofing of City Centres, where the City Centre and Beach Masterplan will have a national impact, similar to, if not exceeding, the impact of areas such as the Dundee Waterfront.

CITY AND TOWN CENTRES

Specifically in relation to city and town centres, the Scottish Government’s ‘**A New Future for Scotland’s Town Centres**’ (Feb 2021) promotes a set of proposals which will strengthen the role of town centres in planning and the role of communities in shaping their town and town centre. Recommendations include: Towns and town centres to be included in NPF4 with a requirement to create and implement town plans; and, Expanded and Aligned Funding of Demonstration Projects in Towns and Town Centres.

More recently, the Scottish Government, partnering with the Scottish Cities Alliance, have also published ‘At the Heart of Economic Transformation’, the City Centre Recovery Task Force Report (March 2022). This identifies the impact of the Covid-19 public health emergency on city centres, and sets out the areas and actions that the Task Force have agreed to prioritise. These immediate priority actions focus on: Action on immediate recovering; Data on spend; Building expertise; Visitor campaign; Investor attraction; Greater clarity around the return to offices; and, Call on UK Government to make changes to VAT to better support city centre recovery.

In putting these recommendations into practice, the Task Force Report sets out seven 5-year outcomes for city centre recovery, namely: 1 - Increased residential capacity and occupancy in city centres; 2 - Smaller city centre carbon footprint; 3 - Reduction in the amount of vacant and derelict land and property; 4 - Increase in city centre creative, entrepreneurial and start-up activity; 5 - More revenue raising opportunities for local authorities; 6 - Reduction in oversupply of retail, and increase in cultural offer; and, 7 - Faster and more agile planning decisions. The City Centre and Beach Masterplans as prepared, in conjunction with other Council activities, shall align with the 5-year priorities as set out by the Task Force.

TRANSPORT

With respect to transport at a national level, in addition to the **National Transport Strategy, the Strategic Transport Projects Review 2 (Feb 2021)** echoes the Scottish Government’s Climate Change Plan by identifying the need for a 20% reduction in car kilometres with a modal shift from car to walking, cycling and public transport. The Review also includes a number of recommendations which are pertinent to Aberdeen City Centre, most notably the development of Aberdeen Rapid Transit (ART) – a bus-based rapid transit system for the region which would prioritise buses and connect key destinations on the outskirts of Aberdeen to the city centre. A national development around provision of a new Rapid Transit network for the city is also outlined in the draft NPF4.

At a Regional level, the **Aberdeen City and Shire Strategic Development Plan (2020)** recognises Aberdeen City Centre as a ‘Transformation Zone’ and “an important asset for the City Region [which] must continue to be enhanced and promoted”. **The Regional Economic Strategy and Action Plan (2018)** focuses on key themes of: Investment in infrastructure; Innovation; Inclusive economic growth; and, Internationalisation. In addition, there are Key Actions identified for Aberdeen, including: Enhance City Centre environment by implementation of transport elements of the City Centre Masterplan and a Low Emissions Zone; and, Review and scope potential future transformational projects.

Echoing the national position on transport, the **Nestrans Regional Transport Strategy 2040** sets out six key priorities: Improved journey efficiencies to enhance connectivity; Zero fatalities on the road network; Air quality that is cleaner than WHO standards for emissions from transport; Significantly reduced carbon emissions from transport to support net zero by 2045; Accessibility for all; A step-change in public transport and active travel enabling a 50:50 mode split between car driver and sustainable modes. Related to this is the key Policy Heading of ‘Delivering Aberdeen Rapid Transit (ART)’

LOCAL POLICY

At the Local level, planning policy and guidance is provided by the Aberdeen Local Development Plan 2017, which will soon be replaced by the emerging Aberdeen Local Development 2022 which is currently undergoing Examination in Public by the Scottish Ministers. Both of these plans provide detailed planning policy to be considered when considering proposals across the city, including the city centre and beach, and also provide more detailed information and briefs in relation to specific opportunities (OP sites). In addition, within the emerging **Aberdeen Local Development 2022**, the Council have identified their first Energy Transition Zone - a land use zoning and supporting policy specifically aimed at supporting the delivery of low and zero carbon technologies, placing Aberdeen at the forefront of this emerging industry. The Energy Transition Zone has been placed adjacent to Aberdeen’s South Harbour Extension and the rail line to maximise the development opportunities.

The Council’s Local Outcome Improvement Plan and associated Locality Plans are key in setting out a vision for an Aberdeen as “a place where all people can prosper”, and considers the People, Place and Economy of Aberdeen. The refreshed Local Outcome Improvement Plan (LOIP) was approved in July 2021, with an annual report published in July 2022. The LOIP identifies 15 ‘stretch’ outcomes to be delivered by 2026 and 75 shorter term improvement aims. Stretch Outcomes particularly relevant to the City Centre and Beach include: Child Friendly City which supports all children to prosper and engage actively with their communities by 2026; Healthy life expectancy (time lived in good health) is five years longer by 2026 - this includes the Key Drivers of encouraging adoption of healthier lifestyles, and increasing satisfaction and use of community facilities and green environment to increase the health and well-being for older people and people managing long term conditions); Addressing climate change by reducing Aberdeen’s carbon emissions by 61% by 2026 and adapting to the impacts of our changing climate; and, Increasing sustainable travel with 38% of people walking and 5% of people cycling as main mode of travel by 2026.

The Locality Plan for Aberdeen City – Central (2021-2026) identifies six Locality Priorities for the area. Of specific relevance to the City Centre and Beach Masterplan Recalibration, and under the Place Theme, is the priority to ‘Maximise use of spaces in communities to create opportunities for people to connect and increase physical activity’. Associated with this Priority for Place within the Central area are the aims to: Increase the number of community run green spaces, including in priority neighbourhoods, by 2023; Increase percentage of people who cycle as one mode of travel by 2% by 2023; and, Increase percentage of people who walk as one mode of travel by 10% by 2023.

4.0 CURRENT CONTEXT

4.3 SOCIO-ECONOMIC CONTEXT

The Council's City Growth cluster continues to review the economic trends and with the monthly economic bulletin and the Council's independent Economic Policy Panel Report (due November 2022) will monitor the economic trends in the city and region. The Economic Report will produce a set of recommendations based on the region's progress to date in response to the regional economic strategy. A new strategy is being worked on and will be available in autumn 2022.

At the same time as the work on the CCMP Review, the Scottish Government and the UK Government have been developing new funding and investment schemes around Levelling Up, Shared Prosperity Fund, Just Transition Fund and Green Freeports. The City Centre and Beach Masterplan and Local Development Plan will, together, provide opportunities for interventions to align to these new funds, and potential themes in the Share Prosperity Fund. At the same time the City Centre and Beach Masterplan aligns to both the UK Government and Scottish Government Climate Change plans, and in particular opportunities for the scalable offshore wind production under ScotWind and Intog and corresponding opportunities around hydrogen production and distribution. In November 2021, the Council approved bp as its partner in a new joint venture company, bp Aberdeen Hydrogen Ltd.

There has been increased take up of commercial property in the city centre reflecting both ongoing offshore energy production, the transition to net zero and the end of Covid-19 restrictions. The Port of Aberdeen saw its first vessel at the new harbour south expansion, and it will be fully operational in two phases in October 2022 and summer 2023. In June 2022, the Port, along with Aberdeen International Airport and Peterhead Port Authority, supported by the Council and Aberdeenshire Council, submitted a bid to be one of two Green Freeports in Scotland. If successful, this would deliver three tax sites in the region that would secure additional inward investment to Scotland, estimated at around 32,000 jobs and £8.5bn gross value added.

In response to changing shopping patterns, and the effects of Covid-19, a new 2021-2026 business plan for Aberdeen Inspired has been published. Officers will continue to work with the BID to align elements of the Business Gateway support to independent city centre businesses, and projects supporting the events and tourism sector.

Local employability partnerships continue their work in preparing for the acquisition of the required Net Zero skills. There is an opportunity for these important city centre recovery services to have a 'satellite' presence in the city.

In 2022, the Scottish Government and Scottish Cities Alliance published its Cities Recovery Report on what Scottish cities should focus on in the recovery phase. Based upon the above, Scottish Cities Alliance is developing a workplan that addresses the immediate, medium-term and long-term priorities of the report. This workplan, due to be finalised in autumn 2022, involves:

- Identifying revenue raising opportunities for local authorities and whether there are policy levers including changes to VAT we could usefully use to better support city centre recovery
- Identifying ways to reduce the carbon footprint of city centres
- Increasing the occupancy and residential capacity of city centres
- Reducing the amount of vacant and derelict land
- Creating jobs and increasing business growth in city centres
- Increasing the consumer cultural offer and mitigating the impacts of the oversupply of retail in city centres
- Developing faster and more flexible planning decisions

Since the huge impact of the pandemic and the lockdowns, employment rates in the City have risen for the 2nd straight quarter after falling for several quarters during the pandemic. Job postings in the city have risen, but not as quickly as in other Scottish cities. City centre footfall levels rose throughout 2021 to around 83% of pre-pandemic levels. Aberdeen's reliance on the energy sector means its retail market has faced an even greater burden. The office vacancy rate in the business improvement district is 5.5 percentage points since the pandemic began. The city's retail vacancy rate has risen from 4.3% in 2020 Q1 to 5.8% as of 2021 Q4. Shopping Centres have been most affected in Aberdeen, with the vacancy rate increasing from 6.2% in 2019 Q4 to 13.8% by 2021 Q4. The work of the Scottish Cities Alliance in point 1.6 addresses this 'High Street' challenge. We need city centres that use under-utilised and vacated space to reinvigorate city centres by creating the conditions for a change in or new uses. As a local planning authority, a public landlord, and a licensing authority, the Council can play an important role in supporting 'meanwhile use'. Such strategies can allow and incentivise temporary use of under-used and vacant spaces by businesses and community organisations in the short term. Our medium- and long-term responses are focused on the long term economic and environmental ambitions of the city.

As the City emerged from lockdown restrictions because of Covid-19, a number of successful events were delivered including Spectra, Tour of Britain and touring exhibitions at Aberdeen Art Gallery.



PROVOST SKENE'S HOUSE, SOURCE: GOOGLE IMAGES



ABERDEEN 365: SPECTRA FESTIVAL OF LIGHT, SOURCE: GOOGLE IMAGES

4.0 CURRENT CONTEXT

4.4 CULTURE + TOURISM

The Council contributes to the sector in a number of ways – direct support to promotion of the city attractions via VisitAberdeenshire and VisitScotland; operation of a number of city centre attractions within Aberdeen Archives, Gallery & Museums; and supporting events in the city and at P&J Live.

The City of Aberdeen has a rich array of cultural assets including historical buildings, traditional theatres, arts centres, an arena complex, a music hall, libraries, archives, museums and galleries, and a varied programme of cultural events which attracts a growing number of visitors. History and culture are within the top three motivators for overnight visits to Aberdeen and Aberdeenshire, reflecting the importance of these assets and the wider cultural sector to the visitor economy. Pandemic restrictions have had significant impact on cultural and visitor economy, in particular cultural venues, events and festivals which in some cases have not been able to open for the past two years. Many face an increasingly challenging operating environment with increased running costs and visitor figures still to return to pre-Covid numbers.

The Event 365 Programme has been a key component of the City's cultural offering, delivering a host of successful events within the city centre since 2015. These events have included the Great Aberdeen Run, Tour Series, Granite Noir, NuArt, Aberdeen Jazz Festival, True North, SPECTRA, Scotland's Festival of Light which attracted 116,000 visitors as the first major event to return after Omicron. Looking forward to the remainder of 2022 and into 2023 Aberdeen City Council are working with Aberdeenshire Council and other regional and national stakeholders on the grand depart of the 2022 Tour of Britain.

The year 2022 marks the 30th anniversary of the Aberdeen Lemon Tree, at the same time Aberdeen Performing Arts unveiled its plans to revamp the iconic venue through a £8.9m redevelopment which will include an extension to create a new studio, foyer, café, meeting space and a new, accessible entrance. The feasibility study was commissioned with support from Scottish Enterprise and ACC and aligned to the Council's commitment to regenerate Queen Street as part of the City Centre Masterplan.

P&J Live, opened in September 2019, the £333 million complex, delivered by Aberdeen City Council in partnership with Henry Boot Developments, replaced the Aberdeen Exhibition Conference and Centre (AECC) with 48,000 square metres of multi-purpose event space. 2022 has seen Scotland's newest events complex win a number of accolades including Best Conference Venue at the GCNE's Conference and Events Awards 2022 as well as securing the Venue of the Year Award at the AEO Awards, fending off competition from Abu Dhabi National Exhibitions Centre, The NEC in Birmingham and The O2 in London.

Provost Skene's House opened to visitors in October 2021 following a £3.8m redevelopment as part of the CCMP. Dating from 1545, Provost Skene's House is Aberdeen's oldest surviving townhouse. The new attraction celebrates the pioneering people of Aberdeen and the North-East who have not only shaped the city but have

also helped transform the world. The stories of around 100 remarkable people are featured in 10 themed interactive displays, ranging from scientists and innovators to writers, sporting champions and stars of stage and screen. The Council works closely with VisitAberdeenshire and VisitScotland to promote the attraction to local residents and visitors to the city, including an #AberdeenIsCalling campaign with VisitScotland in summer 2021, promoting the city's cultural attractions including Provost Skene's House, the Art Gallery and Maritime Museum. There have been 20,500 visits to Provost Skene's House since opening.

Aberdeen's Art Gallery is another of the City's key cultural assets, reopening in 2019 following a landmark redevelopment supported by the Council, the National Lottery Heritage Lottery Fund and a wide range of funders and individual donors. It has received a number of accolades, including Art Fund Museum of the Year 2020 and the RIAS Andrew Doolan Best Building in Scotland award 2021. Judges commented that the redevelopment had made an existing building more welcoming, sustainable and accessible. The Gallery was also short-listed for the European Museum of the Year Award 2022. The Art Gallery has achieved 325,023 visits since opening in November 2019, including two periods of closure during the pandemic Mar-Aug 2020 and Jan-Apr 2021.

Highlights of the Art Gallery exhibition programme during the period included:

British Art Show 9 (Jul-Oct 2021) - the first time this prestigious survey of the best recent art from the UK has been seen in Aberdeen. Aberdeen was the launch venue for the tour which included Wolverhampton, Manchester and Plymouth.

Zandra Rhodes – 50 Years of Fabulous (Nov 2021-March 2022) - the Art Gallery was the first venue outside of London to host this major exhibition celebrating the 50-year career of the iconic fashion designer.

Aberdeen Artists Society exhibited in the Gallery for the first time since the redevelopment (April-July 2022), displaying over 300 works by 270 artists.

The Galloway Hoard – Viking-age Treasure brings this remarkable collection of rare and unique Viking-age objects ever found in Britain or Ireland to Aberdeen from 30 July to 3 October 2022.

On a smaller scale, but no less significant, Scotland's oldest surviving manuscript, the **Book of Deer** (Jul-Oct 2022) is on loan from Cambridge University Library. This important loan is part of a summer-long season of cultural activity celebrating one of Scotland's greatest treasures, which contains in its margins what is thought to be the earliest examples of written Scots Gaelic. The project and exhibition are being promoted widely as part of VisitScotland's Year of Stories 2022.

Working with VisitAberdeenshire, the three venues: Aberdeen Art Gallery, Maritime Museum and Provost Skene's House are developing a travel trade offer, ensuring Aberdeen is recognised as a must-visit destination. Expos play a vital role in the promotion of the venues and the travel trade product, communication with VisitAberdeenshire is imperative, collating up to date exhibition information and support can be provided to ensure potential buyers have an excellent experience when visiting. The visitor journey is also being developed to establish a cruise ready welcome, collaborating with various partners across the city.

With support from the Scottish Government City Centre Recovery Fund in 2021 and 2022 the Archives, Gallery & Museums team has delivered marketing campaigns with VisitScotland and VisitAberdeenshire highlighting the three city-centre venues: Art Gallery, Provost Skene's House and the Maritime Museum. The campaigns position Aberdeen as a vibrant year-round cultural destination, with quality attractions, festivals and events, accommodation and food and drink.



ABERDEEN ART GALLERY, SOURCE: GOOGLE IMAGES

4.0 CURRENT CONTEXT

4.5 NET ZERO JOURNEY

The value of integrating sustainable development and environmental thinking and interventions into the Masterplan Objectives and projects is critical to ensure a safe, attractive, productive and future focused City Centre. This includes enhanced connectivity, facilitating increased active and sustainable travel and improving urban greening.

The current and future impacts of the climate and nature crises on all aspects of society are becoming far more evident and driving change. Global climate, food and biodiversity initiatives have come to the fore and significant statutory and policy advancements have been introduced, aiming to tackle poverty, health and wellbeing, emission reduction, resilience and enable a just transition.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 put in place a target for net zero greenhouse emissions by 2045 in Scotland, accelerating new and updated associated policy interventions, which are articulated in the Scottish Government's Climate Change Plan update. Outcomes to increase resilience to the impacts of a changing climate are set out in Climate Ready Scotland, the second Scottish Adaptation Programme.

In response, the city-wide climate journey is progressing. Following production of a Net Zero Vision for Aberdeen (2020), the Net Zero Aberdeen Routemap was produced collaboratively and approved in February 2022, setting the pathway for a net zero city by 2045.

The Routemap is accompanied by 6 net zero enabling strategies which establish the direction for Aberdeen over themes of Buildings and Heat, Mobility, Energy Supply, Circular Economy, Natural Environment and Empowerment. These set outcomes that support a just transition, energy efficiency, decarbonisation, local energy schemes, active and sustainable travel, nature protection and enhancement, maximising resource use, upskilling and reskilling, empowering through education and participation.

Net zero strategic aims for Aberdeen include:

- Decarbonisation of city buildings, with many changes to the ways power and heat is generated and used.
- Reduce travel demand, play a key role in enabling a transition to low/ zero emission vehicles.
- Facilitate more walking, wheeling and use of public transport to reduce emissions.
- Identify, promote and develop circular economy models that can maximise the

value of products and materials.

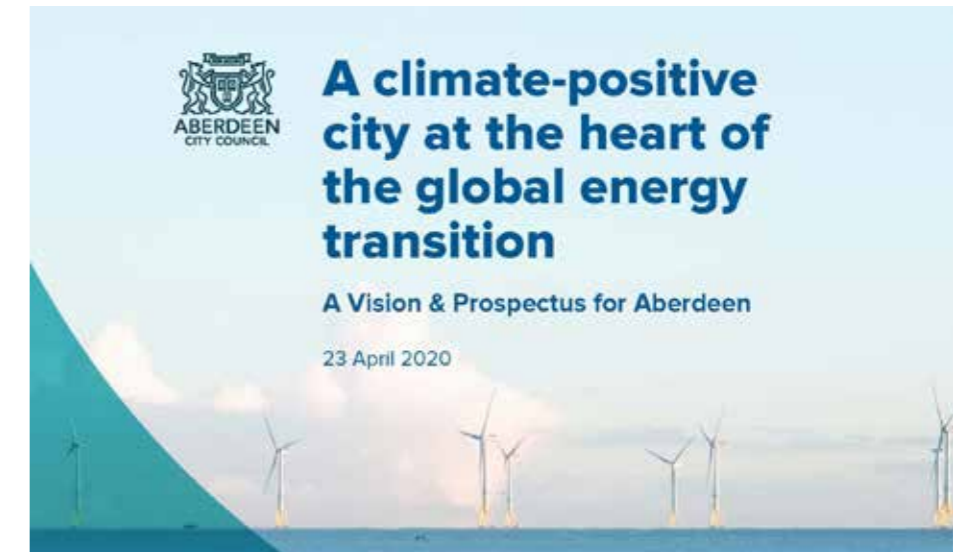
- Develop affordable low-carbon energy choices for our citizens.
- Use our strengths as a global energy capital to put ourselves at the front of the energy transition.
- Further protect and expand nature across Aberdeen, enhancing its integrity, managing it to contribute to an overall reduction in greenhouse gas emissions.
- Reversing the nature decline for the multiple benefits.
- Empower stakeholders working with them on our net zero journey, ensuring a strong partnership approach.

Aberdeen Adapts, the City's Climate Adaptation Framework, was refreshed in February 2022. This reflects risks to the City from current and future climate impacts, including more extreme weather events; warmer, wetter winters; hotter, drier summers; and a rise in sea level. It outlines adaptation priorities for the City including; increased use of nature-based solutions, business and community resilience, flood risk management, protecting the coastline, as well as addressing climate change in the planning, build, maintenance and protection of city buildings, infrastructure and heritage.

Aberdeen City Council approved a Council Climate Change Plan in March 2021, setting out actions for climate resilient and net zero Council assets and operations by 2045. In addition, made commitment to: integrated food policies and systems through the Glasgow Food and Climate Declaration; taking action towards achieving net zero through the UN Race to Zero campaign; and approved signing of the Edinburgh 'Biodiversity' Declaration. These plans and declarations recognise the significance of these issues; the international call to action on them; as well as a commitment to act at a local level through areas we both control and influence, including the development of the City Centre and Beach Masterplan.

The Community Planning Aberdeen LOIP refresh has strengthened outcomes for addressing climate change and increasing sustainable travel; as well as introduced a new outcome for addressing the nature crisis by protecting and managing areas for nature. The climate and nature challenges are complex, interconnected and inseparable from our economic, social and physical policies and infrastructure. The Covid-19 recovery needs to address these issues collectively and holistically.

It is critical to ensure these drivers for climate and sustainability are embedded and delivered in the City Centre and Beach Masterplan objectives; and the projects within this plan will do everything possible to align with existing and emerging climate, food, sustainable travel, resource efficiency and nature commitments, targets, strategies, policies and plans.



ABERDEEN CLIMATE VISION



ABERDEEN ADAPTS



Council Climate Change Plan 2021 - 2025

Towards a Net Zero and Climate Resilient Council



ABERDEEN COUNCIL CLIMATE CHANGE PLAN

4.0 CURRENT CONTEXT

4.6 HEALTH + WELLBEING

Within the City Centre and Beach Masterplan there is a desire to improve open spaces, active travel, play, sports and leisure facilities across Aberdeen for the benefit of all citizens and visitors. This presents a great opportunity to consider how these investments can be optimised to support the Scottish Government's strategic objectives to promote positive changes in health and wellbeing.

Enhanced public realm and outdoor green space will not only enhance mental wellbeing, opportunities for play and socialising, but will also support increased levels of active travel, such as walking and cycling, which promote healthier lifestyles and also lower levels of carbon emissions. This will have health and wellbeing benefits not only for those who choose active travel, but will also benefit the entire community through the overall reduction in pollution and emissions.

As a result, there is a specific focus on creating meaningful public space, prioritising active travel and creating accessible streets through the Masterplan streetscape projects.

Several of the key projects within the Masterplan will directly benefit the population of Aberdeen by making wellbeing and leisure facilities easily accessible, widely publicised and free at the point of access. For example, the Beach Boulevard will provide active travel links to the new Urban Park at the beachfront, whilst the Aberdeen Market will showcase local, seasonal produce in a centrally accessible location.



CYCLE RACE PASSES IN FRONT OF GREYFRIARS CHURCH, SOURCE: GOOGLE IMAGES



BROADHILL TOWARD ABERDEEN BEACH, SOURCE: GOOGLE IMAGES



SURFERS AT ABERDEEN BEACH, SOURCE: VISITABDN.COM



JOGGERS ENJOYING ONE OF ABERDEEN'S RUNNING TRAILS, SOURCE: REBEL PT

4.0 CURRENT CONTEXT

4.7 MARKET DEMAND + ANALYSIS

The Property Market in Aberdeen City Centre is regularly monitored by the Council's City Growth cluster. Ongoing economic trends will be monitored to inform the annual review of the City Centre and Beach Masterplan.

RETAIL / LEISURE

The retail / leisure market in Aberdeen is suffering from a significant over supply of available accommodation coupled with weak demand. The current cost of living crisis will continue to bring further pressure on the retail/ leisure sector, albeit, parts of the leisure sector have proven to be defensive in previous downturns. Efforts by Aberdeen City Council to turn the city centre into more of a multi-faceted mixed use and cultural destination which is attractive to the widest possible demographic rather than a mono retail focus on purely shoppers are continuing. The Union Terrace Gardens project is due to complete later on this summer and works to transform the former BHS on Union Street into an exciting new leisure and food venue - the Aberdeen Market - are ongoing. Of further note is that investors are being attracted back to the retail market with Reality Investment Corp paying £60million for the Beach Boulevard Retail Park. There is also an opportunity to purchase Trinity Shopping Centre which is located in a strategic intervention area in Aberdeen city centre and its future repurposing could help to further improve the profile of Union Street.

LOCAL ECONOMY

There is significant investment planned for Aberdeen and the North East of Scotland over the coming decade. Aberdeen and Grampian Chamber of Commerce's 'Investment Tracker' records a pipeline of c.£12bn of investment due to be realised in the region by 2030.

The principal aim of this investment strategy is to maximise economic return from the North Sea continental shelf, whilst simultaneously looking to diversify the local economy, reduce reliance of local industry on the oil and gas sector, and to capitalise on the significant and unique opportunities presented to the region by the energy transition.

Projects of note include;

- The Aberdeen Hydrogen Hub Programme - bp's commitment to design, build and operate a Hydrogen hub incorporating solar power, green hydrogen production and refuelling facility for transport, which is targeting production from 2024
- BioHub, a facility for life science start-ups and high growth enterprises currently under construction at Forresterhill (£40m)
- Seedpod, a centre of excellence for manufacturing and production in the food and drink industry (£21m)
- Aberdeen-Inverness rail improvements (£330m) and A96 dualling between Aberdeen and Inverness (£3bn)
- The new Aberdeen South Harbour (£400m), due for completion later this year.

Recently completed projects include The Event Complex Aberdeen (TECA) incorporating the P&J Live arena (£350m) and the Aberdeen Bypass Western Peripheral Route (c.£1bn).

Aberdeen South Harbour expansion is a major economic focus for the city and will be one of the most modern ports in Europe. The existing Aberdeen Harbour is currently the largest marine centre in Europe for the offshore oil and gas industry, handling a wide range of general and specialist shipments as well as regular roll on/off ferry and cargo vessels. Aberdeen South Harbour will provide 24-hour non-tidal deep water access which will render the city capable of competing on a global scale for major offshore infrastructure projects which are expected to be offered by the energy transition.

Earlier this year, a regional alliance, (including Port of Aberdeen, Peterhead Port Authority, Aberdeen International Airport, and Aberdeen City and Aberdeenshire councils) have launched a formal bid for Green Freeport status. If successful, this Green Freeport status is expected to help grow GVA in the region by £7.5bn in the next ten years. It has been suggested that the status could also help to create up to 30,000 jobs in the North East of Scotland. The application is one of five made across Scotland, with the two successful applicants due to be selected by late summer 2022.

In January 2022, Crown Estate Scotland announced the outcome of its application process for ScotWind Leasing; the first Scottish offshore wind leasing round in over a decade. Seventeen projects were selected from a total of 74 applications, and successful applicants have been offered option agreements reserving specific areas of the seabed. These applications are expected to deliver around £700m straight into the public purse and billions of pounds of supply chain commitments over the coming years. Of the 25GW planned, 17GW are expected to be generated from sites within 100 nautical miles of Aberdeen. Scottish Government estimates that every GW of power equated to £1bn of value across the supply chain.



TRINITY CENTRE SHOPPING CENTRE, SOURCE: GOOGLE IMAGES



BON ACCORD SHOPPING CENTRE, SOURCE: GOOGLE IMAGES



UNION STREET FACADE WORKS, SOURCE: ACC



THE CAPITOL BUILDING, ART DECO OFFICES ON UNION STREET, SOURCE: GOOGLE IMAGES

4.0 CURRENT CONTEXT

4.7 MARKET DEMAND + ANALYSIS

Activity following the award of the ScotWind licenses is part of a projected £170+ billion investment in capital and operating activities in the UK offshore energy sector between 2021 - 2030. Much of this will be located in the Aberdeen region or powered by the companies and people based within the city.

Since the start of 2022, the Ukraine conflict, together with subsequent sanctions imposed on exports of Russian oil and gas, and increased acknowledgement of the need for national energy security, has resulted in a strong upward trajectory for Brent Crude, with many industry analysts predicting unprecedented high pricing levels later this year (current pricing is \$102.30 – 1 Aug 2022).

On 26 May 2022 the UK Government announced a new tax on the profits of oil and gas companies operating in the UK and the UK Continental Shelf. The “Energy Profits Levy” is a supplementary 25 percent taxation applied to future profits, which increases the headline rate of corporation tax on oil and gas sector UK profits from 40 percent to 65 percent.

In an attempt to counteract the negative publicity surrounding this added taxation, the Chancellor also announced a ‘super-deduction’ style investment allowance to provide an immediate incentive for the oil and gas sector to invest in UK extraction and to support energy security. It is considered that this investment allowance will encourage energy companies to reinvest in the region, and thus the taxation (combined with the grant of further exploration licenses) has the potential to significantly extend the lifespan of the industry in the area.

The Acorn CCS (carbon capture and storage) project, which is an ambitious proposal to tap into the Atlantic pipeline from the St Fergus gas terminal, the Green Freeport application, and the Aberdeen Hydrogen Hub programme, are all believed to have capability to have significant impact on employment opportunities in the region.

It is anticipated that this investment and activity, together with the renewed activity and buoyancy in the Oil and Gas sector, will drive office-based employment in Aberdeen City over the next 10 years. Aberdeen is expected to see an additional 2,260 office-based jobs over the next ten years.

ABERDEEN OFFICE DEMAND

The 2021 Aberdeen office take up extended to just 197,914 sq.ft (city wide). Take up at this level was the lowest we have experienced since detailed records began. The “record” years for the city of 2012 and 2014 each showed in excess of 1,000,000 sq.ft with 2013 lagging solely due to chronic supply constraints. The 5 Year average prior to 2021 is 378,492 sq.ft, and 10 year is 584,837 sq.ft.

Q1 2022 office take up has been recorded at a much improved 260,000 sq.ft. with a significant pipeline of “under offer” deals expected to conclude in Q3. The Council’s property advisors anticipate that take up will surpass the 5-year average by a considerable margin by the end of the 3rd quarter this year. It is also predicted that 2022 will see the highest end-of-year take up figures since 2014, as the UK government’s Energy Security Strategy. Simultaneously, the market will begin to see tangible property requirements associated with the low carbon energy transition.

ABERDEEN OFFICE SUPPLY

Aberdeen market supply stands at c.2,617,000 sq.ft (Q2 2022) from an estimated total of around 11,000,000 sq.ft. Supply at this level represents a vacancy rate of just under 25%, which is the highest of any key regional market in the UK.

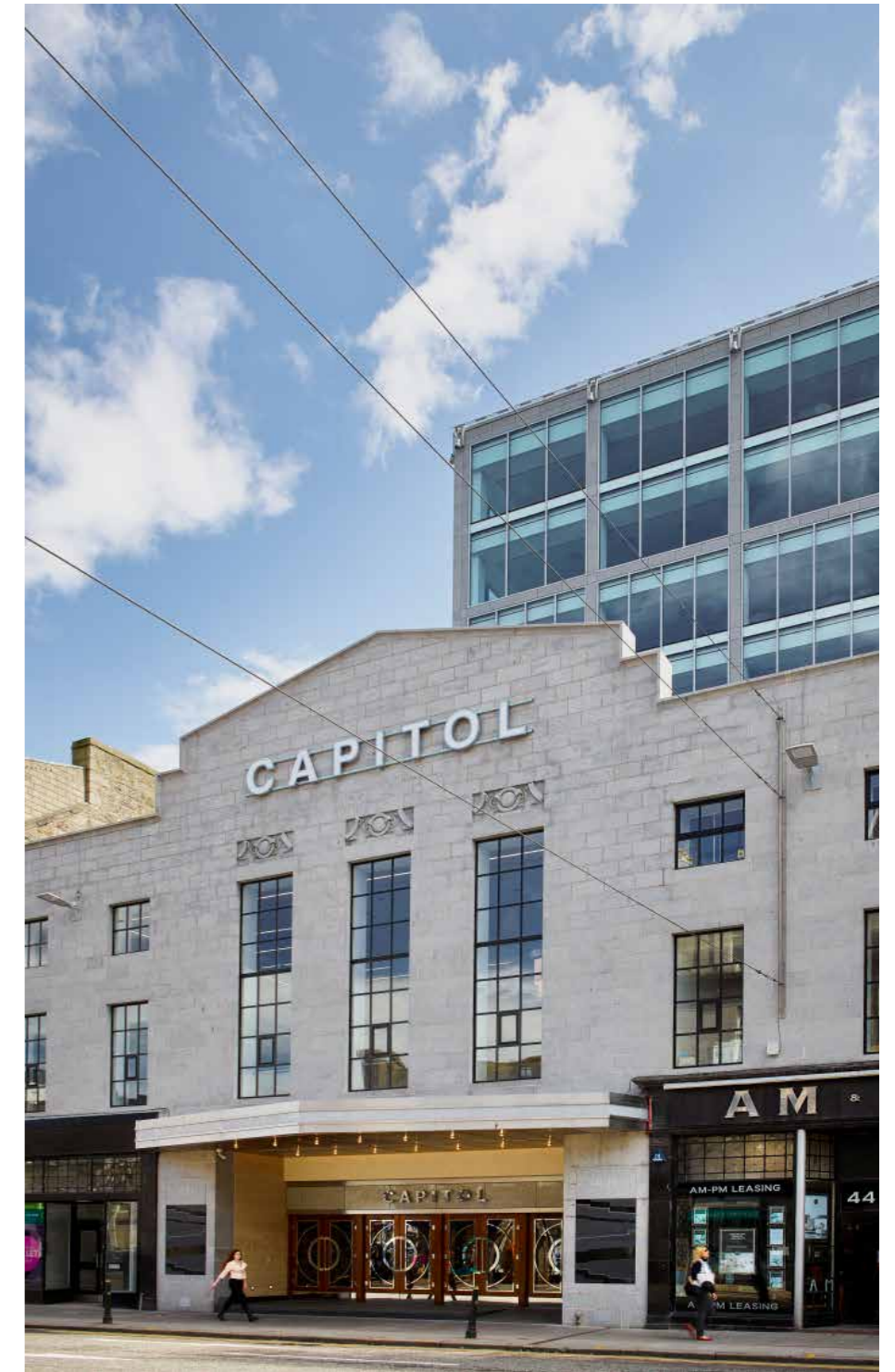
Whilst current supply indicates only a marginal increase on the 2,480,000 sq.ft (or 22.5%) reported pre-Covid-19, it is not withstanding the fact that we have already seen in excess of 1,000,000 sq.ft either repurposed or demolished since the 2014 downturn.

Despite improving market conditions, the drive toward better quality, energy efficient space mean that further attrition of Aberdeen office stock is inevitable in the coming years.

Notwithstanding current availability, there is less than 30% of current availability which we would deem to be of ‘Grade A’ specification. A large proportion of current supply is considered to be functionally obsolete, due in the most part to tightening sustainability criteria and the fact that occupiers are typically seeking better quality accommodation in order to be able to encourage their staff back to the workplace.

The Council’s property advisors believe that only c.785,000 sq.ft is ‘Grade A’, with only a small percentage of this number being “best in class”.

‘Grade A’ availability has decreased by 9% over the past 12 months, and given the lack of any notable development pipeline and the continued ‘flight to quality’ from most occupiers, we expect to see the availability of ‘best quality office space’ tighten significantly over the short term.



THE CAPITOL BUILDING, SOURCE: GOOGLE IMAGES

4.0 CURRENT CONTEXT

4.8 ABERDEEN CITY CENTRE LIVING ENABLING PLAN

A City Centre Living Enabling Plan forms part of this City Centre and Beach Masterplan.

In 2021, Officers instructed the creation of a technical note supported by plans and case studies to inform the re-fresh of the Aberdeen City Centre Living Enabling Plan, and a supporting Joint Delivery Action Plan. The Joint Delivery Action Plan sets out the actions that will be put in place to deliver the strategic outcomes, together with indicators to measure success. Progress for the strategic actions will be monitored by the City Centre Living Strategic Working Group, with updates on progress being provided as part of the annual review of this recalibrated City Centre and Beach Masterplan. This ensures that the plan is a fluid document which can respond and react to changes in the city centre. It also allows for performance to be monitored and evaluated.

The city centre plays a major role in the commercial, economic, social, civic, and cultural life of Aberdeen and the wider North-East. It is an important regional centre providing a focus for employment and business interaction. It offers access to a wide range of goods and services, and it is a place where many people meet socially and choose to live and visit.

It is vital for the future prosperity of Aberdeen that the city centre is enhanced and promoted as a resilient, safe, attractive, accessible, and well-connected place which contributes to an improved quality of life. Living in the city centre is a positive way to ensure it has vibrancy, vitality and viability and support an economy based around day-to-day living. To achieve this there needs to be an increase in the number of people living in the city centre.

The City Centre and Beach Masterplan encourages City Centre Living and aims to add 3,000 new residents to the city centre by 2040. A mix of unit types and sizes would be supported through the emerging new Aberdeen Local Development Plan to ensure there is variety of living accommodation. Additional residential development and conversion of upper floors in the city centre, particularly where the property is underutilised, can help achieve this aim.

AFFORDABLE HOUSING WAIVER

An affordable housing waiver was introduced in September 2018 to stimulate delivery of housing in the city centre. Thus far, 736 housing units have been granted permission in the city centre since the introduction of the affordable housing waiver with 288 units pending a decision at the beginning of July 2022. Of these units, over 360 have been completed.

For comparison, before the affordable housing waiver was introduced, there was only one application for 37 units submitted between January-September 2018. There were two applications for 18 units in 2017, and one application for 42 units was submitted in 2016. The success of the waiver in bringing forward new development is reflected by the data above. Following the introduction of the waiver, a greater number of planning applications for residential development have come forward and been approved, with a number having been completed, others under construction and a considerable number pending planning permission.

This suggests that the waiver, as well as other market factors, have been successful in delivering more residential living opportunities in the city centre.

It is notable that during 2021 and 2022 there have been a larger proportion of applications for small residential developments. During 2022, 13 applications for residential development are valid and 8 of these are for fewer than 5 new residential units. This is notable because these applications would fall out with the developer

Action	Current Status
Brand	
Identify brand and target market in relation to city centre regeneration which includes city centre living.	The brand is being developed through the City Centre Masterplan. Target market is to be developed.
Ensure Invest Aberdeen website is also a resource for new talent wishing to locate to the city, residents as well as investors which focuses on the city centre regeneration.	A new mini-site will set out the aims and objectives of city centre regeneration, the projects involved, the initiatives that are in place for both residents and developers and encourage interaction.
Commercial Properties	
Work with the private sector to encourage new development and conversion of vacant commercial premises into residential properties.	Continue to work with local agents and building owners.
Continue to engage with occupiers, stakeholders, developers, and local agents to ensure that commercial accommodation, suitable for current market trends are delivered in the city centre.	Continue to work with local agents and building owners.
Empty Homes	
Use Council Tax Second Homes Funds to recruit an additional Empty Homes Officer to provide additional focus on bringing long term empty residential properties in the city centre back into use.	The city centre has the highest number of long-term empty residential properties in the city. Report to be submitted to City Growth & Resource Committee seeking approval for additional Empty Homes Officer in September 2022. Operational action plan is to be developed in relation to tackling high volume of empty residential properties in the city centre.

obligations threshold regardless of the waiver. Based on the uplift in the number of applications, permissions and starts on site, as well as a number of permissions not being subject to developer obligation due to their size it is not considered necessary to waive further additional types of developer obligations in the city centre and continue to focus on affordable housing for applications of more than 5 units only. Developer obligations for all planning applications are considered on their merits and if further viability considerations are necessary to aid delivery, then this will be done on a case-by-case basis as is current practice.

JOINT DELIVERY ACTION PLAN

The tables below and to the left summarises the actions which will be taken forward to promote more City Centre Living.

Empty Homes	
Use Council Tax Second Homes Funds to recruit an additional Empty Homes Officer to provide additional focus on bringing long term empty residential properties in the city centre back into use.	The city centre has the highest number of long-term empty residential properties in the city. Report to be submitted to City Growth & Resource Committee seeking approval for additional Empty Homes Officer in September 2022. Operational action plan is to be developed in relation to tackling high volume of empty residential properties in the city centre.
Transport	
Continue to support the outcomes and delivery of CCMP, Beach Masterplan and a revised Sustainable Urban Mobility Plan to promote active travel to the city centre.	Refer to CCMP and Beach Report to Council in June 2022.
Implementation of a bike hire scheme across the city.	Discussions are ongoing with a provider of bikes.
Update and refresh Local Transport Strategy and Active Travel Action Plan to improve cycle network across the city.	Updated Local Transport Strategy is currently being prepared. Active travel infrastructure is also being taken forward in the Bus Partnership Fund programme.
Developer Obligations	
Extend the affordable housing waiver for a longer period.	Recommendation to Council to extend the affordable housing waiver until 31 December 2025. Further information below.

4.0 CURRENT CONTEXT

4.9 IMPACT OF OTHER MAJOR INITIATIVES ON ABERDEEN

There are a number of major initiatives in and around Aberdeen at various stages of development that may impact on the City Centre and Beach Masterplan. These are summarised below and are being monitored to understand how and what their impact may be.

GREEN FREEPORTS

Aberdeen City Council, alongside Aberdeenshire Council, Port of Aberdeen, Peterhead Port Authority and Aberdeen International Airport has lodged a bid to be considered as a green freeport area in Scotland. The 'zone' is expected to cover Peterhead to Aberdeen South Harbour including the Energy Transition Zone to the south of the city.

Due to the tax incentives available to areas that benefit from this status and the estimated £175 million of capital funding from the Scottish Government, a Green Freeport is expected to improve GVA in the northeast by £7.5 billion over the next 10 years. Limited information is available at this time on the true economic benefits of a Freeport however early indications have shown that approximately 30,000 extra jobs could be created with 14,000 being directly linked to the tax benefited sites within the Freeport itself, and the remainder in the wider region.

The levers available to the Green Freeport are only available to new investors of expanding companies and would not be approved if causing local displacement. Many of the skills already utilised by the energy sector are transferable to offshore energy and ambitious Green Freeport proposals aim to make the north east the Net Zero Capital of Europe and retain and attract talent to the city region for the next phase of offshore energy production.

Job security plays a key role in the demand for housing in the region and therefore a minor increase in demand for homes across the City and Shire is expected, particularly in areas close to the Aberdeen Western Peripheral Route which would have access to the Green Freeport corridor. The impact on the City Centre and Beach Masterplan will depend on the range of jobs available and the salary level. For example, if younger workers are attracted then this may assist to reduce the number of flats on the market in the City Centre and enhance City Centre Living opportunities.

ABERDEEN SOUTH HARBOUR

The £400m South Harbour project will significantly increase opportunities in the energy, Cargo/logistics and cruise sectors due to the enhanced and future proofed harbour facilities it will provide.

Economically, this will bring many benefits to the City and encourage ongoing investment. The adjoining Energy Transition Zone (ETZ) will provide landslide infrastructure for a Net Zero energy cluster creating a centre of excellence for floating offshore wind and other renewables. The zone is expected to create 2,500 jobs and a further 10,000 energy transition related jobs across the region.



ABERDEEN SOUTH HARBOUR EXPANSION, SOURCE: GOOGLE IMAGES

4.0 CURRENT CONTEXT

4.10 EMERGING CITY TRENDS

In order for Aberdeen to maximise its success as a vibrant global city and a great place to live, the following future trends have been identified to ensure any development as part of this recalibration exercise is fully aligned with evolving market demand, creates a sense of belonging and community, and promotes a more sustainable ethos.

THE 20 MINUTE CITY

The recent pandemic has forced people to use their neighbourhoods for a multitude of reasons – not least because travel had been reduced to essential trips only. Since shops have reopened, people have continued to support their local businesses demonstrating a renewed sense of community. Far from being a new phenomenon however, it is in fact a return to an ancient and organic way of urban life, where people live, work, play, thrive and survive all within convenient proximity.

The 20-minute city is a concept that defines cities by its neighbourhoods or districts. Instead of centralising provisions in city centre's or central business districts, services and facilities are dotted around a city according to where people live. Residents are able to obtain most of what they need to both live and work within a short trip from their home, ideally without the reliance on cars.

The Scottish Government have used the NPF4 (National Planning Framework) to establish a people-first hierarchy. This translates into three distinct outcomes; first, neighbourhoods are about quality and lifestyle; second, they operate at a human scale; and third, this builds resilient and sustainable local economies, which is far better for those invested in them.

The 20-minute neighbourhood concept improves local liveability by focusing on compact areas of growth increasing density of future developments. This action will benefit individuals and communities by improving the accessibility of services and localising economic growth. A key element of this action is a commitment to building with nature by creating multifunctional blue and green networks, working with local climate action projects, and reducing vehicular traffic by creating active travel routes, such as dedicated pedestrian and cycle avenues.

THE RETAIL SHIFT

Consumer shopping habits have evolved as online retailing has become more prominent, and this has been further reinforced by the Covid-19 pandemic. The UK Business Rates system, rising staff costs and heightened import tariffs due to Brexit have all added to significant pressures on occupiers across the country. These challenges were not a result of the pandemic, but it has accelerated these underlying trends.

Indeed, national retailers have been rationalising and shrinking their portfolio of stores with a large number of well-known high street names disappearing from the high streets across the country (Oasis, Laura Ashley, TM Lewin, to name a few).

Studies show that local people want to see more local businesses in the City Centre. There is a significant oversupply of retail units and this stream of closures leads to a stigma in the City and impacts some views on residing in the city centre. This challenge falls within the concept of the 20-minute city and re-purposing empty commercial space to create a vibrant, sustainable communities which encourage activity and footfall at all times of the day. Creating an active, safe community improves residents' views of the city centre and encourages them to want to live there.

The City Centre and Beach Masterplan addresses this shift by re-examining traditional retail experiences and re-focusing them toward local businesses. Commercial-minded projects such as the new Aberdeen Market, illustrate this response to changes in user preferences.

SMART CITIES

SMART (Specific Measurable Achievable Relevant Timely) cities initiatives prioritise better connecting citizens with their local Council while seeking to improve energy efficiency and sustainability in the city. Citizens themselves are better informed, able to move around their city's more strategically, driven by data, and are encouraged to be active and healthy through promotion of user-friendly apps, such as GoABZ launched at the end of 2021.

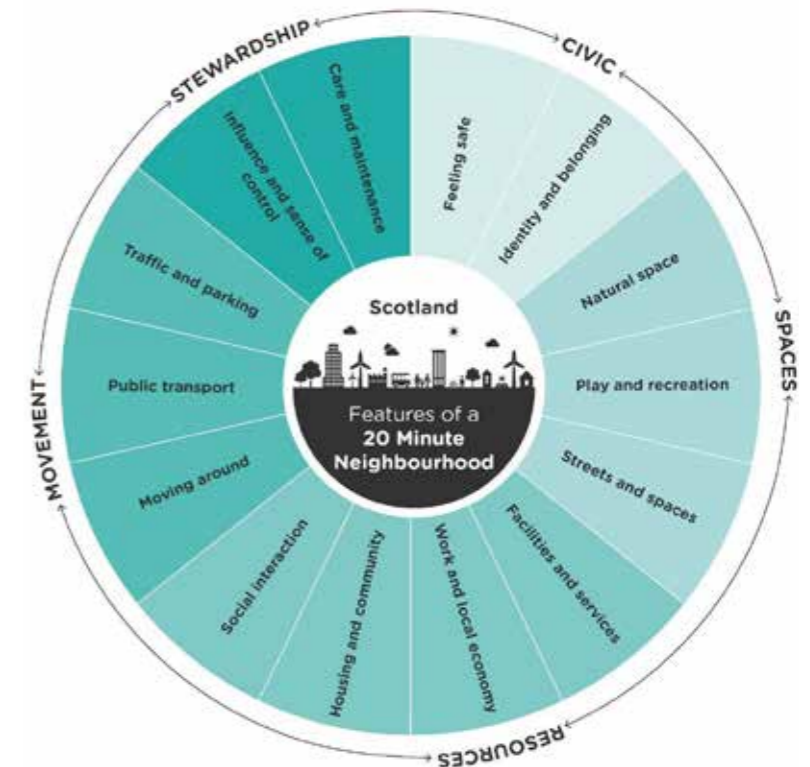
Officers will continue to work through the Aberdeen Smart Cities partnership to link strategic outcomes to specific themes and technologies identified as part of the City Centre Masterplan review the Smart City themes include cleaner and greener, connected communities, technology futures and data & AI. The partnership includes membership from across public and private sector.

The aim of the Smart Cities partnership is to link project delivery associated with the key themes to the concept of Aberdeen as a living laboratory geared towards driving innovation and attracting inward investment. Specific focus is being placed on working through the universities and schools to establish a career pathway for renewable energy skills ensuring that the City has high quality talent to service commercial demand. In addition, the development of digital and energy backbone initiatives will be used to address the challenges of digital poverty and energy poverty thereby ensuring equality of opportunity and access across the city.

Aberdeen City Council have engaged the services of the Connected Places Catapult (CPC) to baseline current smart city maturity for the Council and Aberdeen. Work to benchmark against peer cities to help compare and identify areas of potential learning from others that might benefit Aberdeen will also take place. CPC will work with key stakeholders through a series of workshops to define short list of recommendations and a defined roadmap. This work will inform the refresh of the Council's Smart City Strategy later in 2022.



20 MINUTE NEIGHBOURHOOD MOVEMENT HIERARCHY
SOURCE: OURPLACE.SCOT



FEATURES OF A 20 MINUTE NEIGHBOURHOOD IN THE SCOTTISH CONTEXT
SOURCE: OURPLACE.SCOT

4.0 CURRENT CONTEXT

4.11 PLACE BASED OPPORTUNITIES

Place is a key pillar of public policy and investment in Scotland, which has increased in importance in recent years. Aberdeen City Council has identified the importance of place-based approaches focused on collaboration to join up infrastructure, services, and partnerships to meet local needs more effectively and efficiently. A successful place is where people, location and resources combine to create a sense of identity and purpose and is at the heart of addressing the needs and realising the full potential of communities. This Masterplan is a place-based review of the City Centre and Beach to determine how best to transform these areas and promote positive future change.

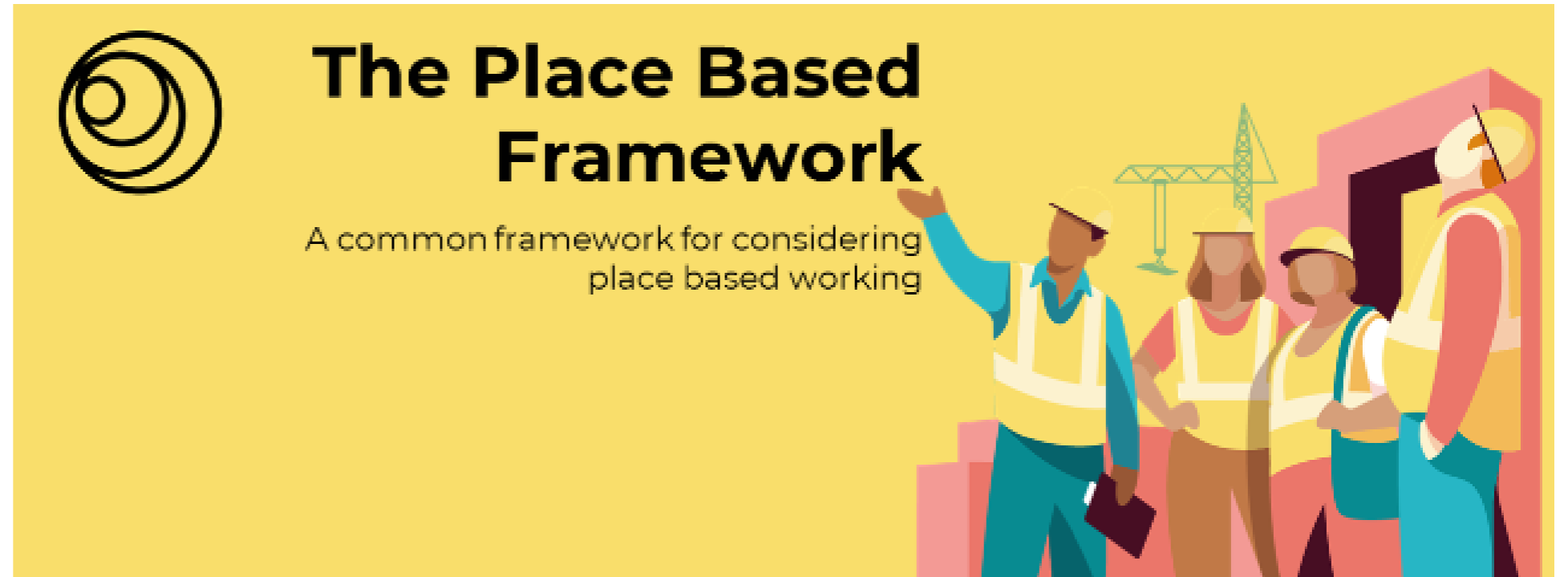
Places are shaped by the way resources, services and assets are directed and used by the people who live in and invest in them, and so a more joined-up, collaborative and participative approach to services, land and buildings across all sectors enables better outcomes for everyone and increased opportunities for people and communities to shape their own lives.

There has been significant consultation with citizens and businesses of Aberdeen on their ideas for the future of the City Centre and Beach, including consultation around green spaces, accessibility, travel and transport. As a result, the Council has begun to invest in community and cultural assets via the Place Based Investment Fund and recognise that this just a first step in what is a long-term approach to Aberdeen the Place.

Moving forward, the aim of the City Centre and Beach Masterplan should be to complement the new Local Development Plan and maximise the impact of investment on the attractiveness of Aberdeen as a place to live, invest and work. This will include but not be limited to enhancing transport and digital connectivity, the natural environment and supporting the Regional Economic Strategy. The approach must build on the progress made in recent years and continue to concentrate on long-term priorities. It must put Aberdeen the Place at its heart and focus on the region's approach to sustainable, inclusive economic development and improved wellbeing.

Through a focus on place-based development, this Masterplan is an investment in Aberdeen's community and economy. The Place Principle has been adopted by the Scottish Government and COSLA, and it promotes a better understanding of what gives a place an identity – including collaborative development across sectors, localising ownership and economic growth, and enables local flexibility to respond to issues.

Such a cross-sectional approach is illustrated by the Aberdeen City Centre and Beach Masterplan. Key projects include improving public realm and civic spaces, as well as commercial locations. Related projects include multiple public realm improvements, such as Union Street Central, prioritisation of active travel routes, such as the Beach Boulevard, restoration of heritage buildings, such as the Union Street facade works, and enhancement of commercial nodes, such as the Aberdeen Market. The extent of the Masterplan reaches from the beachfront to the city centre and beyond, ensuring that the impact of the proposed improvements is experienced on a large scale. More information on the aforementioned projects can be found in Section 6 of this report.



A COMMON FRAMEWORK FOR CONSIDERING PLACE BASED OPPORTUNITIES
SOURCE: OURPLACE.SCOT

5.0 MOVEMENT STRATEGY

5.1 ROADS HIERARCHY

Following the opening of the Aberdeen Western Peripheral Route (AWPR) in 2019, Aberdeen City Council and partners adopted a revised Roads Hierarchy for Aberdeen, the purpose of which was to support the effective and efficient distribution and management of traffic around the city, making best use of new infrastructure such as the AWPR and to facilitate delivery of the City Centre and Beach Masterplan by providing a means of reducing through-traffic in the city centre.

One of the key principles agreed for the Hierarchy was that the city centre should be a destination rather than a through-route for vehicular traffic and crossing the city centre by car should be discouraged. While the city centre will remain accessible to all vehicles, accessing and exiting the city centre should, as far as possible, be by the same route, with car parking signage reflecting this. This essentially means that traffic accessing the city centre from the north would be directed to a car park in the north of the city centre, and traffic accessing from the South would be directed to a southern car park. While it will still be possible to travel from the south of the city centre to the north of the city centre by car, this will involve using an appropriate bypass route, thus preserving the central core for pedestrians, cyclists and public transport users, and supporting place-based aspirations for the city centre.

A revised network of priority, secondary and local routes for Aberdeen were identified, with:

- Priority routes - generally radial routes connecting the AWPR with key destinations and secondary routes, to allow movement around Aberdeen without using the city centre as a through-route (high movement function, low place function);
- Secondary routes - secondary movement corridors allowing access from priority routes to local routes (medium to high movement function); and
- Local routes - tertiary movement network serving local destinations, such as city centre car parks (low movement function, high place function).

In some cases, a formal reclassification of streets was undertaken, with city centre streets largely removed from the priority and secondary hierarchy. Guild Street, Union Street, Castle Street and the southern section of King Street, for example, were all reclassified from A-roads to unclassified roads, to reflect that these are no longer primary traffic routes. All priority and most secondary routes now stop at the outskirts of the city centre, from where key destinations and car parks can be accessed via local routes. This is to reflect the City Centre and Beach Masterplan's emphasis on the city centre as a place that prioritises people over vehicles.

By reclassifying City Centre streets to better emphasise their Place function, the City Council has been able to introduce general traffic restrictions in support of the City Centre and Beach Masterplan's aspirations. Following a temporary pedestrianisation of Union Street Central during the Covid-19 pandemic to enable physical distancing, the space re-opened to buses, taxis, cycles and service vehicles only in June 2022, with general traffic now permanently restricted.

In June 2022 the Council also approved the implementation of additional public transport priority measures around this central core, with the Market Street, Guild Street and Bridge Street 'loop' (which connects Union Street with the bus and rail station and ferry terminal) to be made bus, cycle, taxi and servicing access only from late 2022. This work forms part of the successful bid to the Scottish Government's Bus Partnership Fund where £12 million has been granted by Transport Scotland to Aberdeen City Council to work with partners in the North East Bus Alliance to develop and deliver bus priority interventions.

Any traffic movements through the city centre that are no longer possible as a result of City Centre and Beach Masterplan works will be redirected in accordance with the Roads Hierarchy. This is facilitated by improvements to the secondary corridors of South College Street (B983) and Berryden Road (B986) which enable the removal of significant traffic volumes from the city centre by addressing likely congestion hotspots which, if left untreated, could delay buses accessing the city centre, result in a hostile environment for pedestrians and cyclists, and worsening air quality in these areas.

5.2 ENABLING WORKS

South College Street Junction Improvements

The impact of traffic displacement from the city centre, as a result of City Centre and Beach Masterplan implementation, was assessed and complimented by traffic modelling, with the South College Street / Queen Elizabeth Bridge / North Esplanade West junction identified as a congestion pinch point due to the displacement of east-west routing traffic from Union Street and Guild Street conflicting with north-south traffic entering and exiting the city centre area.

Road and junction operation improvements have therefore been identified to help alleviate this anticipated pinch point in the network and enable the delivery of the desired city centre bus priority.

Implementation of the first phase of the project commenced in June 2022.

Berryden Corridor Improvements

The Berryden Corridor Improvements will provide substantial benefits across the north of the city including improved journey times, reduced congestion and improved pedestrian and cycle provisions.

Similar to the South College Street works, the Berryden Corridor Improvements will help to reduce conflict congestion pinch points in the network, which may have otherwise increase as a result of traffic displaced from the City Centre and Beach Masterplan measures. It is anticipated that the project will commence in the next 2 years and will take 2-3 years to complete.



CITY CENTRE ROAD NETWORK CHANGES (2022), SOURCE: ACC



CURRENT + FUTURE CYCLE ROUTES WITHIN THE CITY CENTRE AND BEACH MASTERPLAN BOUNDARY

5.0 MOVEMENT STRATEGY

5.3 ABERDEEN RAPID TRANSIT - BUS PARTNERSHIP FUND CORRIDOR STUDIES

Aberdeen Rapid Transit (ART) is a vision, first noted in the revised Regional Transport Strategy Nestrans 2040, for a high-frequency, high-capacity public transport network in Aberdeen, with ART corridors connecting key destinations across the City and the wider region (including the city centre, major employment sites, universities) via efficient priority routes, supported by integrated multimodal interchanges.

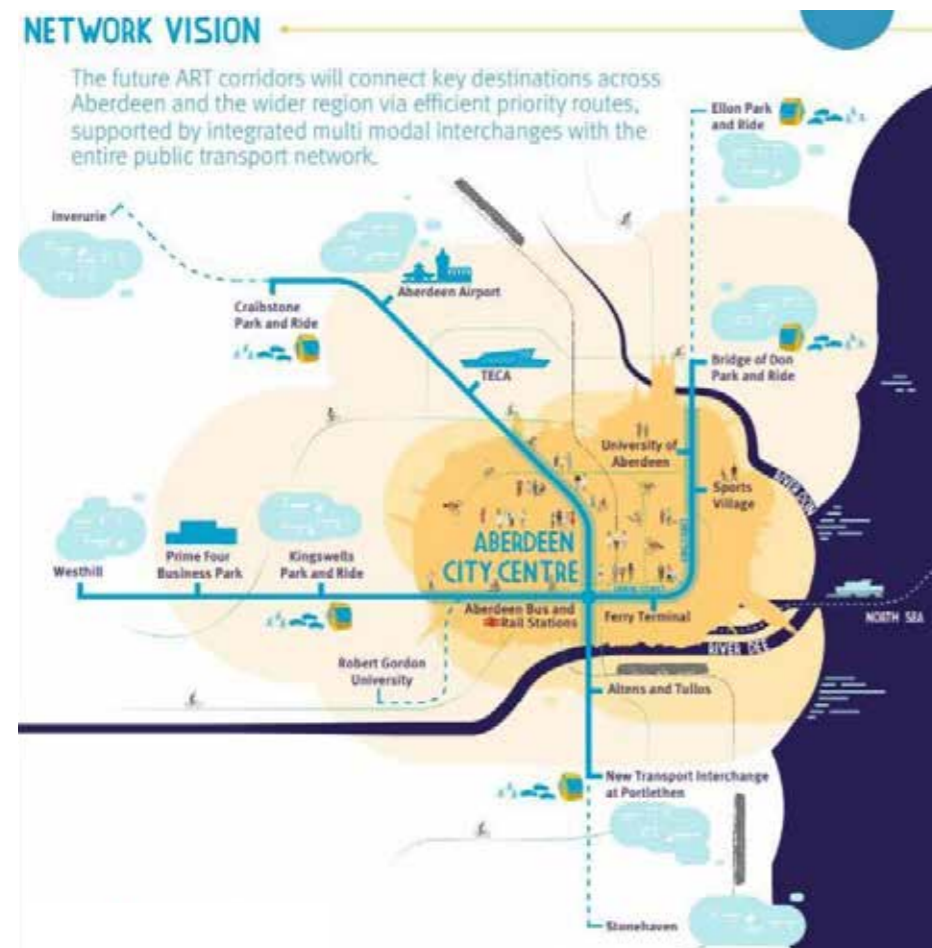
The concept has since received national recognition in the second Strategic Transport Projects Review (STPR2) and the draft fourth National Planning Framework (NPF4), with feasibility and design of the network now progressing via the Scottish Government's Bus Partnership Fund (BPF) which looks to enable local transport authorities and bus operators to work together to develop and deliver ambitious bus priority schemes to tackle the negative impacts of congestion on bus services.

As part of the consideration of corridors which may be appropriate for ART, the Council is undertaking a series of studies to look at opportunities for ART (and other sustainable travel improvements) on key routes to, from and around Aberdeen. Along with the ART feasibility, and design work for bus priority (and active travel) measures on these corridors is also progressing via the BPF. These studies are developing in the context of the revised Roads Hierarchy which encouraged a change of perception of priority and secondary routes in that these should be viewed as 'movement' corridors rather than simply 'traffic' corridors.

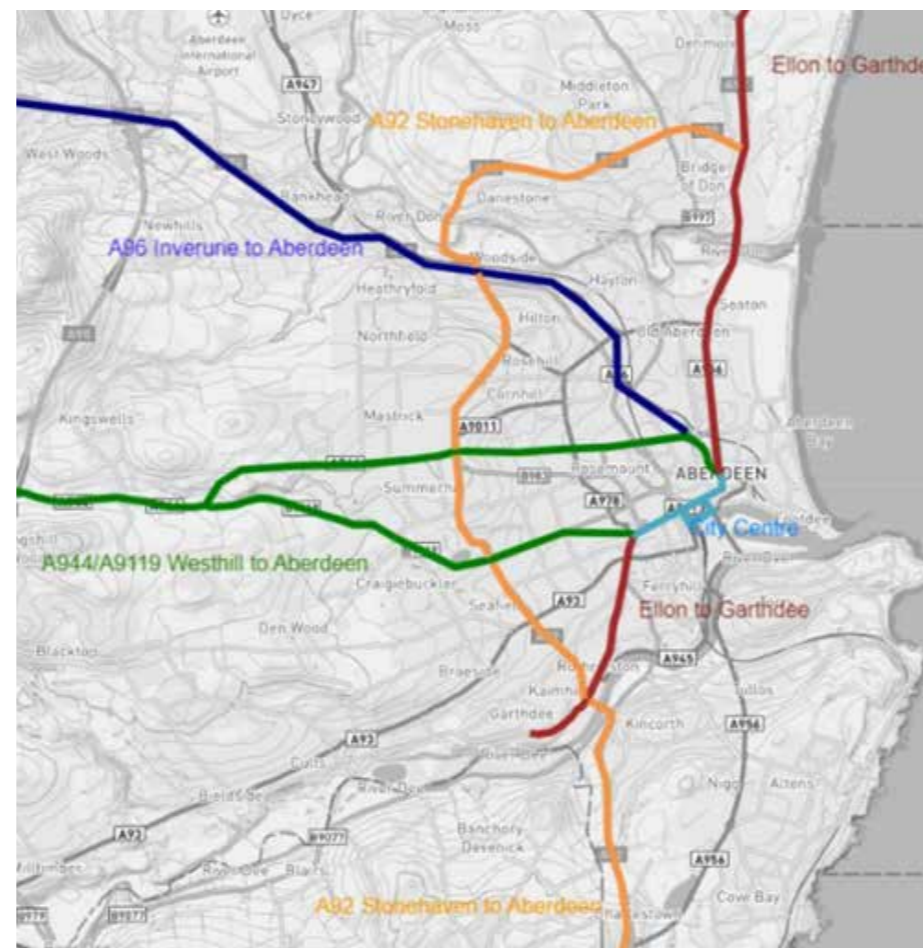
Corridors under review as part of the BPF and considered appropriate for ART include: Ellon to Garthdee, A96 Inverurie to Aberdeen, A944/A9119 Westhill to Aberdeen corridor, A92 Stonehaven to Aberdeen, and the City Centre.

These corridor improvement strategies, therefore, as they move towards implementation, coupled with the realisation of the ART network to and through the city centre, will ensure that the city centre becomes a much more attractive and welcoming destination for trips undertaken by walking, cycling and public transport.

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ASPIRATIONAL ART NETWORK
SOURCE: NESTRANS



ABERDEEN BUS PARTNERSHIP FUND CORRIDORS
SOURCE: ACC



DOUBLE DECKER HYDROGEN POWERED BUS - A WORLD FIRST, SOURCE: GOOGLE IMAGES

5.0 MOVEMENT STRATEGY

5.4 LOW EMISSIONS ZONE

In May 2022, ACC declared a Low Emission Zone (LEZ) in the City Centre. A 2-year grace period (during which enforcement will not take place) commenced from this date, meaning that enforcement will take place from 1st June 2024.

The LEZ is an area where the driving of vehicles which do not meet the specified emissions standards is prohibited. The aim of the LEZ is to improve air quality within the City Centre Air Quality Management Area (AQMA) to ensure compliance with the Scottish Government's air quality objectives, particularly for the pollutant nitrogen dioxide (NO₂).

Although pollution levels have been improving in Aberdeen in recent years, in many city centre locations monitoring stations still show regular exceedance or near exceedance of the annual mean NO₂ objective. Air Quality modelling has shown that, even with the delivery of ambitious transport improvements, such as those identified in the City Centre and Beach Masterplan, emissions exceedances will remain unless tailpipe emissions are also addressed.

Air pollution is believed to be a contributing factor in a number of serious health problems suffered by individuals, and the number of health concerns linked to poor air quality is growing every day. This has a disproportionate impact on the most vulnerable members of society, particularly the young, elderly and those with chronic heart, lung and respiratory conditions.

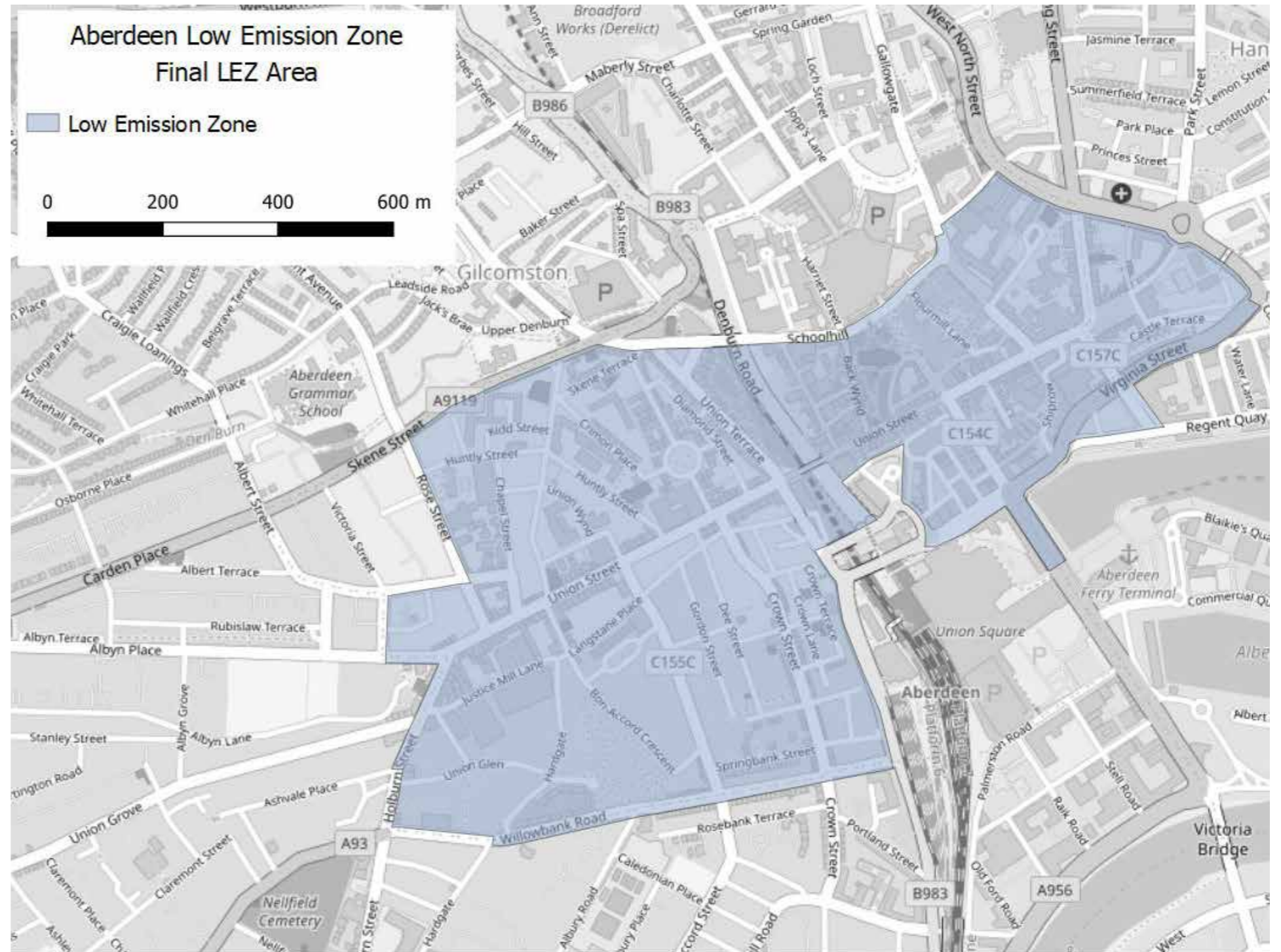
As well as the Public Health benefits, there are wider benefits to improving air quality, in terms of making Aberdeen and the City Centre safe, desirable and welcoming environments for living, working, shopping and leisure. In this regard, we anticipate the LEZ will support economic recovery and city centre regeneration as we emerge from the Covid-19 pandemic.

The LEZ also supports the transport aspirations of the City Centre and Beach Masterplan by reducing the number of vehicles in the city centre, thus freeing up more space for sustainable travel priority measures, and ensuring that remaining vehicles are as clean as they can be.

5.5 SUPPORTING MEASURES

The above measures all seek to improve and enhance connectivity to and permeability of the city centre by active travel, public transport and other low emission forms of transport and are complemented by a number of ongoing initiatives being progressed by ACC and partners:

- Ongoing expansion of the pedestrian wayfinding network;
- Launch of an on-street bicycle rental scheme;
- Programme of sustainable transport-themed events and promotions;
- Growth and expansion of the Aberdeen Car Club; and
- Continued expansion of the electric vehicle (EV) charging and hydrogen refuelling network.



ABERDEEN CITY COUNCIL MAP OF PROPOSED LOW EMISSIONS ZONE
SOURCE: ACC

6.0 MASTERPLAN PROJECTS

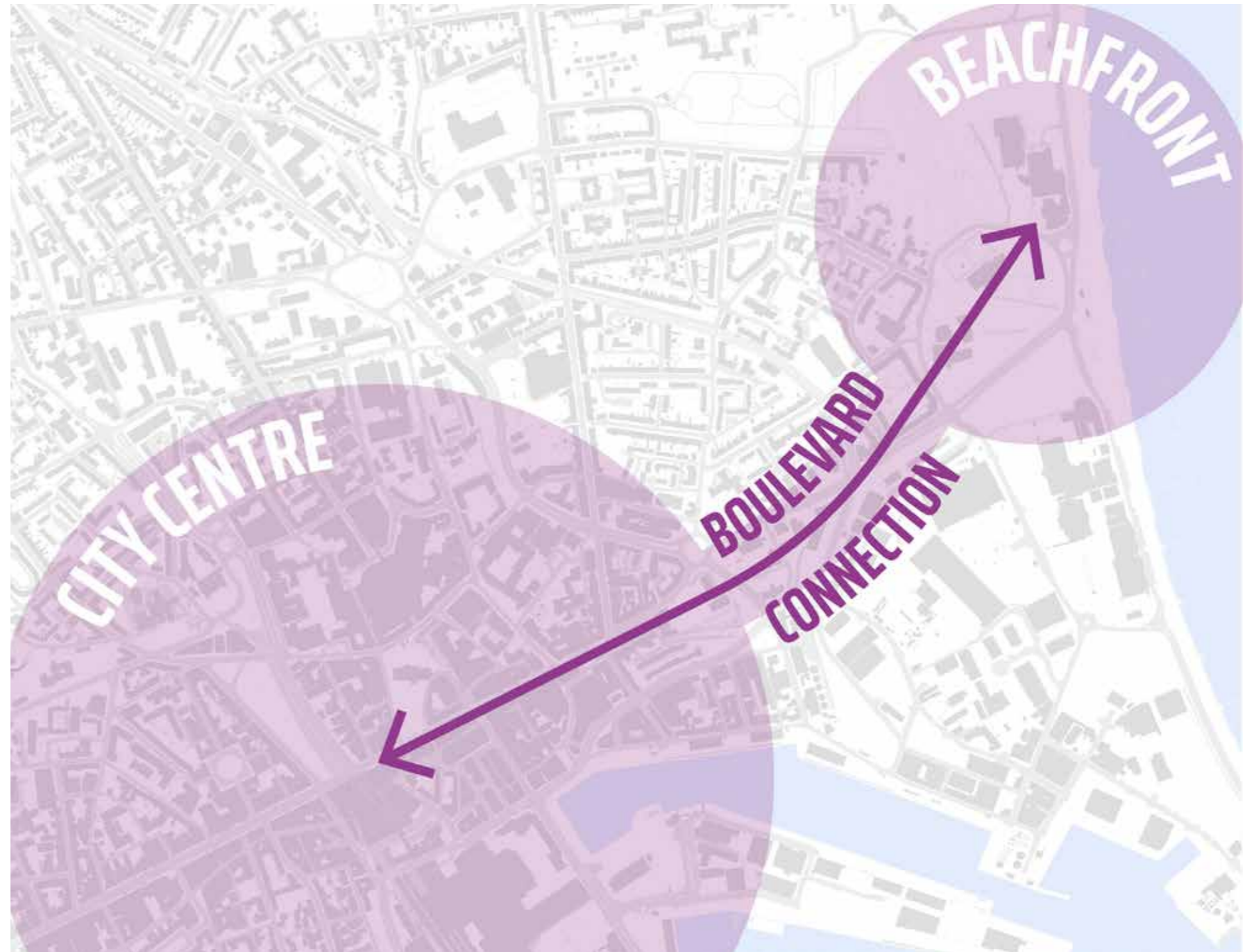
6.1 OVERVIEW

The development of Aberdeen's City Centre and Beach is driven by the global significance of Aberdeen as a metropolitan hub and the energy capital of Europe, but also recognises the need to ensure that the City Centre serves the needs and aspirations of local people. The City Centre and Beach Masterplan therefore takes a coordinated approach to future development across the city centre and beachfront areas which prioritises active travel and spaces for people, with a focus on environmental and economic sustainability.

The Masterplan strategy focuses on facilitating better connections by linking the city centre and beachfront via the Beach Boulevard, revitalising Union Street as a primary east/west connecting spine and creating an extensive programme of streetscape works proposed for key city neighbourhoods. These enhancements made to the public realm will support increased levels of active travel, such as walking and cycling, which promote healthier lifestyles and lower levels of emissions.

The proposed interventions in Aberdeen's City Centre and Beachfront have the potential to change the way that current and potential future residents and visitors experience and view the city. Key projects, as noted overleaf, will deliver a series of enhanced public realm areas, buildings, event and experience spaces that seek to revive the unique historic core of Aberdeen whilst creating a forward looking, distinctive and welcoming City. This will support economic recovery and growth following the impacts of the Covid-19 pandemic and support the continued diversification from oil and gas-based industries to green infrastructure, emerging technologies and renewables.

This Masterplan will undoubtedly enhance the prosperity of the City Centre and beachfront areas, whilst improving the quality of life of those that live, work and visit. This can serve as a catalyst to increase visitor spend in Aberdeen's retail, leisure and hospitality businesses, and could encourage more people to live in and invest in the city.



CITY CENTRE AND BEACH CONCEPTUAL DIAGRAM

6.0 MASTERPLAN PROJECTS

6.2 KEY PROJECTS

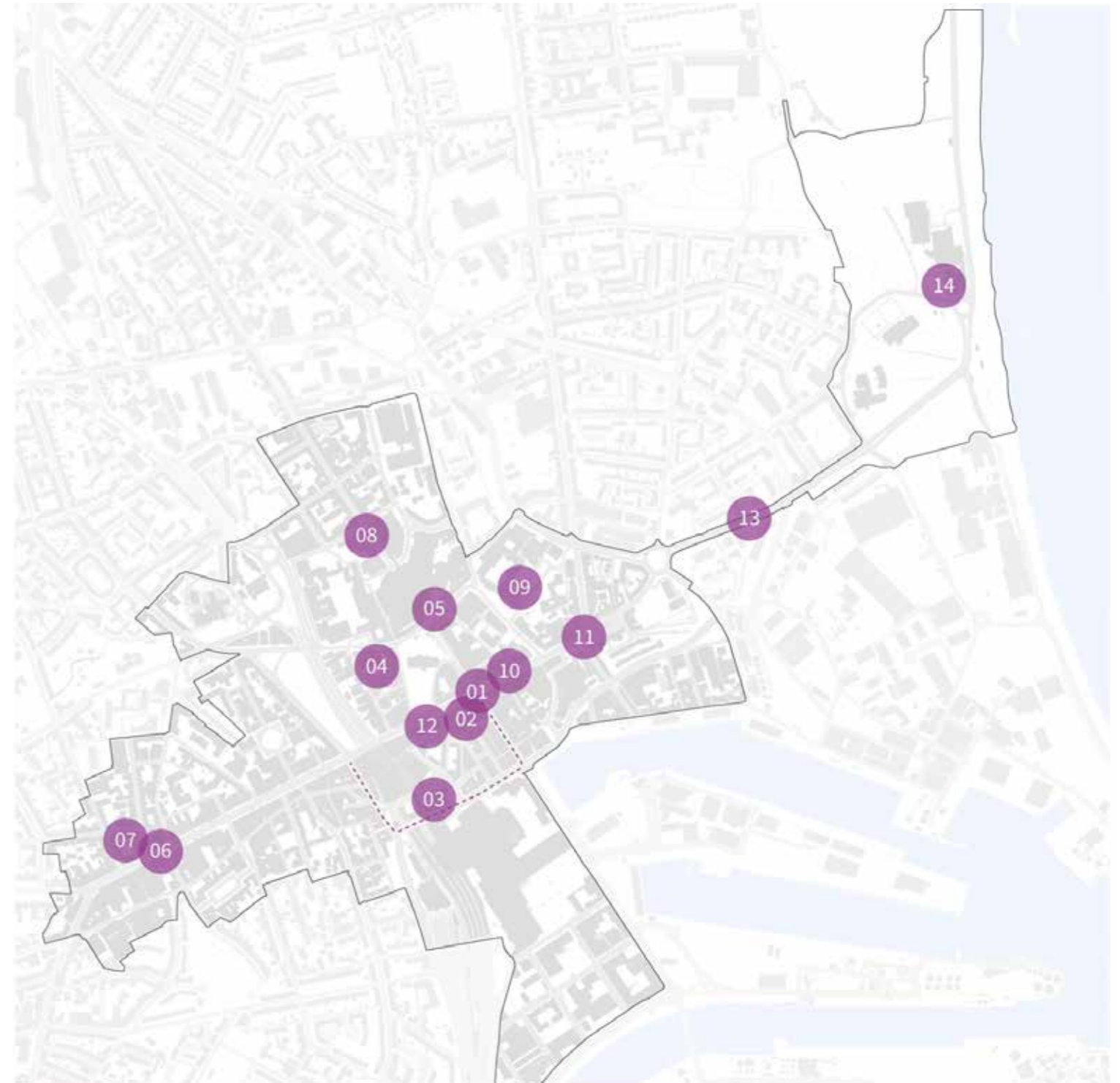
The City Centre and Beach Masterplan is defined by a number of key projects, each with their own character, uses, relationships, connections and contribution to the wider Masterplan. All have been identified following extensive public consultation and review against the overall Masterplan vision and SMART (Specific Measurable Achievable Realistic Timely) objectives. These exciting projects are described over the following pages to explain their vision, qualities and current status of design and/or implementation.

The location of the key projects are shown opposite and are defined as follows:

- 01 Union Street Central Public Realm
- 02 Aberdeen Market
- 03 Aberdeen Market to Guild Street Public Realm
- 04 Belmont Quarter
- 05 Schoolhill + Upperkirkgate
- 06 Union Street West
- 07 West End
- 08 George Street
- 09 Queen Street
- 10 Union Street East
- 11 Castlegate
- 12 Union Street Facade Works
- 13 Beach Boulevard
- 14 Beach Projects

In addition to the list above, bus, taxi/private hire and cycle priority will be implemented on Bridge Street, Market Street and Guild Street to achieve the safe and efficient movement of active travel and public transport users through the city centre. These measures were approved by Aberdeen City Council in June 2022 and are planned for implementation later in 2022, subject to statutory processes.

--- Bus, taxi/private hire + cycle priority



KEY PROJECT LOCATIONS

6.0 MASTERPLAN PROJECTS

6.2.1 UNION STREET CENTRAL PUBLIC REALM

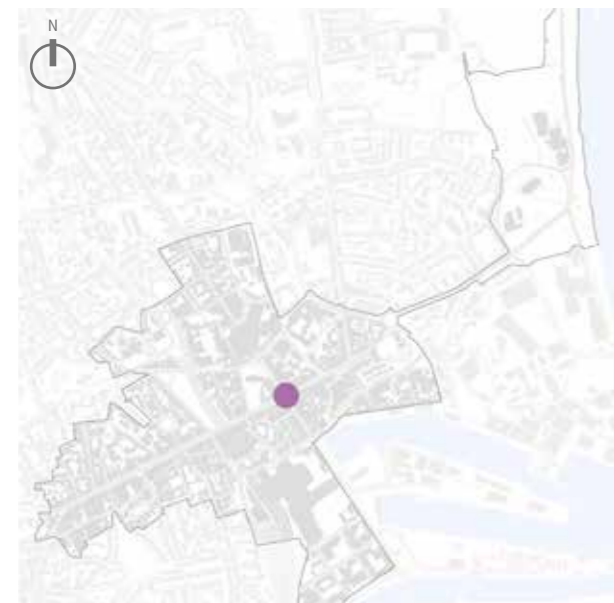
STATUS: Full Business Cases currently being prepared to be reported to Full Council in December 2022

The programme of streetscape projects will deliver improvements to the public realm across the city centre and towards the beachfront.

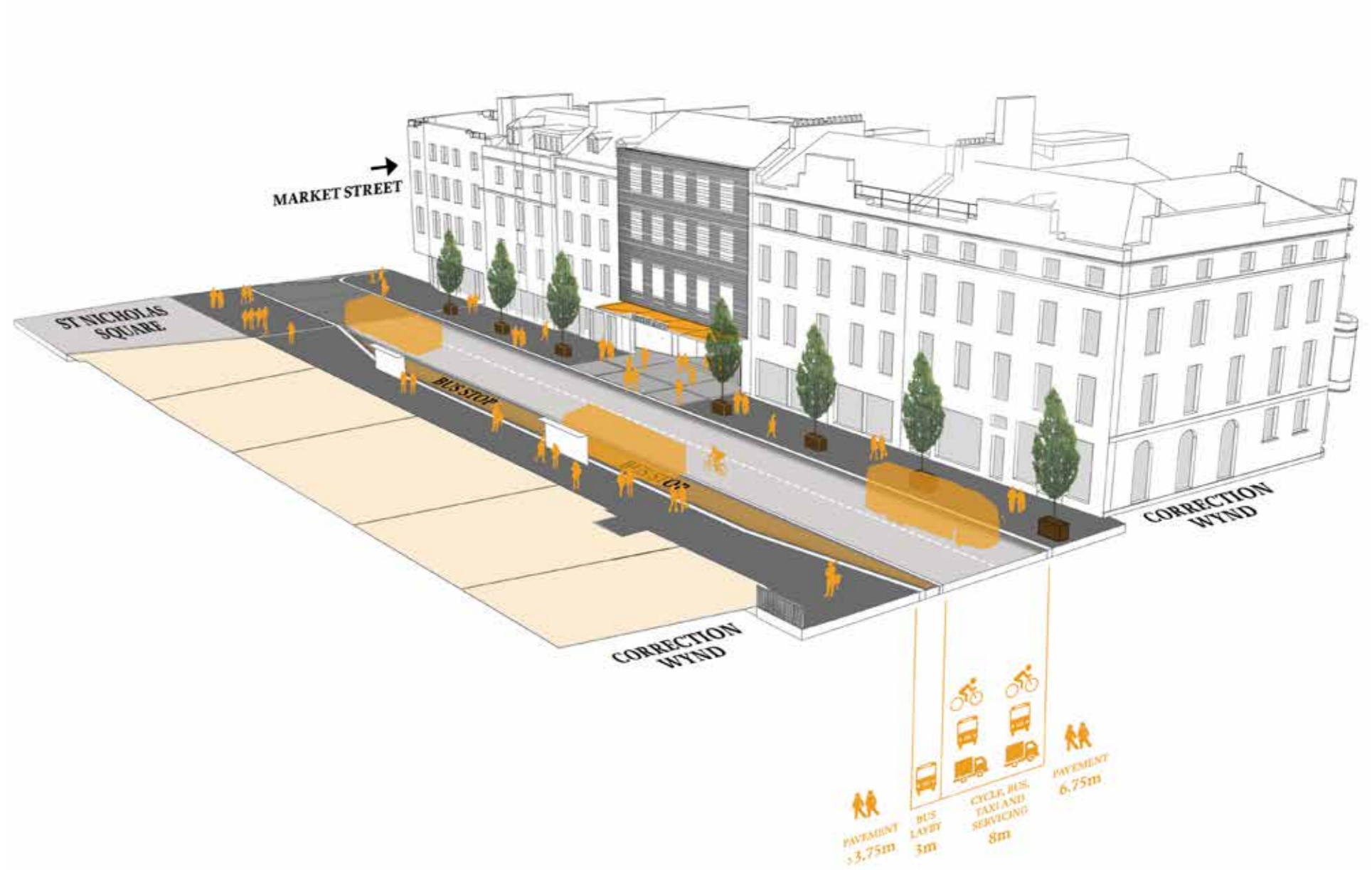
Following an Options Appraisal exercise, in June 2022 Aberdeen City Council decided to proceed with an option which included bus access to Union Street Central. The design will comprise of two lanes for cycle, bus, taxi and servicing access with intermittent lay-bys for buses in order to facilitate boarding and alighting. This will allow for pavement widening, the introduction of urban greenery and potential for street occupation. Crossing points will be incorporated to facilitate easy pedestrian movement north and south.

Street furniture will be placed adjacent to kerbs to maintain a clutter-free, safe-movement corridor for pedestrians and wheeled users. Feature paving will be used to highlight key architectural elements and buildings.

The Union Street Building Improvement Survey report issued in February 2022 identified a pilot project to prioritise improvement works to the area between Market Street to Bridge Street. This has been selected to complement the proposed works to Union Street streetscape, Union Terrace Gardens and the forthcoming new Aberdeen Market building. This will set the tone for the remainder of the street and give a clear indication to the occupiers, landlords and tenants of the properties on Union Street how improvements may be simplified, made more cost effective and set out what support Aberdeen City Council could offer to assist in the process. This is discussed further in Section 6.2.12.



LOCATION PLAN



PROPOSED STREETScape DIAGRAM BETWEEN ST NICHOLAS SQUARE + CORRECTION WYND

6.0 MASTERPLAN PROJECTS

6.2.2 ABERDEEN MARKET

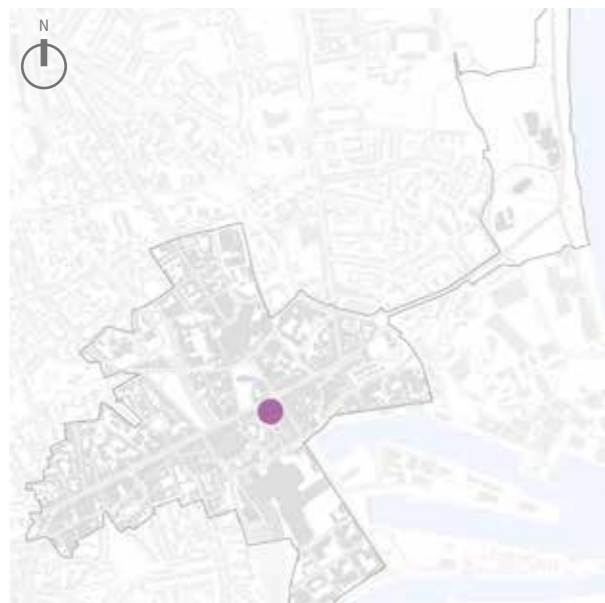
STATUS: Planning permission approved in May 2022 (Application Reference 211517/DPP). Currently in RIBA Stage 4 Technical Design.

The new Aberdeen Market will be a destination venue and new attraction in the heart of the city centre featuring an international-style food and drink outlet promoting local produce and goods alongside continental style delicatessens and cafés. A key element of the new Market building will be to improve connectivity and accessibility between Union Street and the bus and rail stations at Union Square. Frontage will be created on Union Street and will incorporate the infrastructure and streetscape works programme.

The design will feature a mixture of fixed indoor units of various sizes alongside event space for temporary and pop-up facilities allowing for increased variety and flexible to seasonal requirements. An external, canopy covered flexible space also features which could be used for music events or further market space. This will provide opportunities to develop and grow local businesses, particularly within the key food and drink sector.

Demolition of the old Market and BHS building is complete and the site is secure. Planning Approval, with Conditions, was granted on 17th May 2022, with RIBA Stage 4 design started in July 2022. Following a national search for an operator carried out by property advisors, a preferred market operator has been chosen by Aberdeen City Council to progress heads of terms discussions around the commercial aspects of the occupation and running of the new Aberdeen Market.

Construction of the Market will commence in 2023, and last for a period of approximately 98 weeks.



LOCATION PLAN



INDICATIVE VIEW OF THE ABERDEEN MARKET LOWER FOOD HALL

6.0 MASTERPLAN PROJECTS

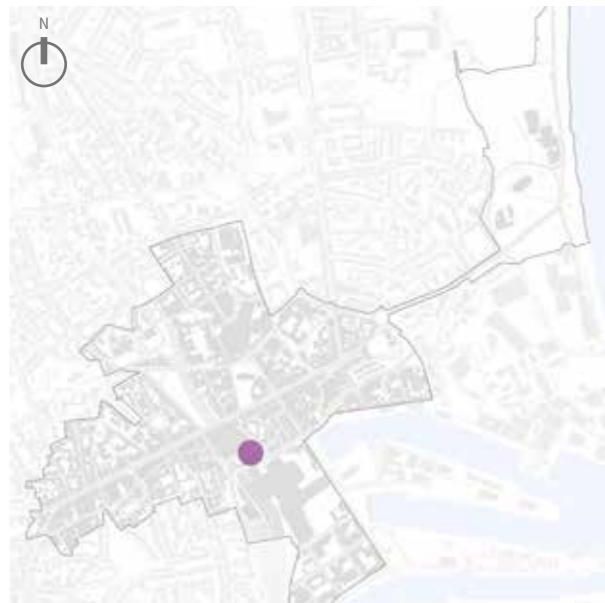
6.2.3 ABERDEEN MARKET TO GUILD STREET PUBLIC REALM

STATUS: Detailed design being developed in consultation with key stakeholders with results to be presented to Full Council in August 2022.

The area around Aberdeen Market and The Green retains much of its historical character and feel, whilst forging a strong identity as a centre for high quality street art. Currently, the market area and The Green are 'off the beaten track' and are more likely to be stumbled across when exploring the city than as key destinations. However, the redevelopment of Aberdeen Market will see a much greater footfall in the area, altering the existing character into a safe, vibrant and exciting area of Aberdeen City Centre.

The scope area is split into four projects which can be undertaken within different time-scales. The key project is creating the connection between Union Street, the Market and down to the station via Carmelite Street. This will improve the through-route from the Market across Hadden Street, down Carmelite Street onto Wapping Street, Guild Street and into the train and bus stations. The second project is the regeneration of Carmelite Lane, implementing street greening and enhanced lighting along with improved surfacing for ease of access. Rejuvenating Carnegie's Brae and the restoration of East Green also forms part of this phase.

The third phase will see Hadden Street and Market Street works progressed giving the Market building a civic presence to Market Street. The fourth project deals with the widening of footways and improvement of surfacing to allow easier accessibility on Correction Wynd. It will also deal with the rationalisation and coordination of various spill out spaces on The Green along with the re-conditioning of the Union Street staircase.



LOCATION PLAN



INDICATIVE VIEW LOOKING NORTH FROM WAPPING STREET TOWARDS THE MARKET, VIA CARMELITE STREET

6.0 MASTERPLAN PROJECTS

6.2.4 BELMONT QUARTER

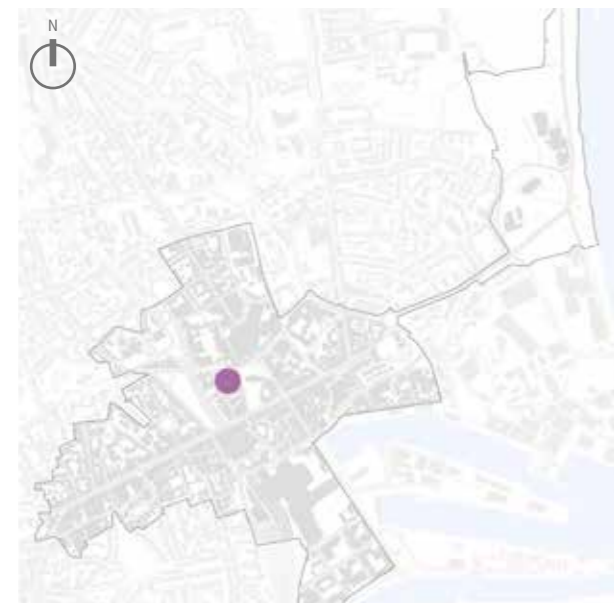
STATUS: Detailed design and delivery ongoing in conjunction with local stakeholders

Within the Belmont Street Quarter, the proposals rationalise the carriageway to allow for the permanent introduction of external spill-out spaces for cafés, restaurants and bars along with public seating whilst allowing for service vehicle access to be maintained.

Public seating is introduced at key locations within the streetscape which allow for people to rest, dwell or have lunch, whilst taking in the unique character and atmosphere of the area.

Spill-out spaces have been carefully curated to ensure that a degree of uniformity in keeping with the historic nature of the area is maintained throughout.

The proposals allow for the incorporation of play, public art and feature lighting at key locations in the area. Street greening is included in zones associated with the public seating and cafe spill-out areas.



LOCATION PLAN



INDICATIVE VIEW OF NORTH BELMONT STREET

6.0 MASTERPLAN PROJECTS

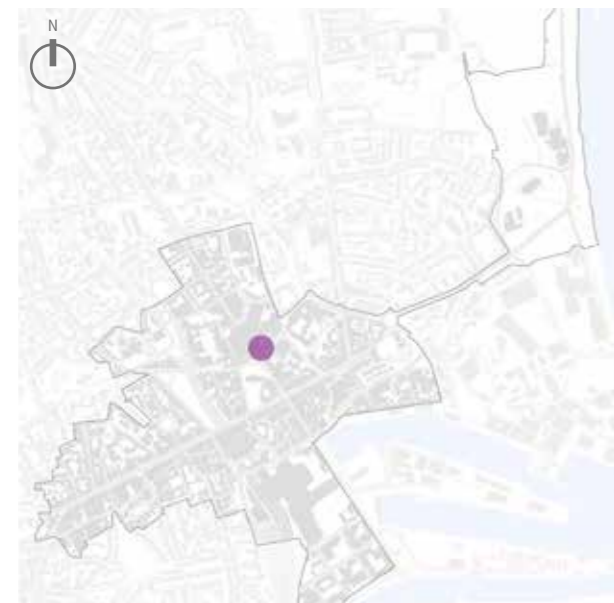
6.2.5 SCHOOLHILL + UPPERKIRK_GATE

STATUS: Full Business Case currently being prepared to be reported to Full Council in December 2022

Located immediately north of the Union Street Central zone, Schoolhill and Upperkirkgate is an area of the city containing a number of landmark buildings and visitor attractions including the Kirk of St Nicholas and Aberdeen Art Gallery.

The Schoolhill and Upperkirkgate streetscape project will provide improved public realm which prioritises pedestrians with reduced vehicular access and enhanced experience for walking and wheeling. Where possible, carriageway widths will be reduced to allow footways to be widened. This will extend the implemented works around the War Memorial and Art Gallery and create a permanent space for street activities and public art at Upperkirkgate.

Upperkirkgate will be pedestrianised between Harriet Street and Flourmill Lane, with a plaza space created outside the Aberdeen Art Gallery at Schoolhill. Proposals to enhance the setting of the Gallery include public seating, space to allow for street spill-out including external cafe space and the civic and cultural activities associated with the Gallery, enhanced public realm, street greening and sustainable urban drainage in the form of a rain garden.



LOCATION PLAN



INDICATIVE BIRDS EYE VIEW OF THE PROPOSED PLAZA FROM ABERDEEN ART GALLERY

6.0 MASTERPLAN PROJECTS

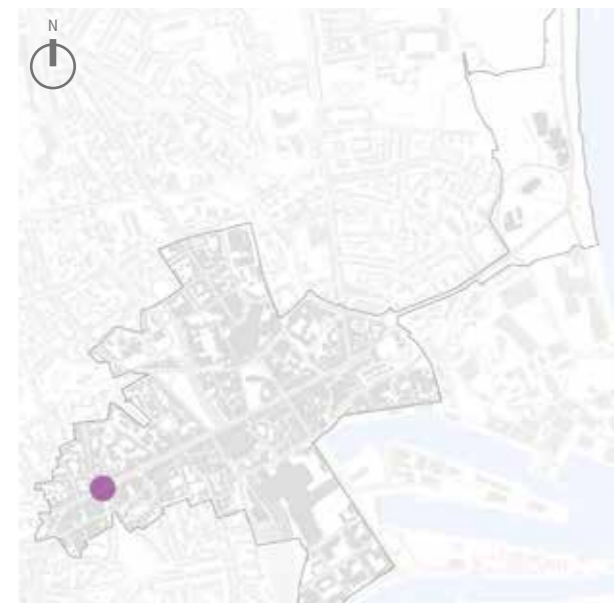
6.2.6 UNION STREET WEST

STATUS: Full Business Cases currently being prepared to be reported to Full Council in December 2022

The western end of Union Street forms a gateway to the city and has seen significant commercial investment with the construction of both the Capitol and Silver Fin office buildings.

The streetscape around Union Street West shall be improved through rationalising the carriageway and widening footpaths, with the opportunity to increase street greening and seating. This will maximise pedestrian space along the length of Union Street creating appropriate settings for safe on street activity.

The proposals will see the space within the existing streetscape reapportioned in favour of pedestrians and public transport, whilst still allowing for service vehicle access. Clutter-free plaza spaces are proposed at key locations, such as outside the Music Hall, to celebrate the City's rich heritage.



LOCATION PLAN



INDICATIVE VIEW OF UNION STREET WEST

6.0 MASTERPLAN PROJECTS

6.2.7 WEST END

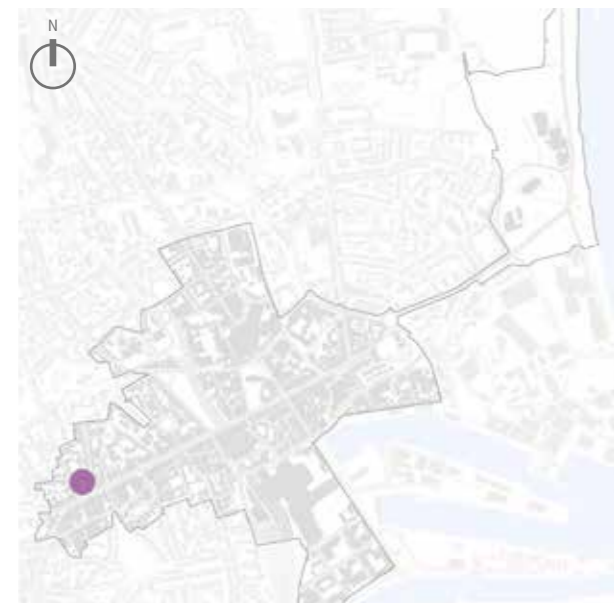
STATUS: Full Business Cases currently being prepared to be reported to Full Council in December 2022

The proposals seek to enhance the unique character of the West End to create welcoming and comfortable spaces within which to dwell for extended periods of time. This will be achieved largely by reappportioning carriageway space within Rose Street, Thistle Street and Chapel Street to better respond to, and service the needs of the area.

Clear, unobstructed footways will be maintained, whilst space from the carriageways will be allocated to flexible 'service zones' either side of these. These flexible zones within the streetscape are designed to potentially accommodate cafe spill-out areas, disabled parking, taxi ranks and elements of street greening where appropriate.

The apportioning of space within the 'service zones' will be further considered through appropriate engagement during the next stages of the project.

In addition to the provision of space for external spill-out areas, the proposals seek to further enrich the public realm through the considered placement of planting and feature lighting within the streetscape. The designs propose the introduction of feature catenary lighting creating a 'ceiling of lights' over the streets, further enhancing the unique qualities of the area whilst bringing a human scale to the streetscape.



LOCATION PLAN



INDICATIVE VIEW OF WEST END ENTRANCE FROM UNION STREET TO CHAPEL STREET

6.0 MASTERPLAN PROJECTS

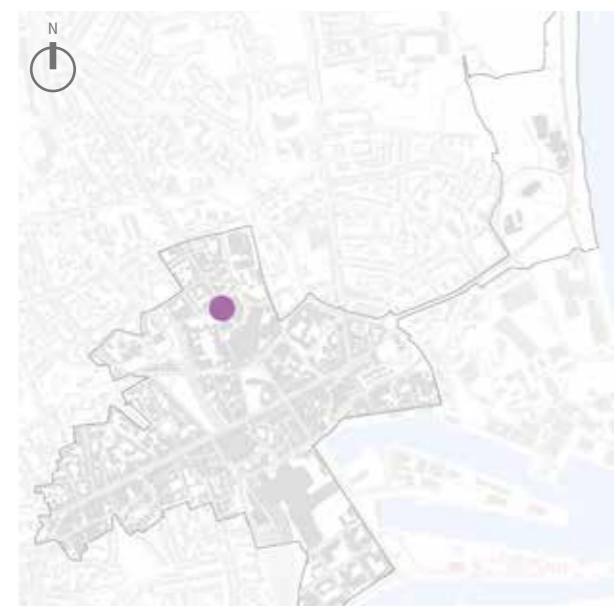
6.2.8 GEORGE STREET

STATUS: Draft George Street Mini Masterplan is currently being prepared and will be reported to Full Council in December 2022.

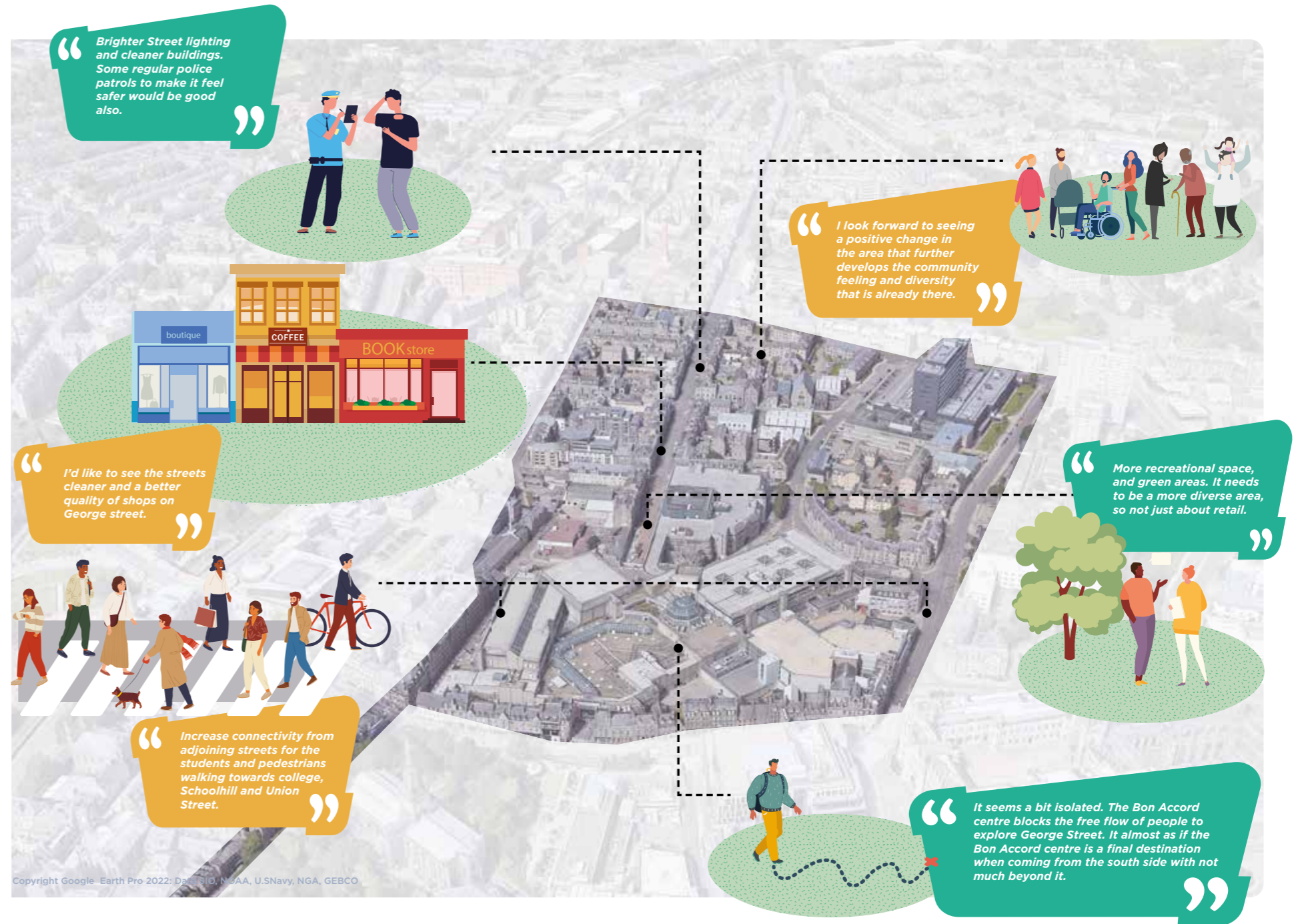
The George Street neighbourhood is located towards the northern boundary of the Masterplan zone. George Street itself runs North to South, forming a key link between the city centre core and areas to the north of the city. The area is dominated by the Bon Accord Centre and bounded to the West by Robert Gordon College.

The neighbourhood is a significant area of consideration with the context of the wider City Centre and Beach Masterplan, but given its distinct location and make up, will also be subject to its own Mini Masterplan exercise. To inform this Mini Masterplan a comprehensive engagement process was carried out by Aberdeen City Council in early 2022, to understand local stakeholder and community members views and aspirations for the George Street area. The aim of the consultation process was to encourage people to share ideas and experiences of George Street. The consultation exercise also invited comment on the area's key issues, it's strengths and perceptions of proximity to the city centre, in order to establish a picture of how the area functions on day to day basis and how the local and surrounding community use and interact with the place.

The feedback generated by the consultation exercise identified clear themes and areas for intervention from those who use and visit the area on a daily basis, such as revitalising the streetscape and improving the pedestrian experience. Further developing these themes will help set out a clear vision and objectives for the area as preparation on the Mini Masterplan continues.



LOCATION PLAN



ASPIRATIONS FOR CHANGE DIAGRAM

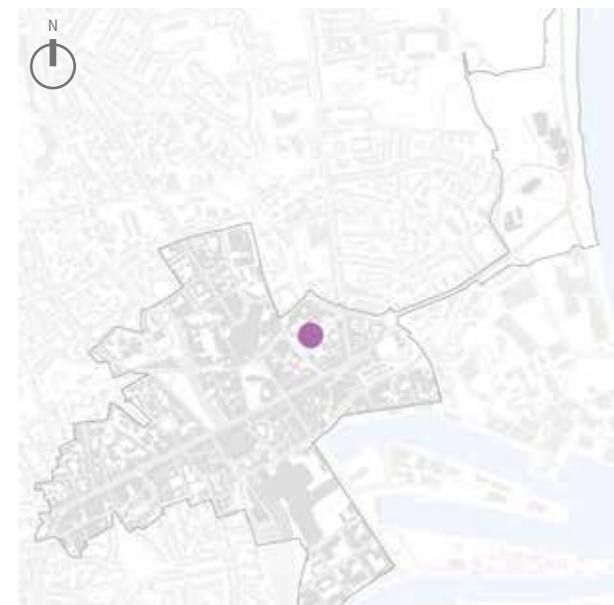
6.0 MASTERPLAN PROJECTS

6.2.9 QUEEN STREET

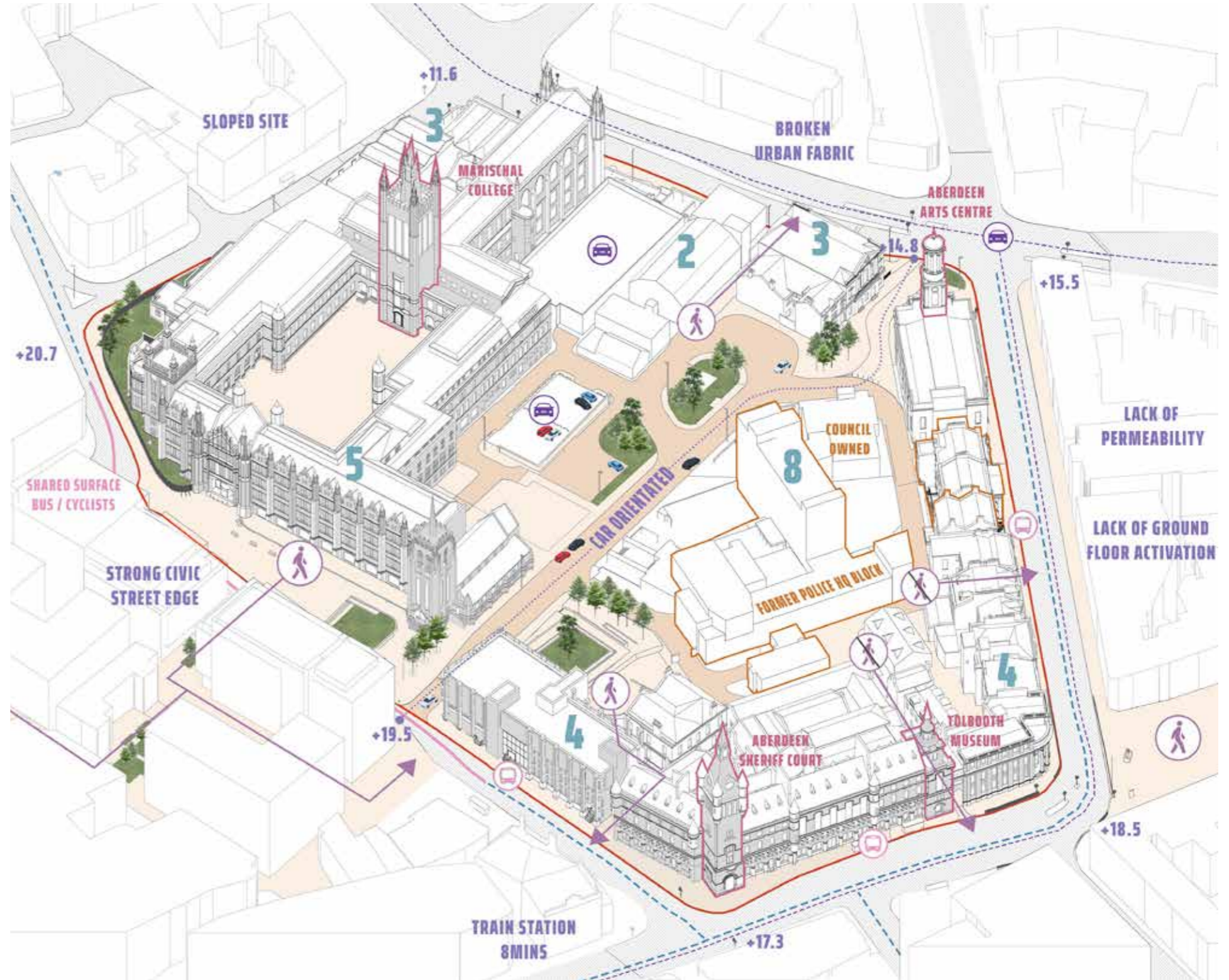
STATUS: An Options Appraisal is currently being progressed for the Queen Street Development Zone to inform a Strategic Business Case to be completed by December 2022.

The Queen Street neighbourhood, located to the east of the city centre, is defined by three key zones: the city's administrative centre at Marischal College, the Marischal Square mixed-use development and the cluster of buildings to the south of Queen Street. These zones form the edges to the recently completed Broad Street public realm. To develop this site as part of the City Centre and Beach Masterplan, the proposed initial actions are as follows:

- Revisit the Vision + Objectives for Queen Street, in light of market conditions and aligned to the City Centre and Beach Masterplan 2022
- Develop a suite of overarching objectives for the appraisal
- Include or take cognisance of the Townhouse, Townhouse Extension, Archibald Simpson House, Arts Centre, SCTS Sheriff Court & Civil Annexe, Marischal East, Trinity Church, Lemon Tree, and Greyfriar's Church
- Estate rationalisation to include historic buildings in the periphery and the former Police HQ



LOCATION PLAN



SITE ANALYSIS DIAGRAM

6.0 MASTERPLAN PROJECTS

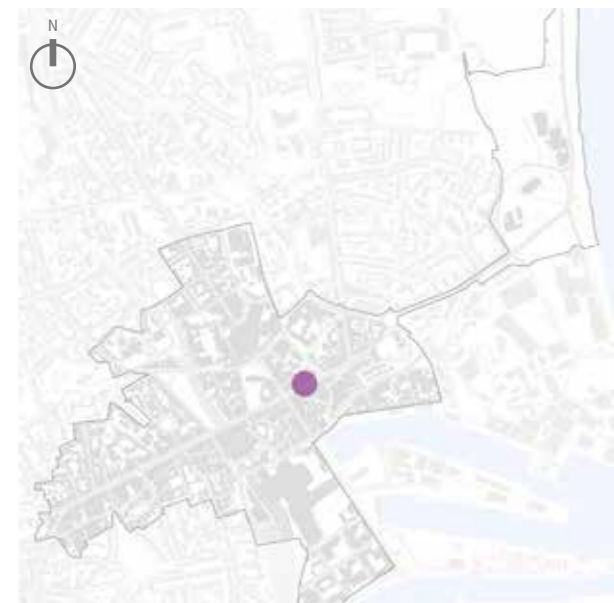
6.2.10 UNION STREET EAST

STATUS: Full Business Cases currently being prepared to be reported to Full Council in December 2022

Union Street East's location to the east of the city centre provides immediate links to the Harbour and forms a gateway to the City when approached from the Beach via Castlegate.

The Union Street East streetscape project shall provide enhanced public realm along Union Street from Market Street to where it joins the Castlegate. The proposals will see the space within the existing streetscape reappropriated in favour of pedestrians and public transport whilst still allowing for service vehicle access. Where possible, carriageways have been reduced in width as to allow footways to be widened.

The proposed reappropriation of space within the street allows for the introduction of public seating at key locations along Union Street East which will offer welcoming amenity to all and opportunities for rest for the less able whilst encouraging a wide range of visitors to the city centre. The proposals allow for the incorporation of play, public art, and feature lighting at key locations along Union Street East. These proposals which will be developed at the next stage of the project will be carefully considered as to ensure a commonality of approach with respect to Union Street West, Central and East



LOCATION PLAN



INDICATIVE VIEW EAST TOWARDS CASTLEGATE FROM CASTLE STREET / EXCHEQUER ROW

6.0 MASTERPLAN PROJECTS

6.2.11 CASTLEGATE

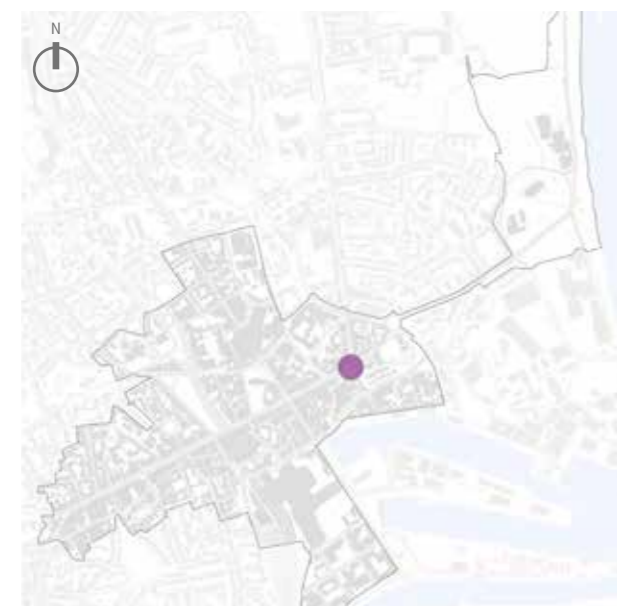
STATUS: Full Business Cases currently being prepared to be reported to Full Council in December 2022

The proposals seek to create a flexible public space to connect Union Street to the Beachfront via Justice Street, and enhance the unique historic qualities of the area.

The proposal will create a clutter-free, flexible space at the heart of the square, which forms a setting to the historic Mercat Cross. This will be an inviting and comfortable place for people to occupy on a day to day basis, whilst being able to accommodate larger scale events, pageants and gatherings when required.

The square will incorporate Sustainable Drainage System (SuDS) where possible, alongside trees and herbaceous planting to create shade and shelter, as well as a welcoming, habitable space for people to be in and enjoy.

Pedestrian and cycle connectivity to the Beach will be improved, along with the opportunity for increased public seating and spill out spaces to help animate the square.



LOCATION PLAN

INDICATIVE VIEW OF PROPOSED CASTLEGATE CIVIC SPACE

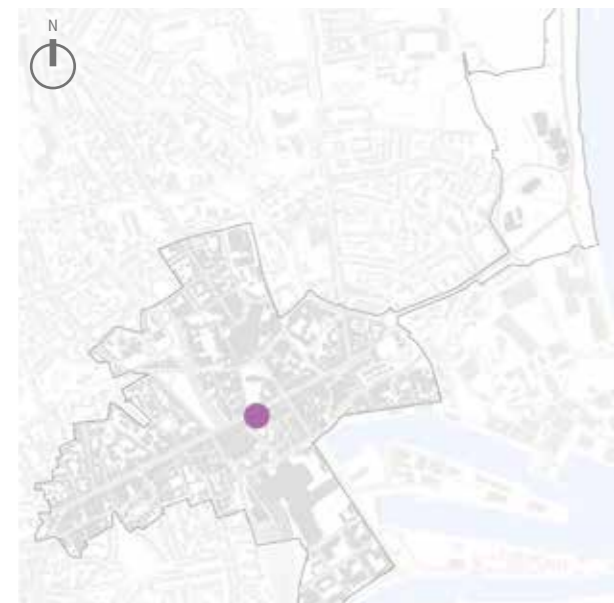
6.0 MASTERPLAN PROJECTS

6.2.12 UNION STREET FACADE WORKS

STATUS: Currently engaged in dialogue with key project stakeholders. First phase interventions expected to commence early 2023.

In response to public feedback during the 'The Future of Aberdeen City Centre and the Beach' public engagement exercise in June-July 2021, a high-level façade inspection of properties on Union Street was instructed and completed. This survey includes recommendations for improvement measures, including costs, constraints, methodologies and an implementation programme. At Full Council on 28 February 2022, Officers were instructed to prepare a plan for the implementation of improvement works to buildings on Union Street, to prioritise the area between Market Street to Bridge Street and to report progress to Full Council in June 2022.

Following on from the full Union Street survey report issued in February 2022 a pilot project from 107-131 Union Street has been selected to complement the proposed works to Union Street streetscape, Union Terrace Gardens and the forthcoming new Aberdeen Market building. This will set the tone for the remainder of the street and give a clear indication to the occupiers, landlords and tenants of the properties on Union Street how improvements may be simplified, made more cost effective and set out what support Aberdeen City Council could offer to assist in the process. This project provides an excellent opportunity to repair the historic fabric of the city as well as provide more attractive frontages to increase dwell time and retain tenants.



LOCATION PLAN



INDICATIVE VIEW OF PROPOSED UNION STREET FACADE WORKS PILOT PROJECT

6.0 MASTERPLAN PROJECTS

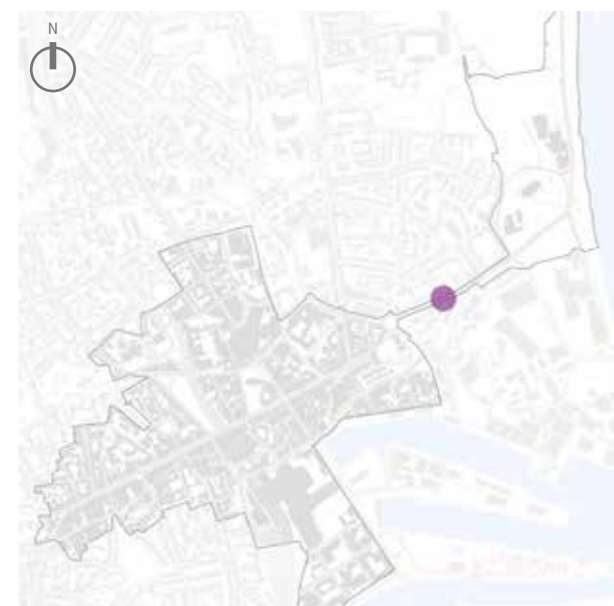
6.2.13 BEACH BOULEVARD

STATUS: Outline Business Case to be presented to Full Council in Q1 2023.

The Beach Boulevard is proposed as one of the main character areas of the Beachfront neighbourhood which runs from Links Road to the roundabout on the A956/Commerce Street. Options are currently being considered to reconfigure this route and to promote active travel between the beach and the city centre. Initial visioning work has been undertaken as part of the Beachfront Development Framework, which will connect the emerging Beach Boulevard with the Castlegate and Union Street East streetscape designs.

The reallocation of space along Beach Boulevard would improve both the ease and the quality of the journey between the city centre and the beach area, making it more attractive to pedestrians and cyclists and would provide environmental improvements through increased planting and improved water and air quality. This would positively impact on the area, including on surrounding buildings such as Hanover Street Primary School and the NHS Health Village on Frederick Street.

It is recognised that the development of the existing roundabout is inextricably linked to the emerging proposals for the Beach Boulevard and hence these projects will be developed as a coordinated piece of work. Currently, the existing roundabout at the west of Justice Street presents a significant barrier to pedestrian and cycle connectivity between the City Centre and the Beach. An Outline Business Case based on the redevelopment of the junction 'at grade' is now under development. In order to do this, work has started on the necessary technical studies which, combined with analysis of economic, social and environmental benefits, will be presented to the Council in Quarter 1 of 2023.



LOCATION PLAN



PROPOSED STREETScape WORKS TO BEACH BOULEVARD



INDICATIVE BEACH BOULEVARD VISION

6.0 MASTERPLAN PROJECTS

6.2.14 BEACH PROJECTS

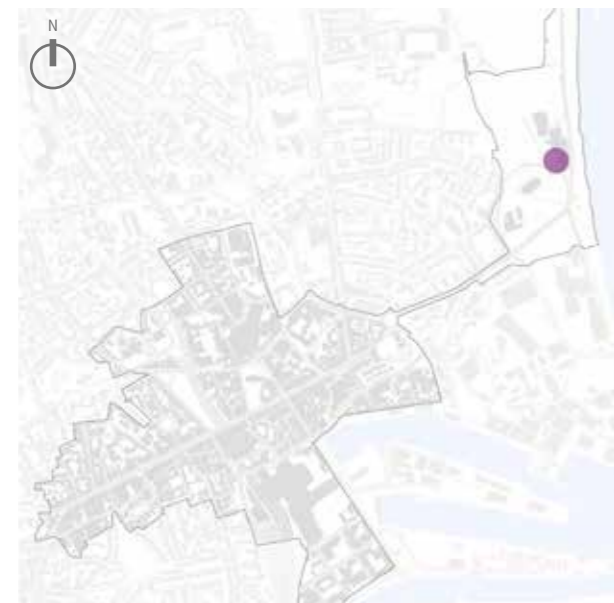
STATUS: Consultation on the Draft Beachfront Development Plan will take place in Autumn 2022, with a revised draft reported in December 2022.

The Beachfront is an area unique to the city of Aberdeen and its development offers an exciting opportunity to create a transformational new waterfront destination for the City of Aberdeen.

The Beachfront forms a significant part of the City's public realm offer to residents and visitors. It is linked to the city centre primarily by the Beach Boulevard via the Justice Street Roundabout, and there exists significant potential to better connect these areas via active travel routes to Castlegate and Union Street beyond.

The 2022 'Beachfront Development Framework' sets out a vision and key design principles for a world class sport, leisure and tourism destination with an innovative landscape-led approach. Within the Development Framework area a series of distinct character areas have been identified including, the Beach Ballroom, Events Park + Field, Core Play Park, Esplanade and Beach, Beach Boulevard, Broad Hill, Potential Stadium and Leisure and Beach Village.

At the heart of the proposals is the redevelopment of the iconic Beach Ballroom, alongside an enhanced public realm setting, potential new Stadium and Leisure complex and a dynamic new Urban Park. This people-focused environment will be inclusive for all, creating a real community asset and bringing the 'wow' factor back to the Beachfront.



LOCATION PLAN



INDICATIVE CONCEPT VISUALISATION OF THE BEACHFRONT

7.0 STAKEHOLDER ENGAGEMENT + COMMUNICATION

An Engagement Strategy for the City Centre and Beach Masterplan has been prepared which will support ongoing design development and implementation of the City Centre and Beach Masterplan.

Engagement is an over-arching term and includes activity such as information giving, consulting, involving, collaborating and empowering. The City Centre and Beach Engagement Strategy reflects the Council's overarching Engagement, Participation + Empowerment Strategy and will adopt other relevant Council policies e.g. in relation to inclusion and accessibility (such as using BSL and other languages/formats).

In June 2022, Council instructed the creation of a Stakeholder Forum to be a vehicle through which a range of stakeholders' views could be sought. In addition to the Stakeholder Forum, an ongoing programme of communication, consultation and collaboration will be implemented as individual elements of the Masterplan move from concept to design stage. This will build on engagement to date which has included:

- The city wide "The Future of Aberdeen City Centre and the Beach", consultation held in summer 2021.
- August 2021 – Beach stakeholder engagement event.
- City Centre Business Survey in September/October 2021.
- Focussed engagement with children and young people at key points throughout 2021 and 2022.
- Location and project specific engagement for example Belmont Quarter and Market Streetscape.

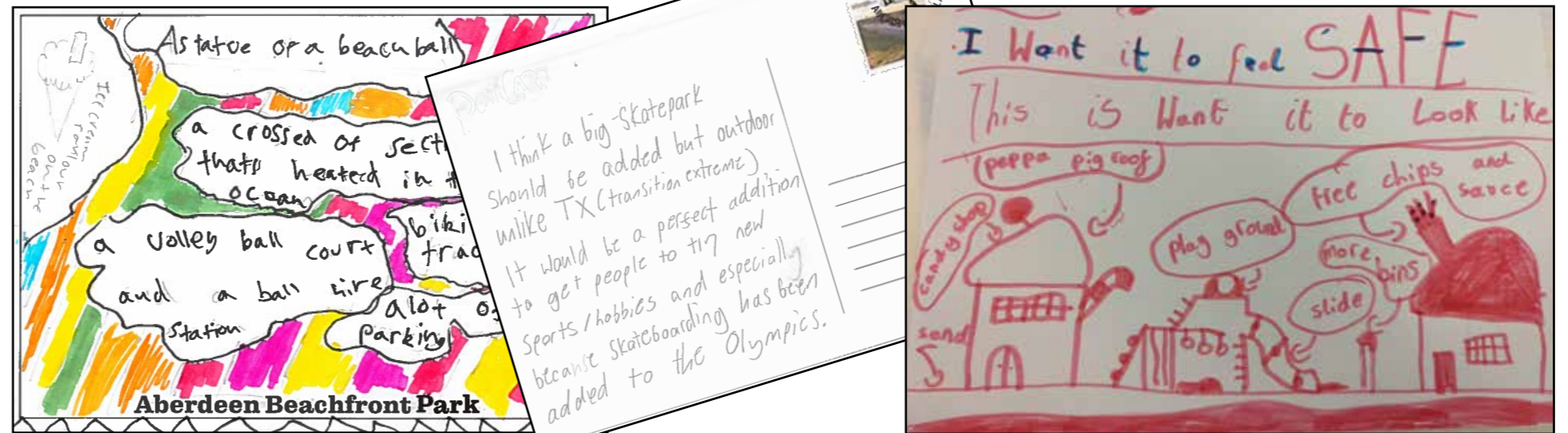
The summer 2021 "Future of Aberdeen City Centre and Beach" consultation received close to 8,000 responses and has helped the Council to prioritise its activities. The City Centre and Beach Engagement Strategy contains an ongoing programme of engagement which includes the following key activity for 2022/23.

- City Centre Streetscape projects – public consultation on Union Street, West End, Schoolhill, Upper Kirkgate and Castlegate over Autumn/Winter
- Beach Development Framework, Phase 1 public realm and strategic environmental assessment
- George Street – stakeholder engagement in relation to the preparation of a George Street Masterplan, following this public consultation on the Masterplan

A Children and Young People's (CYP) Engagement Strategy is being developed to support the Engagement Strategy for the City Centre and Beach Masterplan. The CYP Engagement Strategy will build on the proactive engagement with CYP that has been undertaken during 2021 and 2022 and expand the level of participation both in terms of age and location. The strategy will support children's and young people's rights and participation in planning, design and delivery of high quality places and will also align with and support the City's ambition to become a UNICEF Child Friendly City. Engagement methodologies will be collaborative and innovative, ensuring active participation is inclusive regardless of age, abilities, socio-economic status, culture or language. The strategy will also reflect the ambitions of the new Aberdeen City Council's Partnership Agreement including promoting creativity, excellence and opportunities for learning and culture, active travel, safer cycling and safe and sustainable green spaces.



FILM STRIP WHICH ILLUSTRATES SOME OF THE STILLS TAKEN FROM THE FEEDBACK VIDEO PRODUCED. THE VIDEO IS 6.41 MINUTES LONG AND INCLUDES A NARRATION WHICH EXPLAINS HOW THE IDEAS RECEIVED FROM THE CHILDREN AND YOUNG PEOPLE ENGAGEMENT HAS HELPED SHAPE DESIGNS.



SOME OF THE IDEAS AND COMMENTS RECEIVED FROM THE CONSULTATION AND ENGAGEMENT UNDERTAKEN WITH CHILDREN AND YOUNG PEOPLE.

8.0 DELIVERY PROGRAMME + PRIORITIES

8.1 DELIVERY PROGRAMME

The adjacent, high-level Programme Summary shows the timeline and key stages through Business Case development to design and construction for the City Centre, Market, Beach and Queen Street Development Zone projects.

Key activity within the next 12 months can be summarised as follows:

Union St Central

Start Design - Q3 2021
End Design - Q1 2023
FBC - Q4 2022
Start Construction - Q2 2023

Beach - Leisure Centre

Start Design - Q2 2022
End Design - Q3 2023
FBC - Q3 2023

Aberdeen Market (Streetscaping included)

Start Design - Q3 2021
End Design - Q2 2023
FBC (streetscape) - Q4 2022
FBC - Q2 2023
Start Construction - Q3 2023

Beach - Ballroom

Start Design - Q4 2022

Beach - Public Realm (A)

Start Design - Q2 2022
End Design - Q3 2023
FBC - Q3 2023

Belmont Street Area

Start Design - Q3 2021
End Design - Q4 2022
Start Construction - Q1 2023
End Construction - Q2 2023

Beach - Public Realm (B)

Start Design - Q2 2022
End Design - Q4 2023
FBC - Q4 2023
Start Construction - Q1 2024

Schoolhill and Upperkirkgate

Start Design - Q3 2021
End Design - Q4 2022
FBC - Q4 2022

Queen Street Development Zone

Start Options Appraisal and Strategic Business Case - Q2 2022
End Options Appraisal and Strategic Business Case - Q4 2022
Start Full Business Case - Q1 2023

Union St East and Castlegate

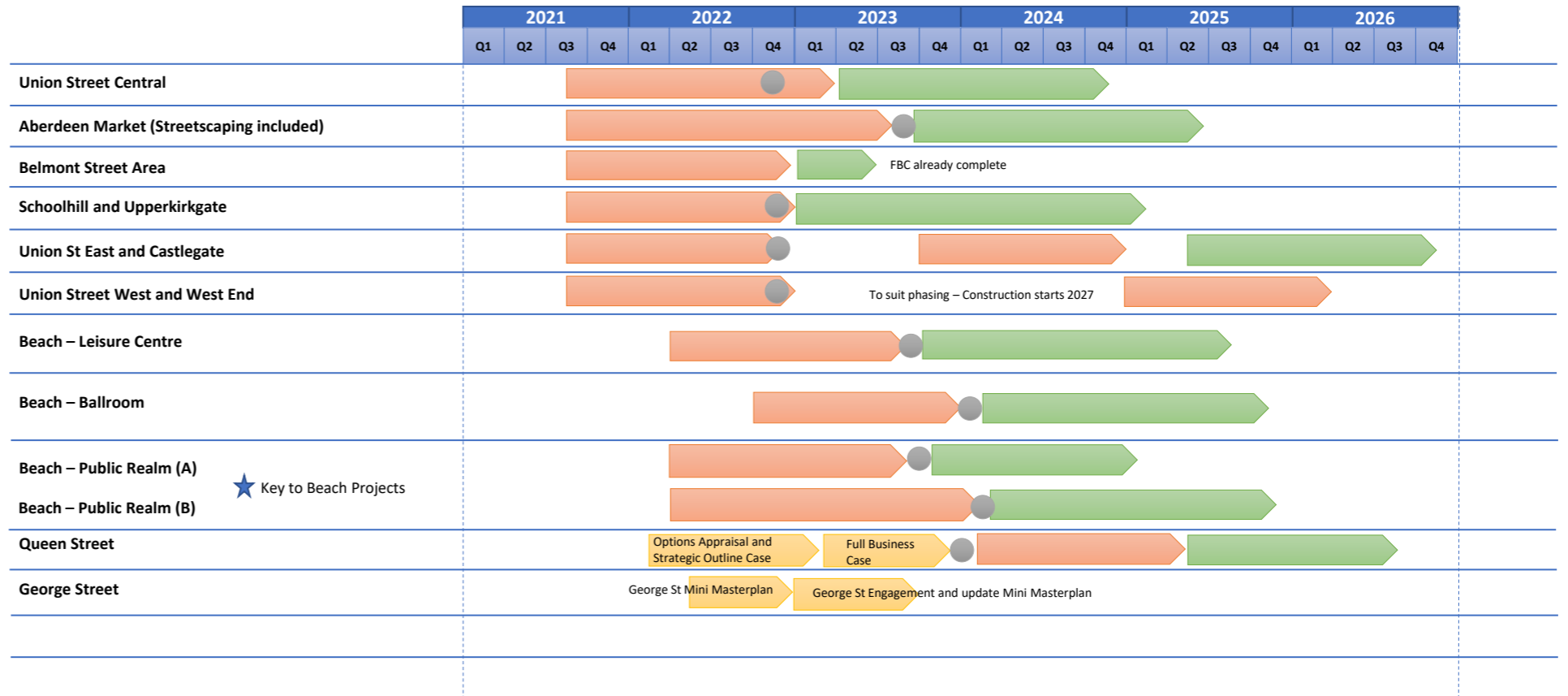
Start Design - Q3 2021
FBC - Q4 2022

George Street Mini Masterplan

Start Preparation of Mini Masterplan - Q2 2022
Report on Mini Masterplan - Q4 2022
Engage on Mini Masterplan - Q1 2023

Union Street West and West End

Start Design - Q3 2021
FBC - Q4 2022



KEY:

Design
 Construction
 Strategic Support Services

Full Business Case (FBC)

★ KEY:

Beach Public Realm (A): Events Field, Amphitheatre, Gateway Building, Broadhill and Sports Area, Pump Track, Part Play Parks
Beach Public Realm (B): Pedestrian Spine, Hub Building, Temp Landscaping, Canopies, Part Play Park, Beach Boulevard

INDICATIVE PROGRAMME OVERVIEW
 N.B. This Programme should be treated as indicative and provides the current thinking on milestones/decision points for ACC and delivery of the key Masterplan projects. It is very much dependant on the Statutory Consent and Planning Application processes required, which both may impact on the timescales currently envisaged.

8.0 DELIVERY PROGRAMME + PRIORITIES

8.2 PROJECT TEAM

CLIENT

Aberdeen City Council



LANDSCAPE ARCHITECT

LDA



PROJECT + PROGRAMME MANAGEMENT

Hub North Scotland



LANDSCAPE ARCHITECT + GEORGE STREET MASTERPLANNING

OPEN Optimised Environments



AGENT

Savills



PLANNING CONSULTANT

Keppie Design



ARCHITECT + MASTERPLANNING

Keppie Design



STAKEHOLDER ENGAGEMENT CONSULTANT

Streets UK



ARCHITECT (STREETScape)

Ryder



TRANSPORT CONSULTANT

Systra



COMMUNICATIONS CONSULTANT

Morrison Media



ABERDEEN CITY COUNCIL
CITY CENTRE AND BEACH MASTERPLAN 2022



APPENDIX 01

SMART OBJECTIVES

A01

ACC CITY VISION
SMART OBJECTIVES

Specific
Measurable
Achievable (or Accountable)
Relevant
Timely

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	SPATIAL LEVEL	METRICS	BASELINE DATA	CURRENT DATA	FREQUENCY	RESPONSIBILITY FOR REPORTING
MASTERPLAN							
City Centre population growth	More people live, work, and use City Centre facilities	City Centre	3,000S extra people living in the city Centre by 2040	Savills City Living Report February 2022	2020	Yearly	ACC
Increased GVA	Still having the highest GVA per head in Scotland	Local Authority	£s per annum	Real GVA per head	2019	Yearly	ACC
Reduction in crime (actual)	Offences and crime figures in a downward trend in the city Centre	Local Authority	<ul style="list-style-type: none"> 30% fewer young people (12 to 17) charged with an offence and a crime by 2026 2% fewer people reconvicted within one year by 2026 1 point increase (4.31 -> 5.31) (/7) in the mean score for people who "Feel safe in the city Centre throughout the day and night" by 2026 	<ul style="list-style-type: none"> Youth Convictions 2017-2018 Reconviction rate Baseline City Voice 41: June 2017 From Gov.Scot & City Voice	2017/18 2018/19 Sept 2021	Yearly	ACC
Increased footfall in the city Centre	More locals, visitors and tourists visiting Aberdeen throughout the year	Local Authority	10% increase in daily average footfall in the city Centre by 2026	Centre for Cities 2019	Feb 2022	Monthly	ACC
Reduced Office vacancy rates in the city Centre	Less empty office space in the city Centre	Aberdeen Central	2% (13.99% ->11.99%) decrease in the office vacancy rate in the City Centre by 2026	Aberdeen Central: CoStar	Q1 2022	Quarterly	ACC
Reduced Retail vacancy rates in the City Centre	Less empty retail units in the City Centre	Local Authority	1% (6.39% -> 5.39%) decrease in the retail vacancy rate in Aberdeen City by 2026	CoStar	2022	Yearly	ACC

Increased journeys by walking and cycling into the City Centre	More active travel across all demographics	City Centre	75% of people walking and 25% cycling as part of their usual mode of transport into the City Centre by 2026	City Voice reports 41 - 45	Sept 2021	Yearly	ACC
Increased ease of walking and cycling around Aberdeen	More active travel across all demographics	City Centre	2-point increase in the mean (/7) (3.7 -> 5.7) of people who say they can easily walk and cycle around the City Centre using good quality routes.	City Voice reports 41 - 45	Sept 2021	Yearly	ACC
Increase in cycling in the City Centre	More active travel across all demographics	City Centre	30% (1,244 -> 1,617) increase in average daily cycling in the City Centre by 2026.	Department for Transport	2019	Yearly	ACC
Reduction in car journeys in the City Centre	Less cars in the City Centre	City Centre	20% reduction in average daily traffic flow by 2026	Department for Transport	2019	Yearly	ACC
Reduction in CO2 emissions	Ongoing reductions in CO2 emissions in the City Centre	Local Authority	By at least 61% by 2026 and NZC by 2045	Carbon Footprint (2015/16 base year)	2020/2021 Financial Year	Yearly	ACC
Reduction in NO2 (ug/m3)	Ongoing reductions in NO2 emissions in the City Centre	City Centre	Reduce NO2 to <35ug/m3 annual mean in the City Centre by 2026.	ACC: Air Quality Report	2019	Yearly	ACC
Increased educational attainment, skills, and life-long learning			<ul style="list-style-type: none"> 6% absolute increase in the number of people (16-64) receiving job related training in the last 13 weeks by 2026 4% (52% ->56%) increase in working age population (16-64) with NVQ4+ Qualifications by 2026 3% (6.5% -> 3.5%) decrease in working age population (16-64) with no NVQ Qualifications by 2026 	<p>APS (NOMIS):</p> <p>APS (NOMIS):</p> <p>APS (NOMIS):</p>	<p>Jan 2021 to Dec 2021 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p>	<p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p>	ACC

	Improved Education outcomes	Local Authority	<ul style="list-style-type: none"> A 1% decrease (3.2% ->2.2%) in the percentage of people aged 16-19 not participating in education, employment, or training To match or be under Scotland's density of skills gaps in each occupation groupings (High Skilled, Middle Skilled, Service and Labour Intensive) by 2026 	<p>Scottish Index of Multiple Deprivation</p> <p>Scottish Employer Skills Survey</p>	<p>2021</p> <p>2020</p>	<p>Yearly</p> <p>Biannually</p>	
CITY CENTRE INTERVENTIONS							
Creation of new public realm space leading to increased satisfaction with the City Centre	Improved perception of City Centre from residents and visitors	-	<ul style="list-style-type: none"> 62,559 m2 new public realm space Increased life satisfaction in Aberdeen - 1 point increase (7.21 ->8.21) in the level of "Life Satisfaction" in Aberdeen residents by 2026 Increased happiness in Aberdeen - 1 point increase (7.17-> 8.17) in the level of "Happy" in Aberdeen residents by 2026 Increased green space for city residents - 1 point (5.2 ->6.2) increase in the level Aberdeen Central Residents score for "Can you regularly experience good quality natural space? This includes a wide variety of environments from parks and 	<p>City Centre</p> <p>Local Authority</p> <p>Local Authority</p> <p>City Centre</p>	<p>N/A</p> <p>2020/2021</p> <p>2020/2021</p> <p>Sept 2021</p>	<p>On completion of construction works</p> <p>Yearly</p> <p>Yearly</p> <p>Yearly</p>	ACC (HNSL for new public realm)

			<i>woodlands to green space alongside paths and streets"</i>				
Creation of Construction jobs over the build period (Public Realm & Market)	Increase in construction jobs	City Centre	<ul style="list-style-type: none"> 60 - 120 new Construction Jobs – Public Realm 150 - 175 new Construction Jobs – Market 	HNSL TIER 1 Contractors	N/A	During construction period	HNSL
Creation of new jobs directly associated with the Market (catering, cleaning, management, and operations)	New jobs created in the City Centre	City Centre	250 new Market Jobs	Market Operator	2022	Yearly	ACC
Attracting regional and local businesses into the new Market	New businesses attracted to the City Centre	City Centre	20 – 40 new businesses	Directory of New Businesses	Feb 2021	Monthly	ACC
Reduction in city centre congestion	Bus journey times reduced, more buses on time etc	-	Buses generally on time 75% (64% -> 75%) of the time	Transport Scotland	2019	Yearly	ACC
Materials sourced from the local area	Greater use of locally sourced materials such as granite	-	30 - 50% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction period	HNSL
Contractor's labour from the local area	Greater use of local labour pool	-	60% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL
Beach							
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	-	100% Footfall and 100% revenue increases (Leisure and Ballroom only)	Current footfall and revenue for existing ACC facilities	2022	Yearly	ACC
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	Local Authority	2,000 m2 Decrease in the average distance (m) for City Centre Residents to nearest Park, Garden or Playing Field.	ONS: Garden	2020	Yearly	ACC
Increased journeys by walking and cycling per annum	More active travel across all demographics		38% of people walking and 5% of people cycling as main mode of travel by 2026	Beach Esplanade Average Daily			ACC

		-		Pedestrian/Cycling Levels C19 Monitoring Form	Dec 2021	Monthly	
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	-	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront	No roads around the Beach monitored in C19 form	2019	Yearly	ACC
Creation of Construction jobs over the build period	Increase in construction jobs	-	200 new Construction Jobs	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	-	30 new Leisure Jobs by 2025	Mott McDonald	2022	Yearly	ACC
Materials sourced from the local area	Greater use of locally sourced materials such as granite	-	20 to 30% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL
Contractor's labour from the local area	Greater use of local labour pool	-	50% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL

APPENDIX 02

CITY CENTRE + BEACH FUTURE MASTERPLAN PROJECTS

A02

CITY CENTRE + BEACH FUTURE MASTERPLAN PROJECTS

The City Centre and Beach Masterplan sets out a vision for Aberdeen, including the delivery of several exciting short, medium and long term projects. The following projects have been identified following extensive public consultation in 2021 and throughout the last year and will contribute to the regeneration of the city centre and beach areas.

LIGHT OF THE NORTH

- EN02 Guild St
- EN03 Justice Mill/Langstane Place/Windmill Brae
- EN04 Rose/Thistle/Chapel St
- EN05 Union Street [DIGITAL]
- EN06 Upper Kirkgate/Schoolhill
- EN07 Bon Accord Square
- EN08 Castlegate
- EN09 Golden Square
- EN11 Aberdeen in Colour [DIGITAL]

CITY FOR PEOPLE

- City Centre Living [DIGITAL]
- CM01 Castlehill
- CM02 Queen St
- CM03 Torry Waterfront (South Bank) [DIGITAL]
- CM04 Regent Quay
- CM05 Woolmanhill
- CM06 Aberdeen Indoor Market
- CM07 Bon Accord Centre
- CM08 Independent Aberdeen [DIGITAL]
- CM09 St Nicholas Centre
- CM10 Trinity Centre
- CM11 Union St Cons. Area Improvement
- CM12 Union Square

ENERGY + MORE

- EC02 North Dee Business Quarter
- EC05 Aberdeen Creative Space
- EC06 Aberdeen 365 [DIGITAL]
- EC09 Mither Kirk Project
- EC11 Aberdeen Works
- EC12 Hotel Academy
- EC13 Retail Academy

THE CONNECTED CITY

- IN01 Walkable Aberdeen
- IN02 City Centre Parking
- IN03-05 City Centre Cycle Network
- IN06-07 City Centre Bus Network
- IN08 Aberdeen Station
- IN11-12 Resilient Utilities
- IN13 Underground Bin Storage

BEACHFRONT DEVELOPMENT FRAMEWORK

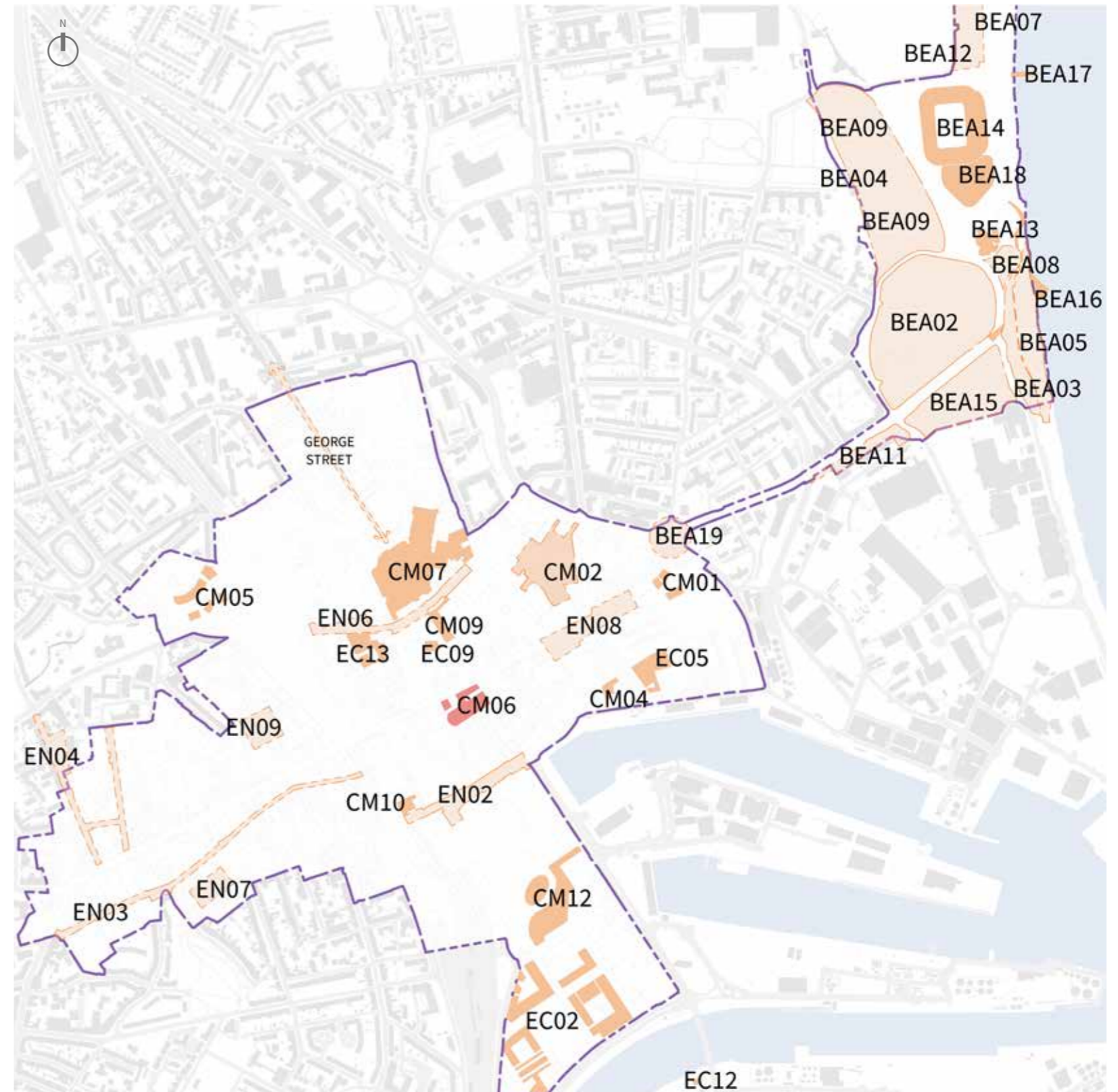
- BEA01 New Urban Park
- BEA02 Events Park
- BEA03 Landscape Mounding
- BEA04 Broad Hill (Public Realm + Landscaping)
- BEA05 Reconfigured Beach Landscaping
- BEA06 Beach Pavilion Building
- BEA07 New Canopy Features
- BEA08 Beach Ballroom Plaza
- BEA09 Broad Hill (Structures)
- BEA10 Pedestrian Spine
- BEA11 Beach Boulevard
- BEA12 Beach Village
- BEA13 Beach Ballroom
- BEA14 New Stadium
- BEA15 New Leisure Facility
- BEA16 Boardwalk
- BEA17 New Slipway
- BEA18 Energy Centre
- BEA19 Justice Street Roundabout

GEORGE STREET MINI MASTERPLAN

Projects will be identified and included in the recalibrated Masterplan following stakeholder consultation and as completion of the George Street Mini Masterplan exercise (Autumn 2022). The draft George Street Mini Masterplan will be reported to Full Council in December 2022.

-  CITY CENTRE + BEACH MASTERPLAN
-  FUTURE PROJECTS
-  FUTURE PROJECTS - OUTDOOR SPACE
-  UNDER CONSTRUCTION

KEY



FUTURE MASTERPLAN PROJECTS MAP DIAGRAM

Appendix 3 – Review of City Centre and Beach Masterplan 2022 against the Council’s Policy Agreement

Policy Agreement Objective (Summary of Commitment)	City Centre & Beach Masterplan 2022
Supporting People with the Cost of Living	
Review of policies to ensure the Council is doing all it can to tackle the cost of living challenges people face on a day to day basis	A high number of the projects being progressed by the City Centre & Beach Masterplan will provide high quality spaces and activities that are free to use for everyone. Key examples include the new urban park at the beach and creation of public spaces and event opportunities within the city centre.
A City of Opportunity	
Seek to make Aberdeen a UNICEF City Friendly City	A key part of the UNICEF Child Friendly City Place Badge is engagement with children and young people on new civic design projects and ensuring their views are taken into account in design development and decision making. As outlined in Section 7.0 of the City Centre & Beach Masterplan, a Children and Young People’s Engagement strategy is being developed and will build on the proactive engagement that has been undertaken with children and young people on these projects to date.
Maintain existing play parks and invest in new equipment and other measures that meet and develop personal and social needs of young people	The urban park project within the Beach area will provide a major new play area that will benefit children and young people across a range of different ages and interests. Opportunities for incidental play in the city centre streetscape projects will also encourage children and young people to use these public and civic spaces in child friendly ways.
A Vibrant City	
Revitalise our beachfront, including working with partners including Aberdeen FC with an aim to deliver new sports facilities and a new stadium	The City Centre & Beach Masterplan sets out a number of projects to revitalise the City’s beachfront, including a potential new stadium and leisure facility.
Expand the Beach Masterplan, extending the footprint from the River Dee to River Don	The City Centre & Beach Masterplan includes a recognition that the Beach area could in the future be extended north towards the River Don and south towards the River Dee.

Policy Agreement Objective (Summary of Commitment)	City Centre & Beach Masterplan 2022
Bring forward plans to improve travel links between the Castlegate and the Beach	Projects are underway to consider options to improve active travel connections on Beach Boulevard, including a review of the Justice Street roundabout. This is discussed in Section 6.2.13 of the City Centre & Beach Masterplan.
Create a new urban garden in Queen Street, with active travel routes linking in with the wider city centre and beachfront	As discussed in Section 6.2.9 of the City Centre & Beach Masterplan, a Strategic Business Case for Queen Street is currently underway.
Ensure safe pedestrianised areas by effectively engaging with the Disability Equity Partnership, public transport providers, businesses and others on the future of Central Union Street.	Section 7.0 of the City Centre & Beach Masterplan sets out a commitment to engaging with key stakeholders on projects as they are developed.
Oppose the creation of new city centre shared surfaces	No new city centre shared surfaces are proposed within the City Centre & Beach Masterplan.
Continue to move the City Centre and Beach Masterplans forward, expanding them to include George Street and ensure they remain current with annual reviews	The City Centre & Beach Masterplan brings together both the key city centre and beach projects to be reviewed on an annual basis. The Masterplan will also in the future include George Street once preparation of a Mini Masterplan for this area is completed.
Invest in Aberdeen Arts Centre, making the necessary repairs to ensure the future of this landmark building	As discussed in Section 6.2.9 of the City Centre & Beach Masterplan, a Strategic Business Case for Queen Street is currently underway and will include cognisance of proposals for Aberdeen Arts Centre.
Establish a task force to identify disused and derelict land and buildings and help bring them back to use, including investigating the purchase and conversion of upper floors along Union Street.	Section 6.2.12 of the City Centre & Beach Masterplan sets out the ongoing work being undertaken in relation to Union Street properties, including upper floors.
The Arts Matter	
Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.	A number projects within the City Centre & Beach Masterplan would help to achieve this objective – for example by providing high quality public realm locations for events and festivals, but also through the regeneration of the Beach Ballroom and the creation of a potential new stadium and leisure facility.
Building a Greener and Sustainable City	
Adopt an “environmental first” approach to all new Council building	Section 4.5 of the City Centre & Beach Masterplan sets the value of integrating

Policy Agreement Objective (Summary of Commitment)	City Centre & Beach Masterplan 2022
<p>projects, seeking to maximise of the energy efficiency of, and minimise the carbon footprint of, new buildings. Investigate the feasibility of generating energy by installing ground source heat pumps in Council owned open spaces.</p>	<p>sustainable development and environmental thinking / interventions to ensure a safe, attractive, productive and future-focused city centre and beachfront.</p>
<p>Recognise the threat of climate change already poses to our city by investing in flood and erosion prevention measures along the beach.</p>	<p>Beach projects set out in Section 6.2.14 of the City Centre & Beach Masterplan will include investigation of any appropriate prevention measures in relation to flooding and costal erosion.</p>
<p>Promote and improve woodland in our city and launch “A Million Trees for Aberdeen” to plant, with partners, a further one million trees in Aberdeen by 2032.</p> <p>Invest in Aberdeen’s green future by maintain and planting street trees and ensuring the right trees are planted in the right places.</p>	<p>Projects across both the City Centre and the Beach include significant new tree planting opportunities, and the Officers will work with partners such as Police Scotland to ensure that new planting is in appropriate locations.</p>
<p>Greener Transport, Safer Streets, Real Choices</p>	
<p>Work with partners to improve the city’s bus network, including options for Aberdeen Rapid Transit.</p> <p>Improving the provision of bus services across the city.</p>	<p>Section 5.0 of the City Centre & Beach Masterplan discusses how the City Centre and Beach projects sit in the context of wider active and sustainable travel commitments, including bus prioritisation and future corridors for rapid transit.</p>
<p>Reviewing our cycle and active transport network, and work with Aberdeen Cycle Forum to make Aberdeen a cycle friendly city.</p> <p>Improving cycle and active transport infrastructure by seeking to integrate safe, physically segregated cycle lanes in new road building projects and taking steps to ensure other proposals consider options to improve cycle and active transport infrastructure.</p>	<p>Promoting opportunities for active and sustainable travel is at the heart of a number of key City Centre and Beach projects. Examples include new active travel connections on Beach Boulevard and creation of new secure cycle storage areas in appropriate locations.</p>

Policy Agreement Objective (Summary of Commitment)	City Centre & Beach Masterplan 2022
Homes for the Future	
Ensure that those who live in privately rented homes for afforded the standards they deserve.	As discussed in Section 4.8 of the City Centre & Beach Masterplan, the city centre has the highest number of long-term empty residential properties in the city. The Masterplan includes an action plan to help increase City Centre Living opportunities.
An Active City	
Work with Aberdeen FC and AFC Community Trust to explore options for their stadium.	Section 6.2.14 of the City Centre & Beach Masterplan sets out a location for a new sport and leisure stadium.
Explore how new sporting facilities at the beach could best be available to young people.	The urban park project within the Beach area will provide a major new play area that will benefit children and young people across a range of different ages and interests.
A Prosperous City	
Work to develop Aberdeen's economy together with the private sector, third sector, residents and Government.	Section 4.0 of the City Centre & Beach Masterplan includes commentary on socio-economic context and current market trends in order to provide context for the various projects discussed. Relevant projects will be developed through Business Cases to consider their impact, and in partnership with others.
Empowering Aberdeen's Communities	
Empower communities across Aberdeen	The projects set out in the City Centre & Beach Masterplan have been informed by a wide ranging public engagement exercise undertaken in 2021 that asked individual and communities to decide their own priorities for action. The top priorities emerging from this exercise are set out in Section 3.1 the Masterplan report. A commitment to continued engagement as detailed designs for projects are prepared and implemented in also set out in Section 7.0.
Caring for Each Other	
Work with partners to address the growing diversity of physical and mental health issues that are experienced by people in our city.	Improved health and wellbeing is a key focus of the City Centre and Beach Masterplan. Key examples include new and improved sporting and leisure facilities at the beach, as well as active travel improvements and opportunities for creating better spaces to rest, recharge and relax. This is discussed further in Section 4.6 of the Masterplan.

Policy Agreement Objective (Summary of Commitment)	City Centre & Beach Masterplan 2022
A Safer Aberdeen	
<p>We will continue to do all we can to protect individuals and communities from harm caused by crime and antisocial behaviour.</p> <p>Promote and develop city centre community safety through sustained partnership working.</p>	<p>Delivery of the City Centre & Beach Masterplan includes a commitment to work with partners, including Police Scotland, to ensure that the priority projects design out opportunities for crime and anti-social behaviour. Delivery and monitoring of projects would also be undertaken in partnership with other relevant public and third sector organisations.</p>
A Transparent, Accessible and Accountable Council	
<p>To make Aberdeen City Council more transparent, accessible and accountable.</p> <p>Recognise that citizens and communities are best places to say what services they require and how these are provided.</p> <p>Consult citizens, community councils and other partners on the work of the City Council.</p>	<p>The priority City Centre and Beach projects set out in the Masterplan have been informed by a wide-ranging public engagement exercise undertaken in 2021 that asked individual and communities to decide their own priorities for action. The top priorities emerging from this exercise are set out in Section 3.1 of the Masterplan report. A commitment to continued engagement as detailed designs for projects are prepared and implemented in also set out in Section 7.0.</p>

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LD&DESIGN Ryder

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Appendix 4 - Phase 1 & 2 Design Development Market Streetscape

July 2022



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- 8153-LDA-02-XX-DR-L-1001 Market Streetscape Landscape General Arrangement Plan
- 8153-LDA-02-XX-DR-L-1003 Market Streetscape Surface Finishes
- 8153-LDA-02-XX-DR-L-1004 Market Streetscape Kerbs and Trims
- 8153-LDA-02-XX-DR-L-1005 Market Streetscape Street Furniture
- 8153-LDA-02-XX-DR-L-1006 Market Streetscape Lighting and Utilities
- 8153-LDA-02-XX-DR-L-1007 Market Streetscape Softworks and Tree Planting
- 8153-LDA-02-XX-DR-L-4001-4002 Market Streetscape Existing vs Proposed Sections

Version: A
 Version date: 12th August 2022
 Comment: Issued for August committee

This document has been prepared and checked in accordance with ISO 9001:2015

1.0

Introduction

1.1 Summary and context

Project Description

The Market Streetscape forms part of the City Centre Masterplan projects. A key objective of this project is to improve connectivity between Union Street and the Bus and Train Stations for those who are walking, using a wheelchair or mobility scooter or on a bike.

The complementary city centre traffic changes will reduce vehicle traffic and bring the city a step closer to its net zero commitments, as well as enhance the overall vibrancy and attractiveness of the area.

The designs tie in with the new Aberdeen Market building proposals, and together seek to create a prominent destination within the city, drawing people from Union Street into the Merchant quarter, improving commercial success and creating a vibrant atmosphere around The Green.

The site presents a significant connectivity, wayfinding and accessibility opportunity for the city, directly linking Union Street to the new Market development, The Merchant Quarter and Aberdeen's rail and bus stations. The chosen streetscape interventions address the need for improved wayfinding and ensure an 'access for all' outlook. The work will improve connectivity between Union Street Central and the Merchant Quarter, as well as enhancing the overall vibrancy and attractiveness of the area.

The Green and its neighbouring street network are among the oldest known parts of the city. This can be appreciated from the architecture, street typologies and character of the spaces. The interventions seek to respect this, celebrating the area's role in the shaping of Aberdeen City Centre.

The proposals seek to build upon the existing rich character of the Merchant Quarter area to improve connectivity, wayfinding and accessibility for the city, with interventions strategically planned to enhance the historic and cultural environment.

Overall, the design works with the existing conditions and enhances the quarter through specific areas of resurfacing to improve accessibility, lighting and signage to aid intuitive navigation through the city and improved street elements such as benches, cycle parking and greening.

The project scope area is split into three phases, outlined in this report, regenerating the Merchant Quarter into a safe, vibrant and exciting area of Aberdeen City Centre. This report is concerned with proposals for phase 1 and 2 only. Phase 3 will be explored further at a later date.

Following full council committee in February 2022, the project boundary was increased to also include St Nicholas Street. The proposals for this area consider it as a key space within the city centre, off the main thoroughfare of Union Street, a place to dwell and gather. A new destination plaza is created with ample seating, events space and greening.

In February 2022, Council noted the design concept masterplan for public realm improvements for the Market Street to Guild Street area (as detailed in Appendix D of the Committee paper) and agreed:

- to remove reference to "Plaza" on Market Street
- to include in phase two the area at St Nicholas Street between Union Street and St Nicholas Centre
- to include Correction Wynd and Hadden Street in phase two
- that detailed design should be developed for phase one and two implementation of those improvements in consultation with key stakeholders and report results to Full Council in August 2022
- to progress with the necessary traffic regulation orders to implement in the context of the phase one and two delivery and the wider traffic management plan
- to identify opportunities to improve the amenity of the wider Market to Guild Street area in conjunction with the anticipated phase one and two delivery
- to develop a Full Business Case for Union Street East and Castlegate by end 2022 and ensure that business case is developed in tandem with the emerging business case for the Beach Boulevard.

The Appendix D committee paper presented at February Council can be viewed here; <https://committees.aberdeencity.gov.uk/documents/s129270/APPENDIX%20D%20Public%20Realm%20Aberdeen%20Market%20to%20Guild%20St.pdf>

This document sets out the design proposals for market streetscape, encompassing the extended boundary instructed in February.

Caveats

Whilst detailed designs for Phase 1 and 2 of Market Streetscape are being progressed, there are a number of key considerations to be finalised, including but not limited to:

- Junctions design (liaison with SYSTRA/ACC)
- Location and requirement for accessible parking spaces, general parking and electric parking (liaison with SYSTRA/ACC)
- Entrance to Aberdeen Market from Market Street (liaison with Haliday Fraser Munro/ACC)
- Final spatial configuration of St Nicholas Street and other areas
- Final traffic movement and bus stop locations (liaison with SYSTRA/ACC)
- Technical surveys (yet to be undertaken)
- Material strategy for feature areas

There are also a number of elements that require further engagement with our ACC Client and relevant stakeholders in order to achieve a finalised design proposals. These elements will be further developed in the next phase of the design (RIBA Stage 4), as part of the wider Engagement Strategy.

Further Engagement

List of items that require further and more focused

engagement – to be further investigated at RIBA Stage 4:

- **Accessibility:** to be discussed further with focused stakeholder groups such as Guide Dogs Scotland, NESS, DEP
- **Art Strategy** (liaison with ACC Cultural Team, potential for involvement local artists)
- **Events Strategy** (liaison with ACC Events Team)
- **Informal play** (development of a bespoke play strategy in line with UNICEF Child Friendly Cities Initiative)
- **Street Furniture** (proposals to be discussed with ACC)
- **Lighting strategy** (liaison with ACC City Events Team and other relevant departments within ACC)
- **Finalised Material strategy** (majority of materials currently tying in to existing materials around the Merchant Quarter, feature paving in key areas to be discussed with relevant departments within ACC.)
- **Soft landscape** (proposals to be discussed with relevant departments within ACC)

1.2 Engagement and consultation

A number of engagement activities have been undertaken on the market streetscape project with stakeholders and the general public. This included both 1-2-1 sessions with groups such as Disability Equity Partnership, Aberdeen Inspired, ACTUP and the City Centre Community Council, and via a two day long drop in session for the general public. The public consultation event was publicised via a letter maildrop to all properties within the area and associated social media announcements. The material was also available to view online. The consultation invited comments from residents, businesses and any other interested party for a two week period (8th-25th July)

Youth engagement has also been undertaken as part of the ‘Summer in the City’ events in order to better understand teenagers views on this area.

Engagement material presented included information on;

- Key aims and ambitions
- Consented Aberdeen Market (for context only)
- Traffic changes (for context only)
- Project phasing
- Landscape masterplan
- Precedents and ‘look and feel’ imagery
- Before and after visualisations

For detailed information on engagement, please refer to Appendix 5 - City Centre Masterplan Engagement Report

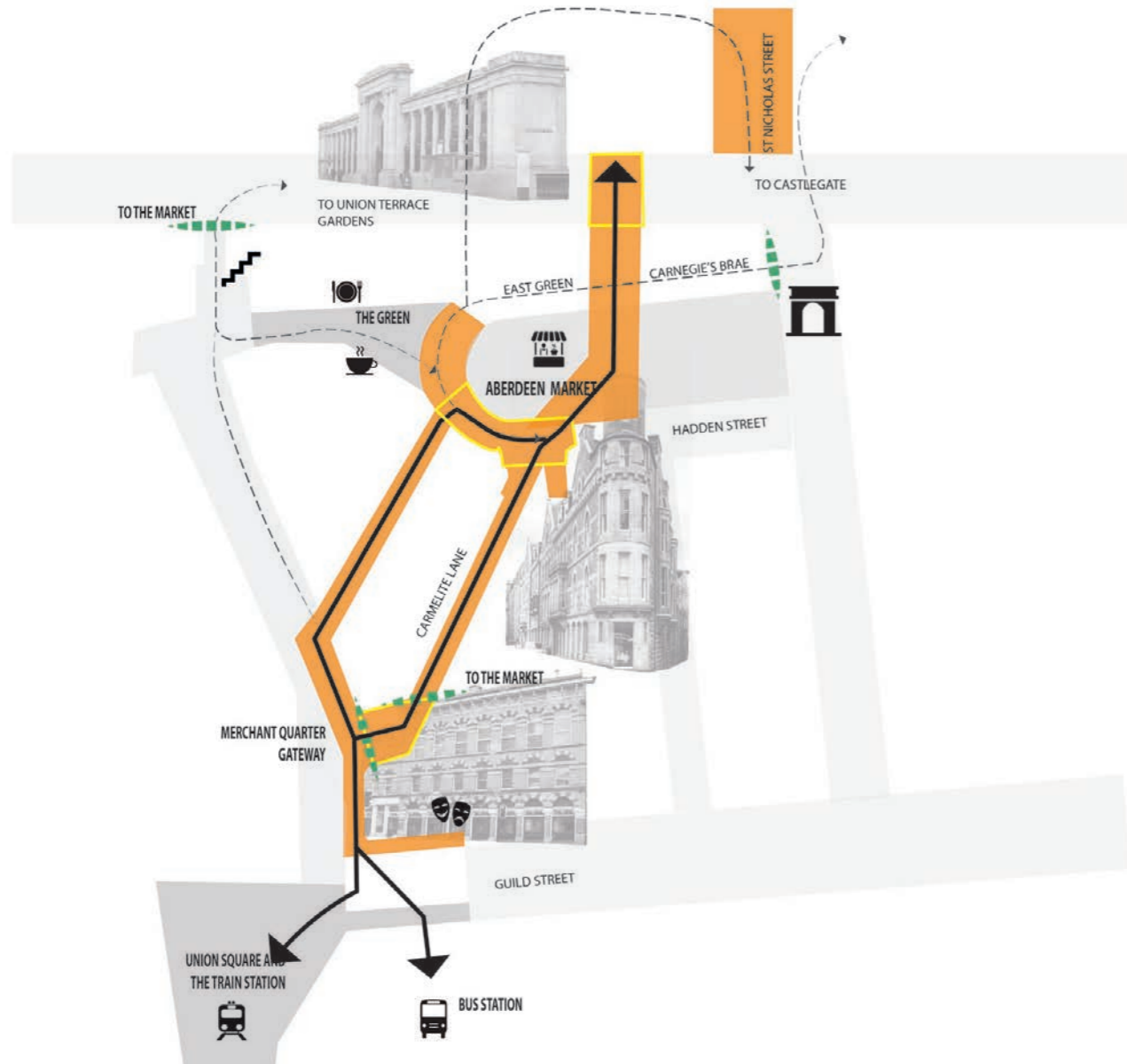


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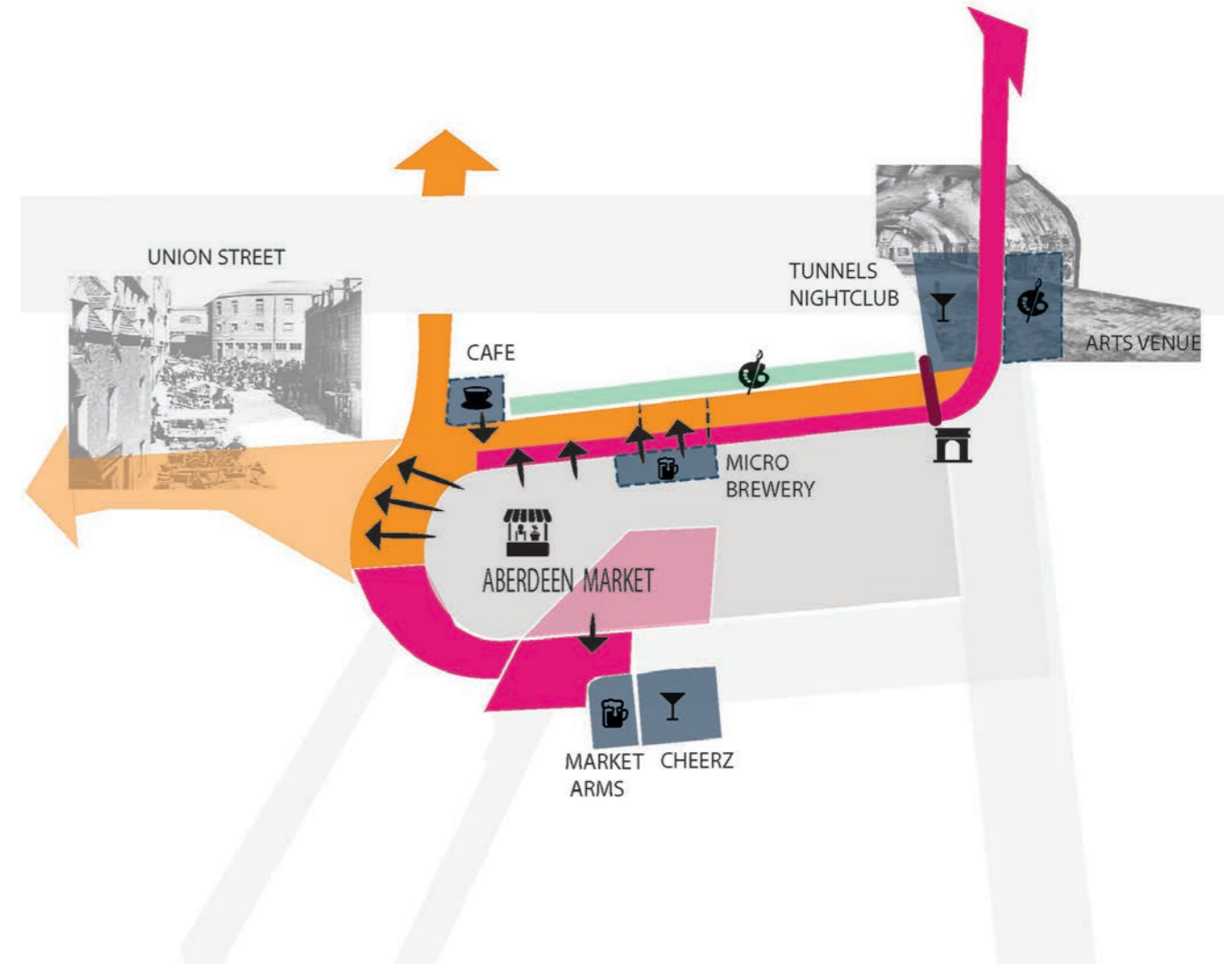
Concept Development

2.1 Concept development

Connectivity



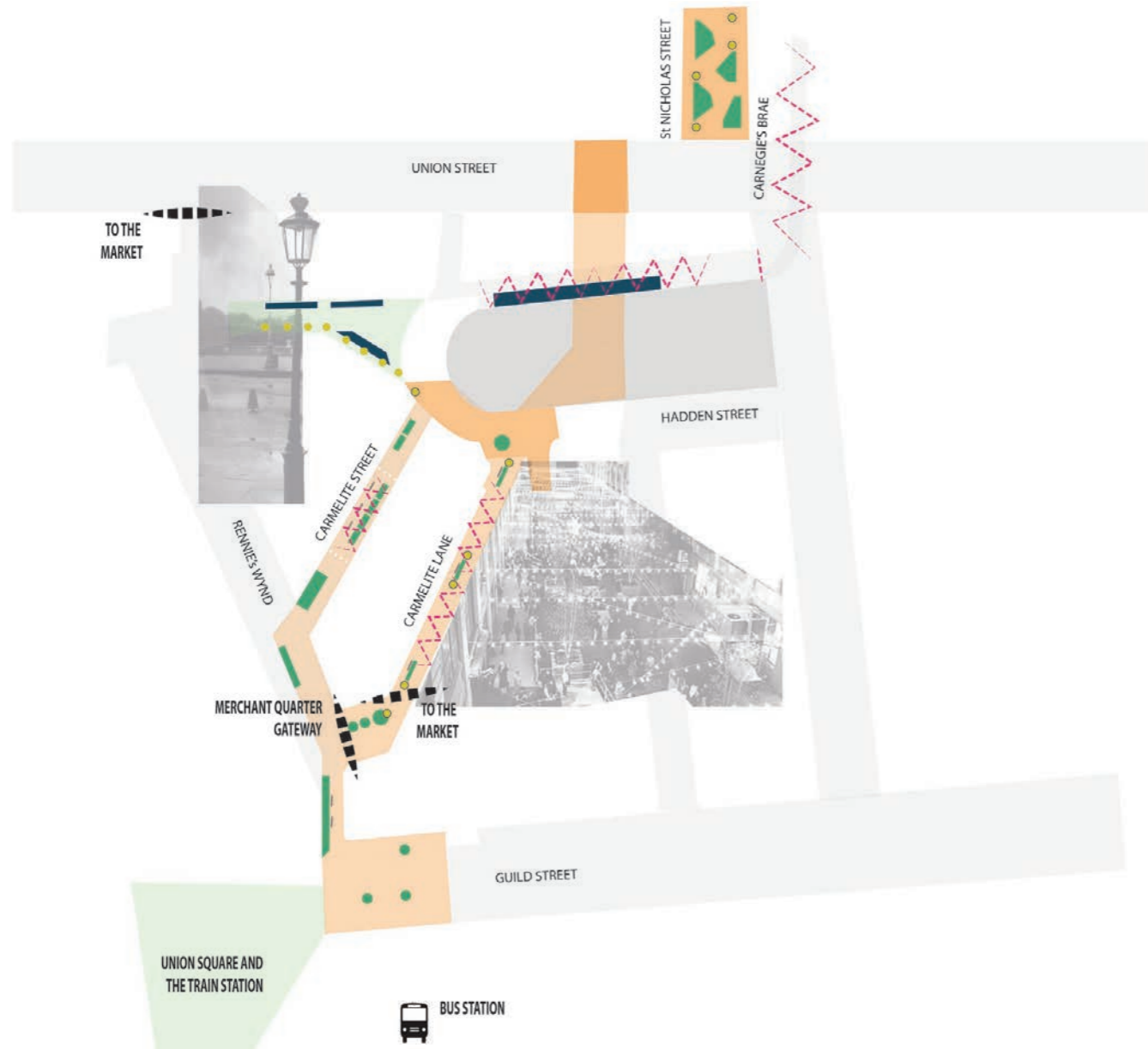
East Green - Celebrate



A fundamental objective of the market streetscape project is to improve connectivity between the train and bus stations, the new market building and Union Street. This will be achieved through the resurfacing of strategic areas to create smooth routes for walking and wheeling, widening pavements and creating raised table crossings where appropriate, particularly at Guild Street. It will also involve the addition of new wayfinding signage which will allow visitors and residents to navigate the area more intuitively. A new welcome plaza/crossing at the green will create a sense of arrival when entering the Merchant Quarter. Finally, the promotion of Correction Wynd as the gentlest slope up to Union Street for cyclists and pedestrians creates a connection to St Nicholas Street, the re-imagining of which forms part of the market streetscape project.

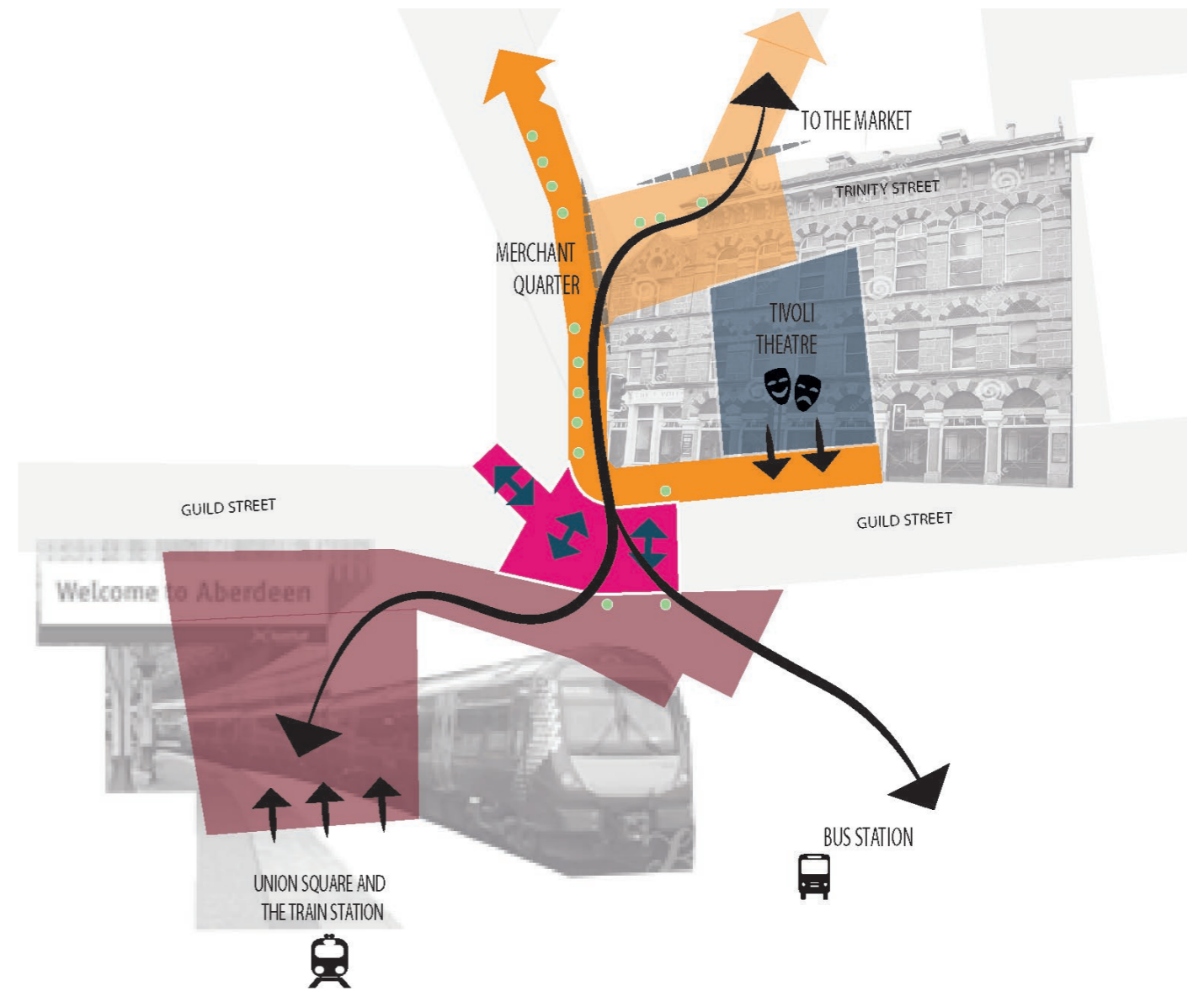
The new market development has the potential to activate the frontage along East Green by creating opportunity for new businesses. The project aims to draw upon this opportunity to improve the vibrancy along this section through upgrade to the existing pavement on the south side, providing a smooth surface for spillover seating. The introduction of overhead lighting will help to create a welcoming space. The increase in pedestrian activity in this area of the Merchant Quarter will lead to Carnegie's Brae being more overlooked, ensuring that pedestrians feel safer. Immersive lighting and new art initiatives will help to retain the character of the area, tying in with the NuArt murals present within the Green.

Appreciation and activation



Being one of the oldest areas of Aberdeen, there is a rich historic character within the Merchant Quarter. The streetscape proposals seek to retain and enhance this, appreciating the heritage. This will be achieved through retaining and adding to historic street lighting around the Green, ensuring that materials and furniture tie in with the existing features. Street greening will frame with streets while lighting highlights key architectural moments, such as the arches above Carnegie's Brae is also important. As a more contemporary plaza, the proposals for St Nicholas seek to create a key public space for people to dwell in, off the main thorough-fair of Union Street.

To and fro' the stations

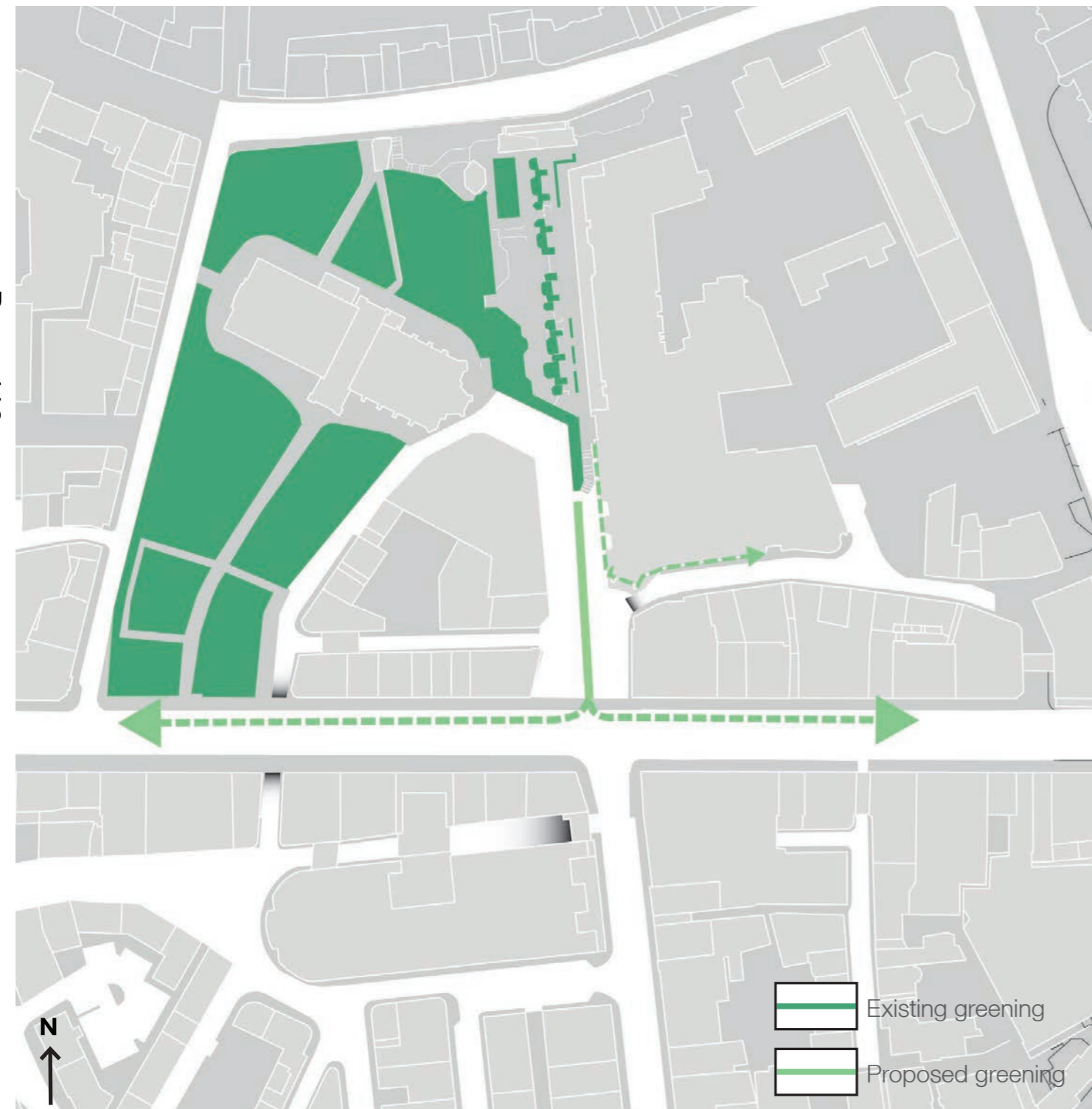


Currently, the crossing from Guild Street to the train and bus stations is traffic dominated and convoluted for pedestrians. The proposals seek to improve the pedestrian priority in this area through local reduction in carriageway width to reduce crossing distance and to create raised table crossing with new smooth surface. Street greening and furniture creates a more pleasant environment and provides rest areas for those who need it. An iconic wayfinding feature will also be implemented which signifies arrival into the city. On Wapping Street, significantly widened pavements remove existing pinch point and provides the opportunity for rain gardens which help create a barrier between pedestrians and vehicles while also improving the environment and aiding biodiversity gain.

2.2 St Nicholas Street

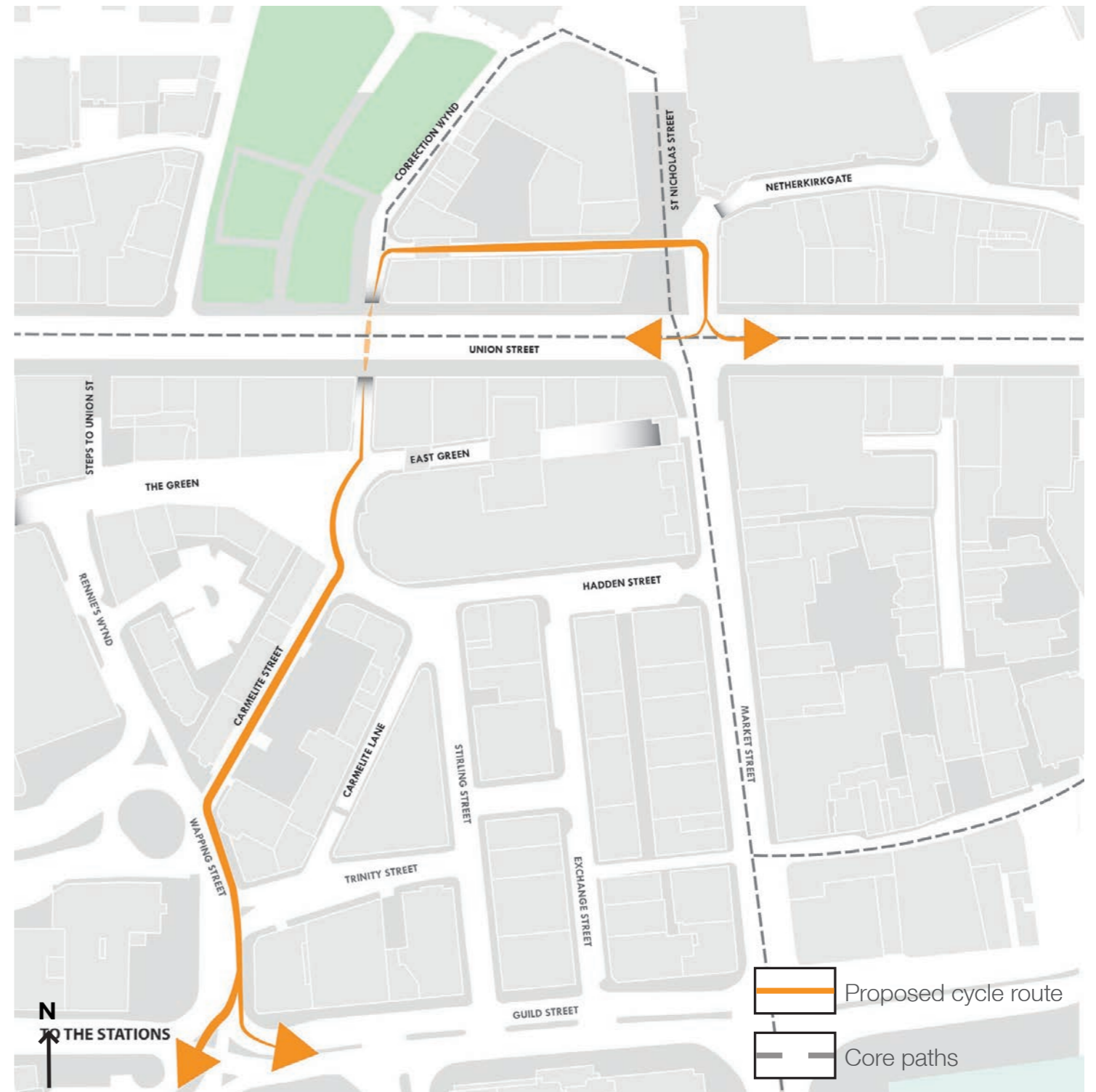
Green loop

St Nicholas Kirkyard is a significant area of greenspace in the city centre. This alongside the garden atop the Bon Accord creates the opportunity for St Nicholas Street to continue the greening to Union Street Central where a tree planting avenue is proposed. Greening may be introduced horizontally (Planters) and vertically (green wall, mural, trees) to increase depth and immersive nature within St Nicholas Street



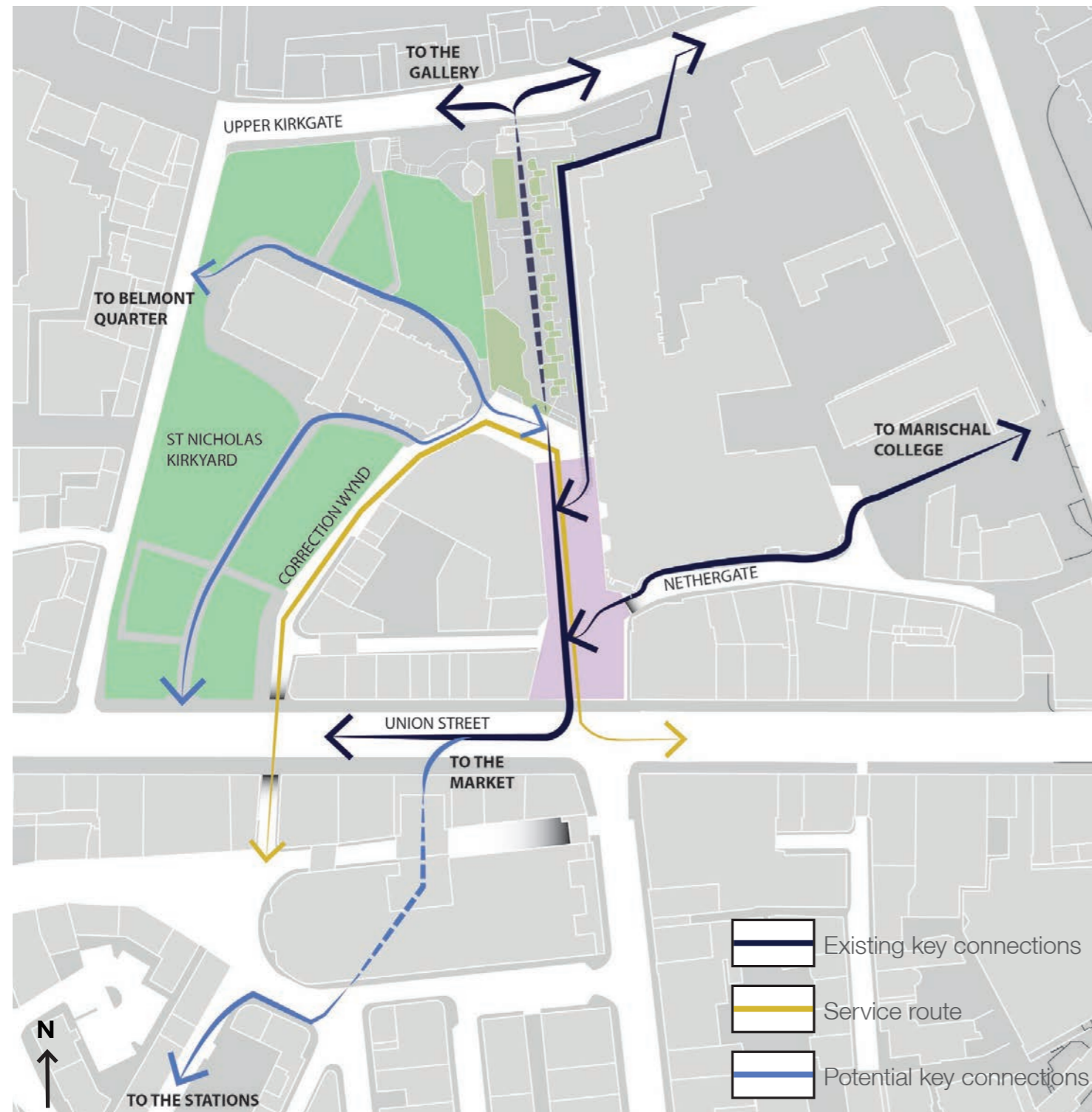
A route for cycling

Correction Wynd and St Nicholas Lane provide the opportunity to promote a cycle route to/from the Merchant Quarter to St Nicholas Street/Union Street. Correction Wynd provides one of the gentlest slopes up to Union Street level. This can then connect to a wider cycling connection down to the bus and train stations via Carmelite Street and Wapping Street. Simple improvements to the paving surface would encourage cyclists to use the route.

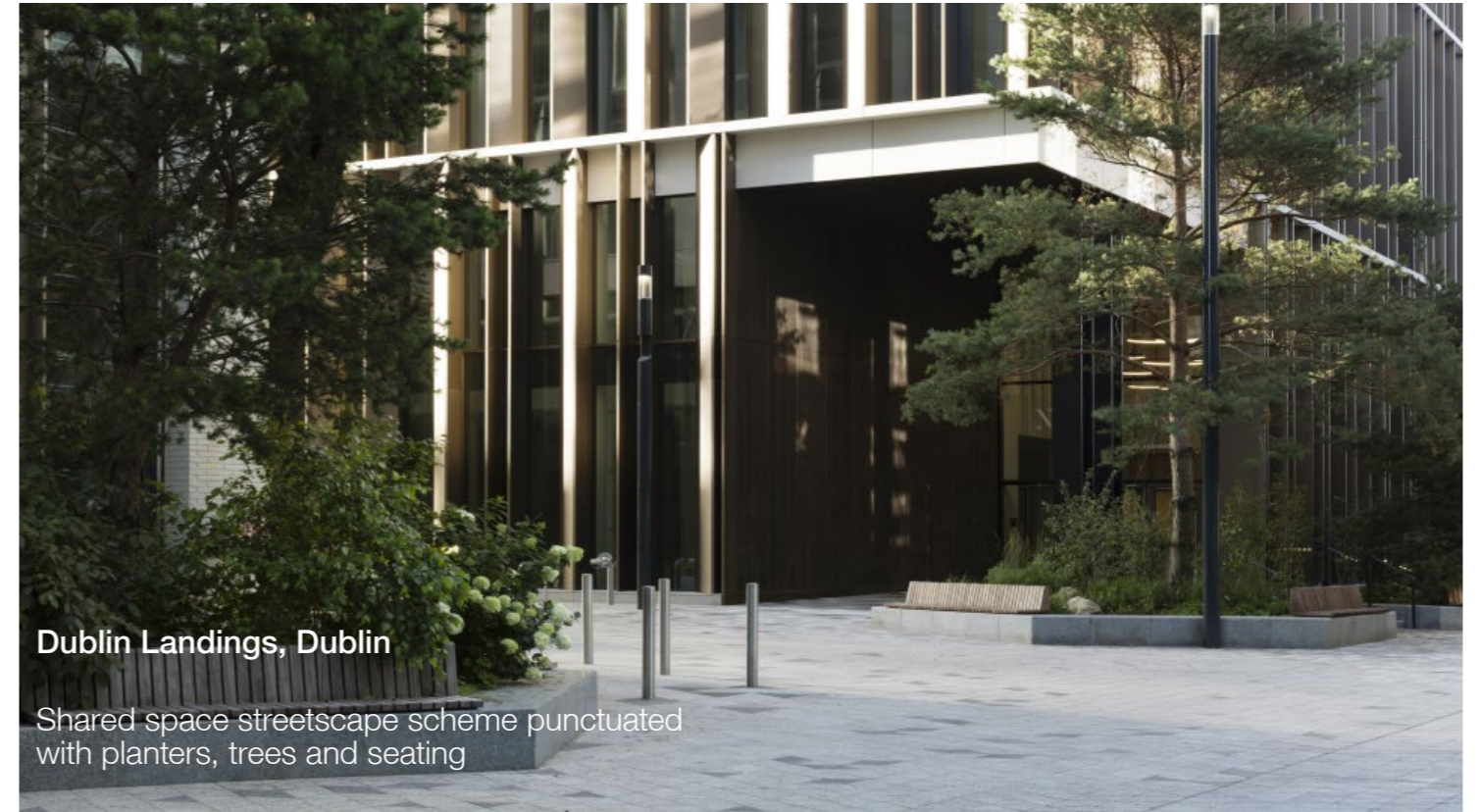


A pivotal moment

St Nicholas Street is currently used as a key movement link within the city centre, however there is little signage to promote the various routes which stem from it. By improving interpretation and wayfinding, whilst creating a pleasant environment to for pedestrians to spend time in, a pivotal moment is created within the city centre. This would be further enhanced by opening the Bon Accord as a covered street, allowing 24/7 access to Schoolhill.



Precedents



Dublin Landings, Dublin

Shared space streetscape scheme punctuated with planters, trees and seating



Eddington, Cambridge

Small market plaza in North West Cambridge

2.3 Project Phasing

The scope area is split into three key projects which can be undertaken within different time-scales, regenerating the Merchant Quarter into a safe, vibrant and exciting area of Aberdeen City Centre.

The key project is creating the connection between Union Street, the market and down to the station via Carmelite Street. This is where we propose to improve the through-route from the market across Hadden Street, down Carmelite Street onto Wapping Street, Guild Street and into the train/bus station. This initial phase will also see accessible parking provision improved on Hadden Street for ease of access to the Market.

The second phase is concerned with the regeneration of Carmelite Lane, East Green, Carnegie's Brae, Netherkirkgate, St Nicholas Street, St Nicholas Lane and Hadden Street, following instruction at the February 2022 full council committee.

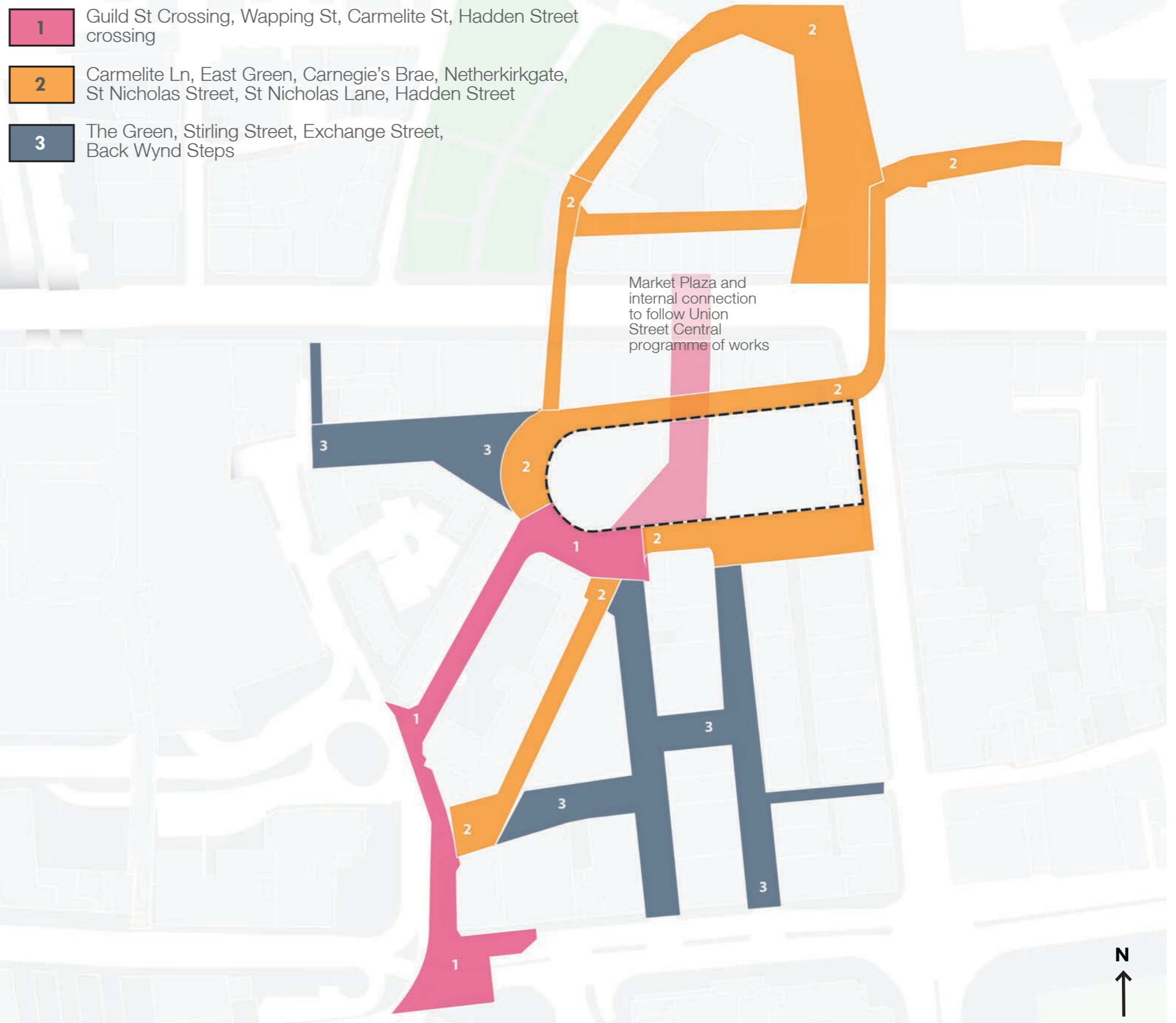
Carmelite Lane involves implementing street greening and enhanced lighting. Carnegie's Brae at present is a particularly uninviting and potentially dangerous route. There is an urgent need to improve the route, we propose to do this by creating a new smooth surface which is more pleasant underfoot, cleaning and lighting the historic arches and through the introduction of an immersive light/art installation which creates an exciting experience.

At East Green, the project is focused on the restoration of historic setts, improvement of accessibility and the activation of the street with spill-out seating and lighting to complement the Market's ground floor uses.

The redevelopment of St Nicholas Street aims to create a key space off the main thorough-fair of Union Street where people can dwell and spend time. Ample seating, greening and space for events create a pivotal moment within the city centre.

Phase 3 consists of The Green and the Back Wynd Steps, making good of existing paving and rationalising spillout seating and eateries. It also includes enhancements to Stirling Street and Exchange Street in the form of making good existing paving.

Currently, as per council instruction, we are progressing designs for phase 1 and 2, phase 3 will follow at a later date.



Precedent images showing how each area of Market Streetscape could look.

**Phase 1
Carmelite Street**



Guild Street crossing

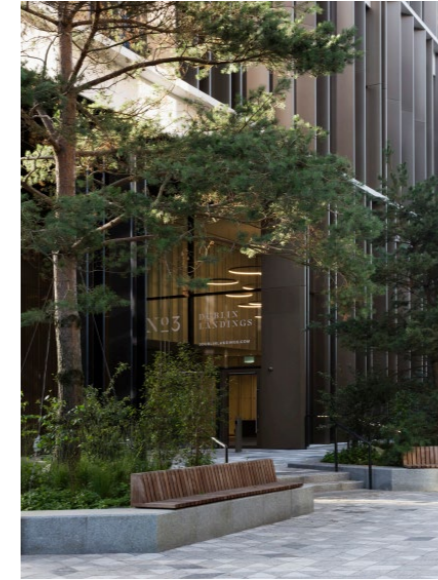


Wapping Street

**Phase 2
East Green**



St Nicholas St



Carnegie's Brae



St Nicholas Lane



Trinity St



Carmelite Lane

Indicative project phasing

Implementation commencement

+6months

+1 year

+2 years

+5 years

Phase 1

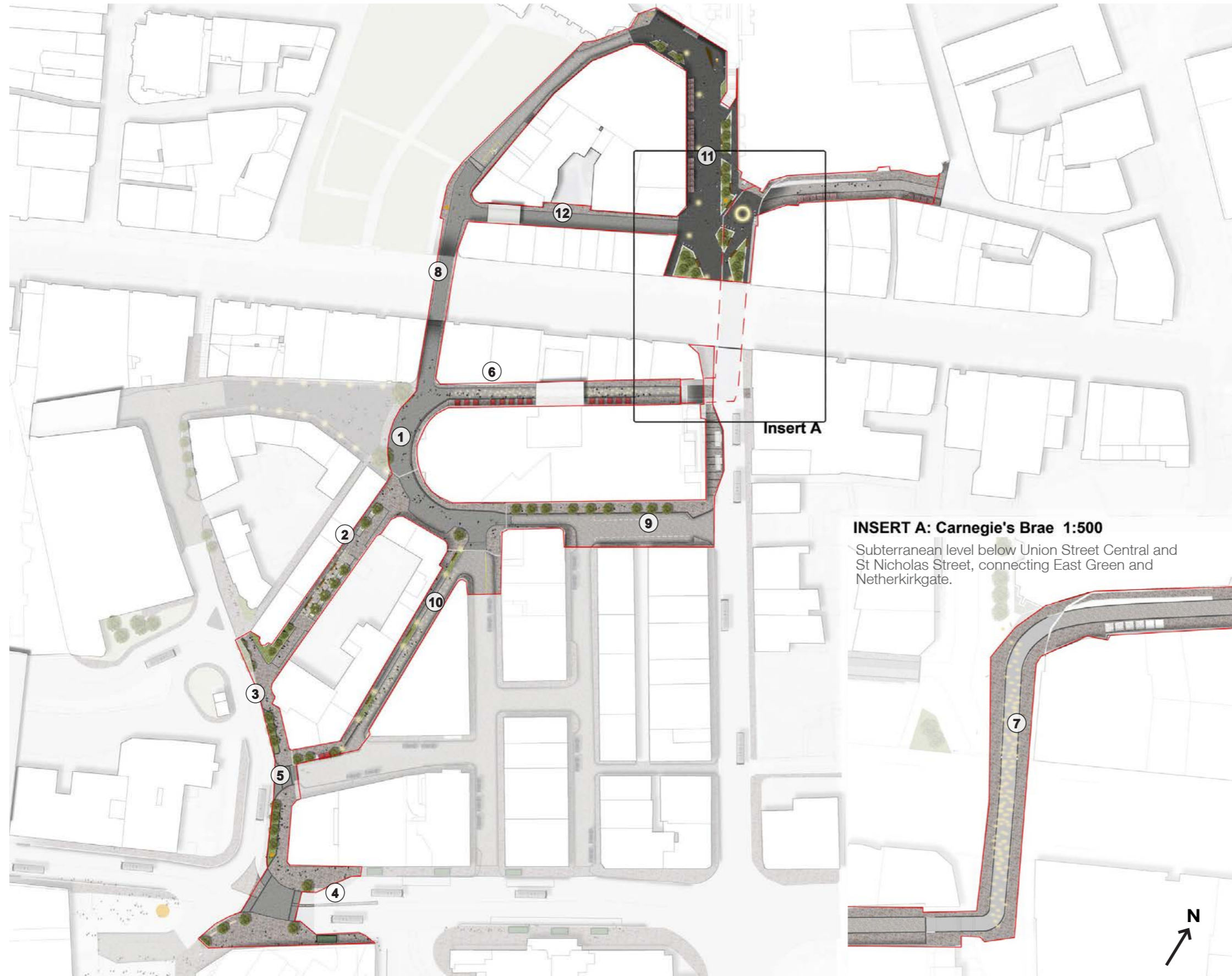
Phase 2

Phase 2

3.0

Streetscape Interventions

3.1 Phase 1 & 2 Landscape Masterplan



INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.

 Phase 1 & 2 boundary

Extent of works/ red-line boundary to be confirmed and assessed to ensure it conforms with employers requirements

1 The Green

- Existing natural stone setts retained, restored and made good where required
- New natural stone paving to market building edge tying with internal floorscape
- New natural stone raised table plaza creating a sense of arrival into the Merchant Quarter from the Market
- Addition of cycle stands and feature tree at head of Carmelite Lane and Street
- New accessible parking bays adjacent to the market

2 Carmelite Street

- Existing paving and planting retained
- Creation of a pedestrian priority street, potentially removing through access to vehicles, retaining access to private car park
- Benches added to provide refuge within the central streetscape
- Catenary lighting spanning from building to building
- Enhanced greening and existing planting replaced where needed

3 Wapping Street

- A lane of traffic given over to pavement widening, promoting safe active travel on the eastern edge
- Street greening introduced through street trees and robust, low-maintenance rain garden planting
- Opportunity to dwell and rest with the introduction of street side furniture

4 Guild Street Crossing

- Pedestrian priority crossing point, widened pavement creating a plaza like space as a welcome mat to the city
- Street greening introduced through street trees
- A widened pavement giving the theatre a street presence
- Opportunity to dwell with the introduction of street size furniture
- Intuitive wayfinding interventions including totems and art trail strategy

5 Trinity Street

- Vehicular junction with Wapping Street re-configured to prioritise pedestrian movement, social opportunity, retail engagement and street greening
- Trees introduced into existing tree pits and new future tree implemented at foot of Carmelite Lane
- Signage introduced to capture station foot traffic and intuitive wayfinding
- Street furniture enhanced to provide seating, bins and cycle stands

6 East Green

- Existing natural stone setts retained, restored and made good where required
- A new natural stone edge to the Market tying with Carnegie's Brae materials whilst also being better suited to outdoor seating opportunities
- Lighting through the use of catenary lights and appreciating the listed arch structure above on Market Street, bringing the space to life

7 Carnegie's Brae and Netherkirkgate

- New natural stone paving throughout tying to the Merchant Quarter material palette
- Existing sandstone arches and associated architecture, cleaned to reveal its original character
- Lighting and art installations bringing the space to life. Alongside flexibility to host cultural events
- Outdoor seating opportunities to Netherkirkgate considered and integrated

8 Correction Wynd

- New natural stone paving to carriageway to provide smooth surface for walking, wheeling and cycling
- Retention of existing lighting on the underside of the tunnel
- Introduction of wayfinding feature at corner of St Nicholas Lane
- Enhancing of existing historic lighting fittings

9 Hadden Street and Market Street

- Materiality continuity with the internal Market floor and connection at upper level to Union Street
- New natural stone edge to the market, continuing round onto the west pavement on Market Street, recognising the arrival at the Market building and giving it a street presence
- Street greening introduced through street trees
- Taxi rank provision retained as existing
- Cycle stands, bins and seating introduced along north pavement

10 Carmelite Lane

- Existing natural stone setts retained and made good in areas of poorer condition
- Street greening incorporated through low level, robust, low maintenance planting
- 8 retained car parking spaces, open to one way traffic
- A continued street furniture and lantern lighting language as per those in The Green

11 St Nicholas Street

- Upgraded plaza with planting, street furniture and trees
- New natural stone surface to improve accessibility and enhance pedestrian priority of space, retaining service access
- Integration of murals or art within plaza
- Improved wayfinding and signage

12 St Nicholas Lane

- Strip of carriageway repaved in smooth surface to encourage use by cyclists travelling from Merchant Quarter to Union Street
- No other proposed streetscape works other than making good of natural stone surface where required

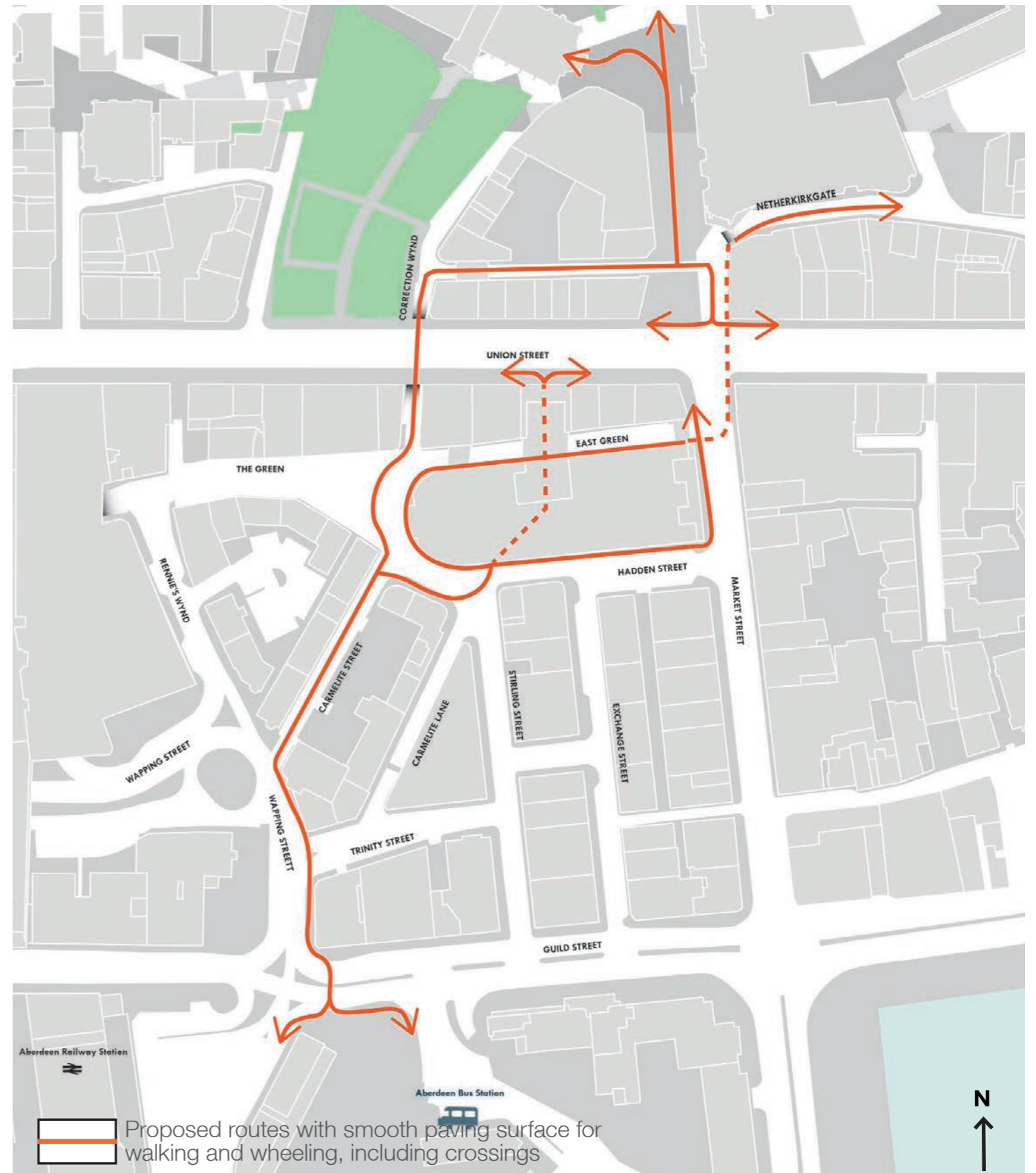
3.2 Accessibility

Key areas are resurfaced to improve walking and wheeling accessibility between Union Street and the train and bus stations. A light touch approach is taken through linking up areas where the paving is already smooth and in good condition, such as Wapping Street and Carmelite Street. New raised table crossings at The Green, Trinity Street and Guild Street ensure that it is easy to cross the historic setted streets at junctions. The diagram on the next page shows routes between the train and bus station, the new market building and Union Street which will be smooth for their entirety, including at junctions.

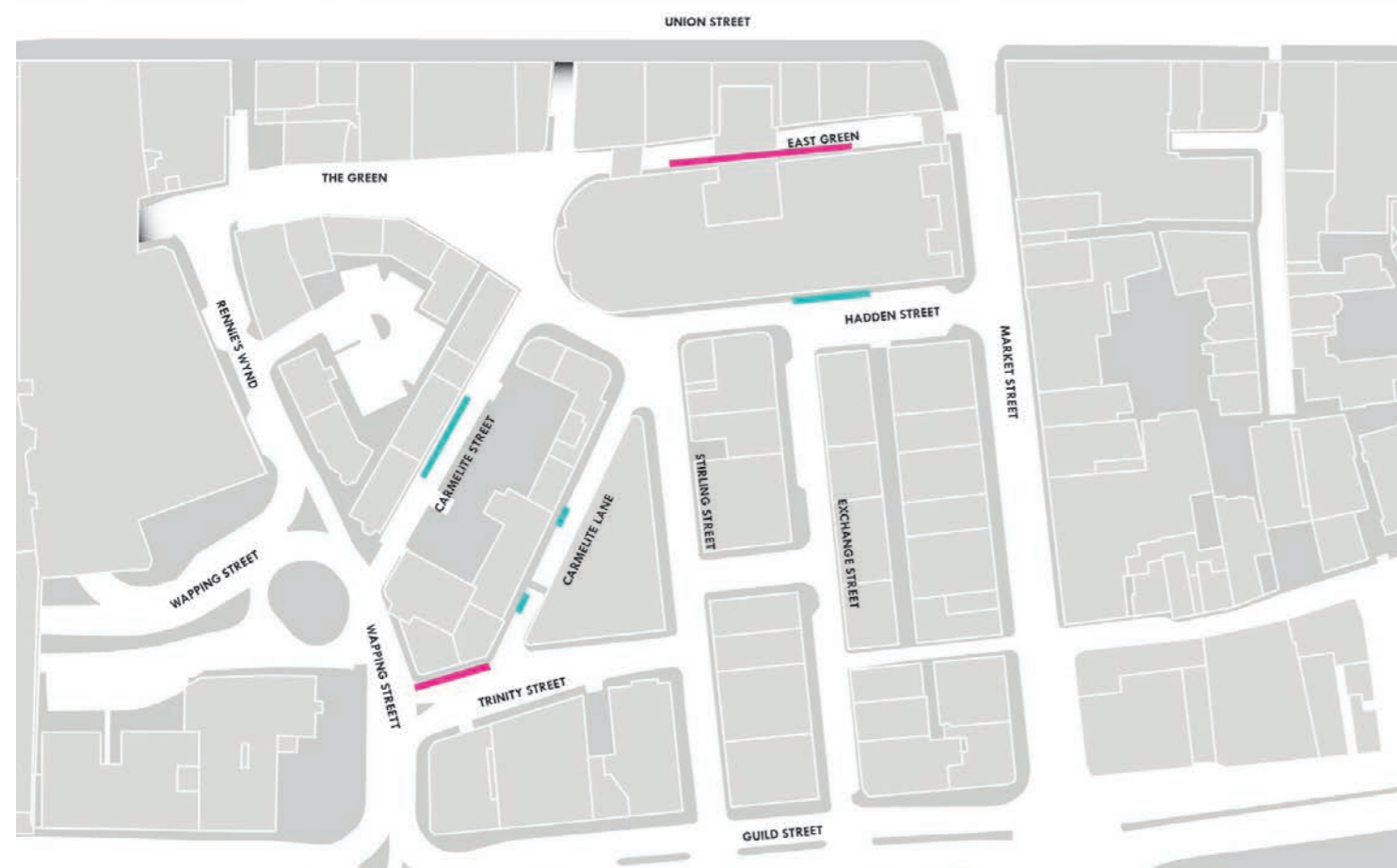
Benches and seat walls are proposed on Carmelite Lane, Carmelite Street and Hadden Street to ensure there are opportunities to rest on key routes between Union Street and the stations. There is a significant amount of seating currently on St Nicholas Street which is well used, this is considered in the new proposals, ensuring there is plenty seating for those who dwell in St Nicholas Street.

A minimum of 3 new accessible parking spaces will be created directly adjacent to the new market building to improve accessibility to the area for those with a blue badge. The existing accessible spaces on Rennie's Wynd and Correction Wynd will be retained as they currently are. The existing taxi rank on Hadden Street will also be retained.

Surfacing



Rest



Parking



3.3 Materials and lighting

Due to the historic character of the Merchant Quarter, proposed materials should generally match the existing materials. In this area, the paving is predominantly comprised of mixed colours of granite in both the carriageway setts and slabbed pavements. Any new paving will tie into this, however utilising a flat top sett on the carriageway to create a more even surface than the existing baguette shaped setts. Feature paving may be proposed where appropriate, such as in Carnegie's Brae and St Nicholas Street.

Lighting interventions form a key element of the concepts, highlighting architectural moments and providing a more safe and welcoming environment for pedestrians.

A palette of street furniture will be specified across all the streetscape projects, ensuring continuity within the city centre and providing fundamental amenities for visitors and residents, such as seating, cycle stands and bins. Elements such as cycle toolstations and water drinking fountains take the facilitation of amenities one step further, ensuring an elevated experience for people.

Plants will be proposed to ensure that new planting is appropriate, low maintenance and provides biodiversity and seasonal value throughout the streets.

All materials, furniture and planting species shown are indicative to provide the general look and feel of the proposals. Paving materials and products are subject to change following further discussion with ACC and other relevant bodies.

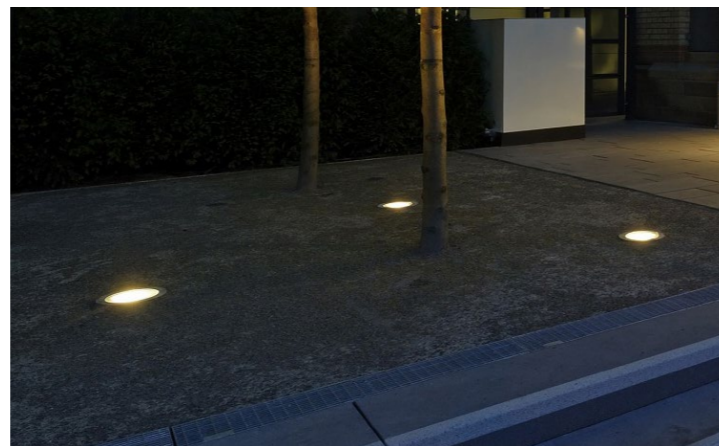
Widened pavements



Smooth surfaces at crossings



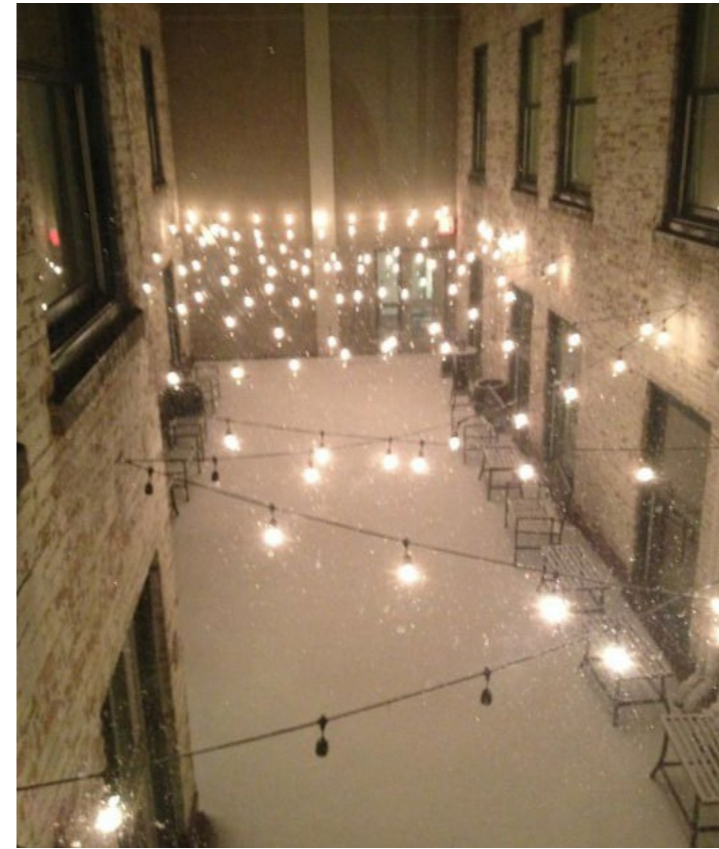
In ground lighting



Reused setts where appropriate and possible



Catenary lighting



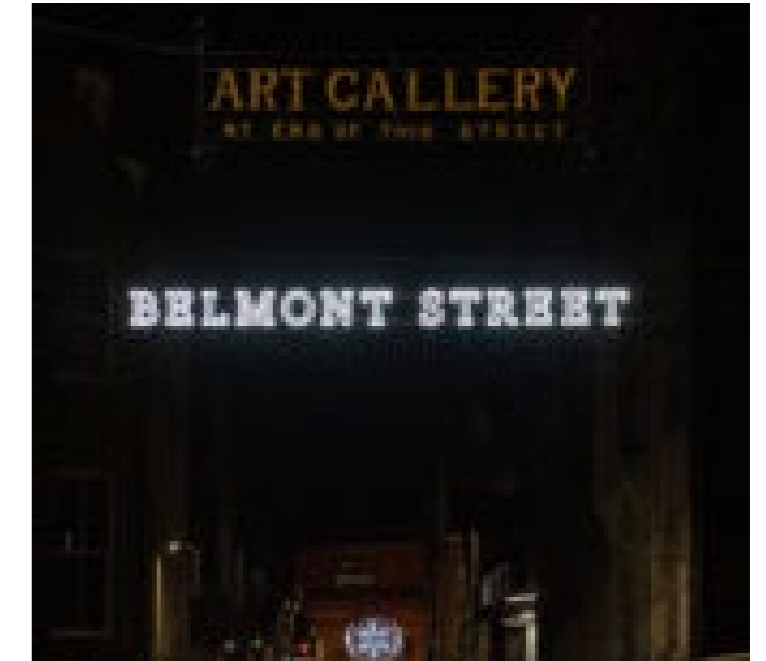
St Nicholas feature paving



Feature lighting



Wayfinding signage



Lighting columns



3.4 Street furniture

Tree grille



Wayfinding totem



Bench



Bin



Planter edging



Cycle stand



Bollard



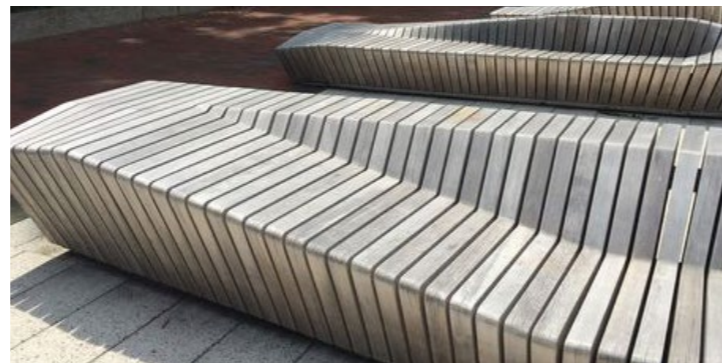
Cycle toolstation



Timber wall seat



Feature seating



Trellis planter



3.5 Planting

Native species



Seasonal interest



Texture

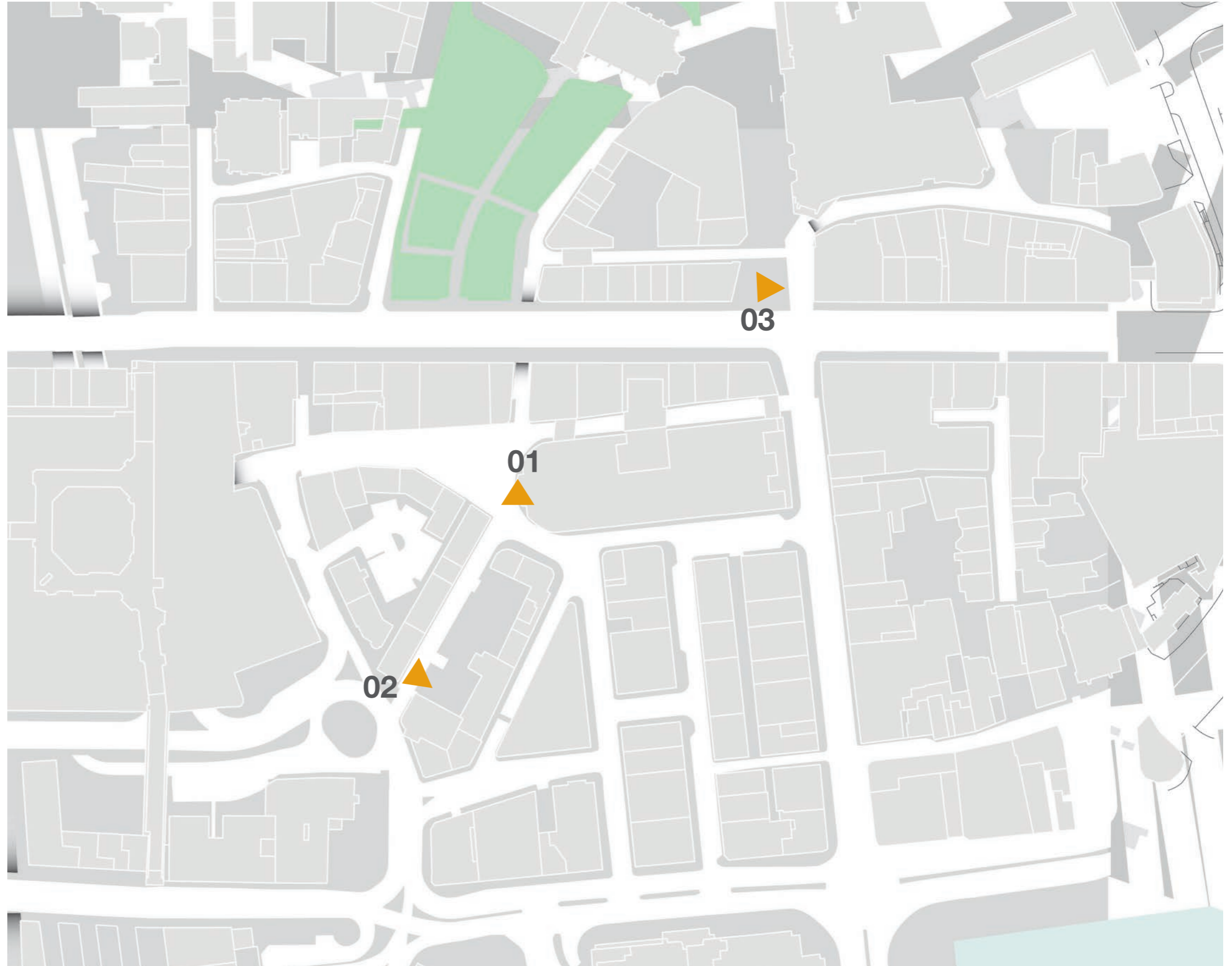


Biodiversity



3.6 Visualisation locations

The visualisations on the following pages show what the market streetscape concepts could look like in key locations. These locations are highlighted on the adjacent plan. The first image shows the view looking down Carmelite Street from the new market in the evening. Visualisation 2 highlights the route from Carmelite Street up towards the market whilst visualisation 3 indicatively shows the concept for a redeveloped St Nicholas Street.



3.7 Visual 01: Before (From Aberdeen Market looking towards Carmelite Street)



Visual 01: Proposed Concept



3.8 Visual 02: Before (From Wapping Street looking up Carmelite Street)



Visual 02: Proposed Concept



3.9 Visual 03: Before (From Union Street looking north along St Nicholas Street)



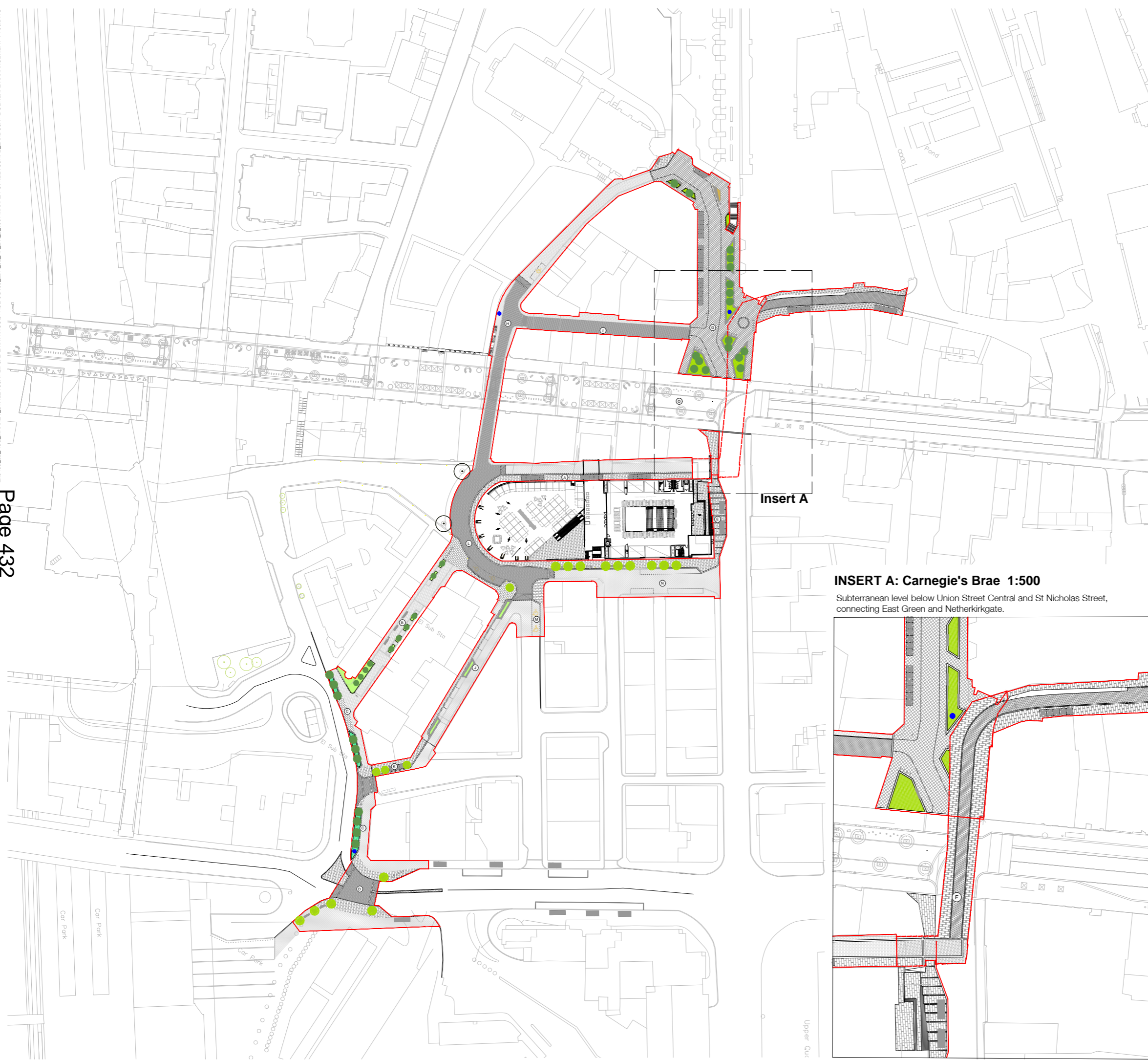
Visual 03: Proposed Concept



Appendix 1

RIBA Stage 3 Draft WIP General Arrangement Drawings

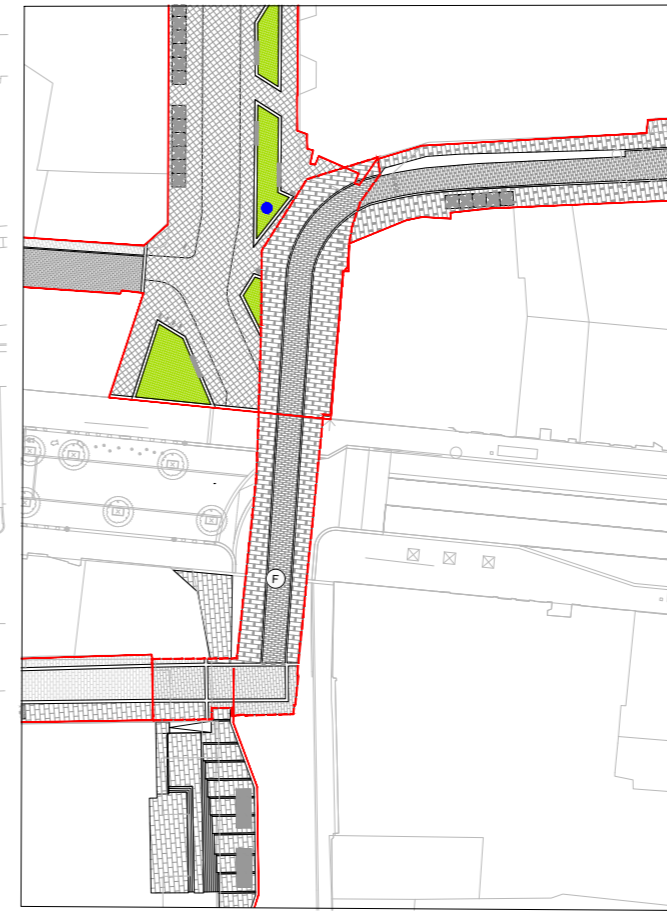
(Currently being developed alongside continuous discussion with the wider design team and ACC officers)



Insert A

INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



- GENERAL ARRANGEMENT**
- A** ABERDEEN MARKET PAVEMENT
New pavement to Aberdeen Market periphery allowing material continuation into ground floor of the new market building. Widened pavements allow for new tree planting, street furniture and seating.
 - B** CARMELITE STREET
Pedestrianisation of central section of Carmelite Street, marked by new bollards. Addition of new benches, bins and catenary lighting. Existing planters will be replanted with new planting and trees.
 - C** WAPPING STREET
Reduction of the carriageway width allows for pavement widening, facilitating new rain gardens and tree planting.
 - D** GUILD STREET
New pedestrian priority crossing at junction of Guild Street and Wapping Street improving pedestrian connection to the train and bus stations. New tree planting, seating and street furniture.
 - E** MARKET STREET
New entrance to the Aberdeen Market with extended pavement to facilitate proposed bus shelters (final locations to be coordinated with SYSTRA). Final layout to be coordinated with Halliday Fraser Munro architects.
 - F** CARNEGIE'S BRAE
Resurfacing of Carnegie's Brae to create more accessible route. Arch stonework and access doors to be cleaned and made good. Columns to be painted and the installation of an immersive lighting feature proposed.
 - G** ST NICHOLAS STREET
Regeneration of pedestrianised St Nicholas Street square with resurfacing and introduction of new planters, street furniture and seating elements. Retains service vehicle access during restricted hours. Railing along path from St Nicholas Street to Netherkirkgate to be painted and cleaned. Building facade treatment and feature lighting also proposed.
 - H** CORRECTION WYND
Creation of raised table with new surface to improve pedestrian accessibility and priority under bridge.
 - I** ST NICHOLAS LANE
Resurfacing of section of street to provide smooth surface for cycling, walking and wheeling.
 - J** CARMELITE LANE
Retention of 8 car parking spaces and introduction of new planters. Proposed catenary lighting and signage.
 - K** TRINITY STREET
Resurfacing of north pavement which is currently in poor condition. Introduction of new street trees. Raised table crossing at junction with Wapping Street.
 - L** THE GREEN
Rationalisation of carriageway to allow for pavement widening. Introduction of new raised table crossing from Market to Carmelite Street. Integration of 2no. accessible parking spaces adjacent to the Market. Resurfacing of section of carriageway to create smooth surface for cycling.
 - M** STIRLING STREET
Retention of existing taxi ranks. Proposals for new street trees, seating and furniture on new pavement outside Aberdeen Market.
 - N** HADDEN STREET
Retention of existing taxi ranks. Proposals for new street trees, seating and furniture on new pavement outside Aberdeen Market.
 - O** UNION STREET CENTRAL
Proposals for Union Street Central, for detail see drawings 8153-LDA-01-XX-DR-L-1000 series
 - P** PHASE 1 & 2 BOUNDARY
See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

- To be read in conjunction with:
- General Arrangement Drawings 1:750:
8153-LDA-02-XX-DR-L-1002 Market Streetscape Rendered General Arrangement Plan
8153-LDA-02-XX-DR-L-1003 Market Streetscape Surface Finishes
8153-LDA-02-XX-DR-L-1004 Market Streetscape Kerbs and Trims
8153-LDA-02-XX-DR-L-1005 Market Streetscape Street Furniture
8153-LDA-02-XX-DR-L-1006 Market Streetscape Lighting and Utilities
8153-LDA-02-XX-DR-L-1007 Market Streetscape Softworks and Tree Planting
8153-LDA-02-XX-DR-L-1100 Market Streetscape Existing vs Proposed
8153-LDA-02-XX-DR-L-1101 Market Streetscape Landscape Phasing Plan
 - General Arrangement Drawings 1:250:
8153-LDA-02-XX-DR-L-2000 series
 - Site Section Drawings
8153-LDA-02-XX-DR-L-4001-4002 Market Streetscape Existing vs Proposed Sections
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8153-LDA-02-XX-RP-L-1002

NOTE:

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Further details to be provided at RIBA Stage 4:

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- parking locations (subject to liaison with SYSTRA for wider Traffic Management Plan)
- entrance to Aberdeen Market from Market Street (subject to liaison with Halliday Fraser Munro/ACC)
- final traffic movement and bus stop locations (subject to liaison with SYSTRA for wider Traffic Management Plan)
- material strategy for feature areas (to be discussed and agreed with ACC Client)

Spatial configuration as currently agreed.

Final selection of materials in abeyance, to be discussed and agreed with ACC client.

Vertical delineation and build ups in abeyance, and all related elements (tactile paving and potential for trims with specific hazard warning finishes) all subject to outcome of the discussion with ACC (kerbs upstand and location of raised tables TBC) and subject to feasibility (underground surveys).

Designs developed in the absence of technical surveys. All proposals subject to change following outcome of topographical surveys and site investigations.

-	Draft Issue to ACC	JW	06/07/22
REV.	DESCRIPTION	DRAWN	APP. DATE

LDA DESIGN

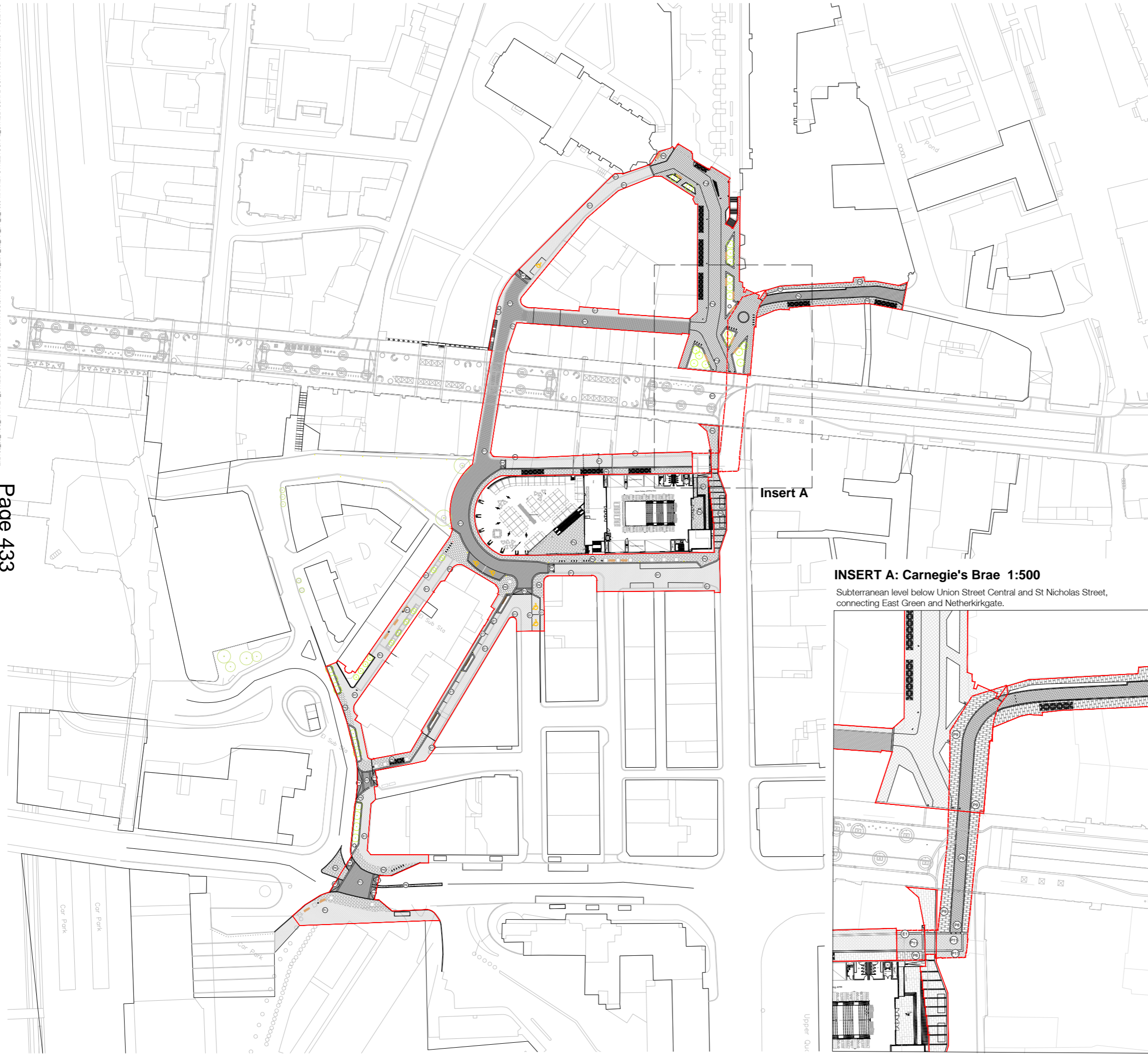
PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Landscape General Arrangement Plan

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun 22	DRAWN MMc
SCALE#A1	1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1001

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All dimensions are to be checked on site.
Area measurements for indicative purposes only.
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Sources: Ordnance Survey



SURFACE FINISHES

- Paving Type 4 (P4):**
Scottish natural stone corduroy paving;
Supplier: Tradstocks/CED Stone;
Colour: Dark grey/black;
Finish: fine picked or flame finish;
Size: 400(w) x 400mm (l) x 70mm (d).
Locations to be decided - allowance should be made in cost plan
- Paving Type 5 (P5):**
Scottish natural stone tactile paving;
Supplier: Tradstocks/CED Stone;
Colour: Light grey;
Finish: flat top and fine picked;
Size: 400mm(w) x 400mm(l) x 70mm(d)
Locations to be decided - allowance should be made in cost plan
- Paving Type 6 (P6):**
Scottish granite flag paving;
Supplier: Tradstocks/CED Stone;
Colour: Mix of greys, buff and pink to match existing in surrounding area;
Finish: flat top and fine picked;
Size: To match existing in surrounding area
- Paving Type 7 (P7):**
Scottish granite sett paving;
Supplier: Tradstocks/CED Stone;
Colour: Mix of greys, buff and pink to match existing in surrounding area;
Finish: flat top and fine picked;
Size: To match existing in surrounding area (*)
- Paving Type 8 (P8):**
Scottish granite sett paving;
Supplier: Tradstocks/CED Stone;
Colour: Mix of greys, buff and pink with grey feature insert to match Flourmill Lane paving
Finish: flat top and fine picked with polished feature insert
Size: To match existing in surrounding area (*)
- Paving Type 9 (P9):**
Scottish granite flag paving;
Supplier: Tradstocks/CED Stone;
Colour: Mix of greys, buff and pink with grey feature insert to match Flourmill Lane paving
Finish: flat top and fine picked with polished feature insert
Size: To match existing in surrounding area
- Paving Type 10 (P10):**
Scottish natural stone paving;
Supplier: Tradstocks/CED Stone;
Colour: Dark grey/black
Finish: flat top and fine picked with polished feature inserts
Size: Mix of sizes from setts to flags (*)
- Paving Type 11 (P11):**
Reused granite sett paving;
Supplier: Reused from areas which are being resurfaced;
Colour: mix of greys, buff and pink
Finish: As existing
Size: As existing (*)
- Existing Paving (E1):**
Existing paving retained and made good, or relaid as required in areas of poor condition. Reuse of paving lifted from other areas may be used to replace areas which are in poor condition

LEGEND

- PHASE 1 & 2 BOUNDARY
See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

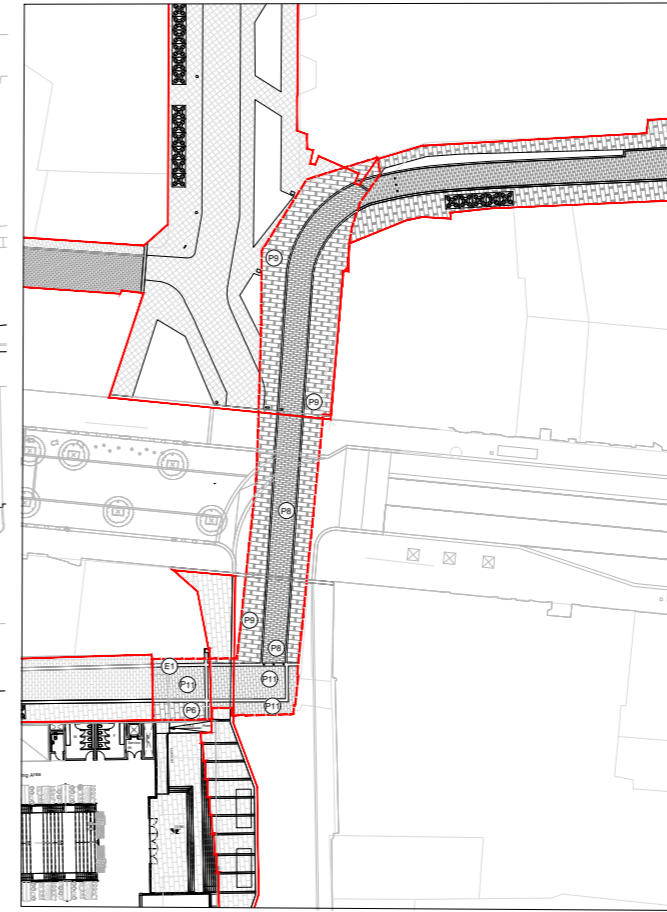
To be read in conjunction with:

- General Arrangement Drawings 1:750:
8153-LDA-02-XX-DR-L-1001 Market Streetscape Landscape General Arrangement Plan
8153-LDA-02-XX-DR-L-1002 Market Streetscape Rendered General Arrangement Plan
8153-LDA-02-XX-DR-L-1004 Market Streetscape Kerbs and Trims
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8153-LDA-02-XX-RP-L-1002

Insert A

INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



NOTE:

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Further details to be provided at RIBA Stage 4:

- junction design (subject to liaison with SYSTRA for wider Traffic Management Plan)
- parking locations (subject to liaison with SYSTRA for wider Traffic Management Plan)
- entrance to Aberdeen Market from Market Street (subject to liaison with Holiday Fraser Munro/ACC)
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- material strategy for feature areas (to be discussed and agreed with ACC Client)

Spatial configuration as currently agreed.

Final selection of materials in abeyance, to be discussed and agreed with ACC client.

Vertical delineation and build ups in abeyance, and all related elements (tactile paving and potential for trims with specific hazard warning finishes) all subject to outcome of the discussion with ACC (kerbs upstand and location of raised tables TBC) and subject to feasibility (underground surveys).

Designs developed in the absence of technical surveys. All proposals subject to change following outcome of topographical surveys and site investigations.

REV.	DESCRIPTION	JWA 06/0722	APP. DATE
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LDA DESIGN

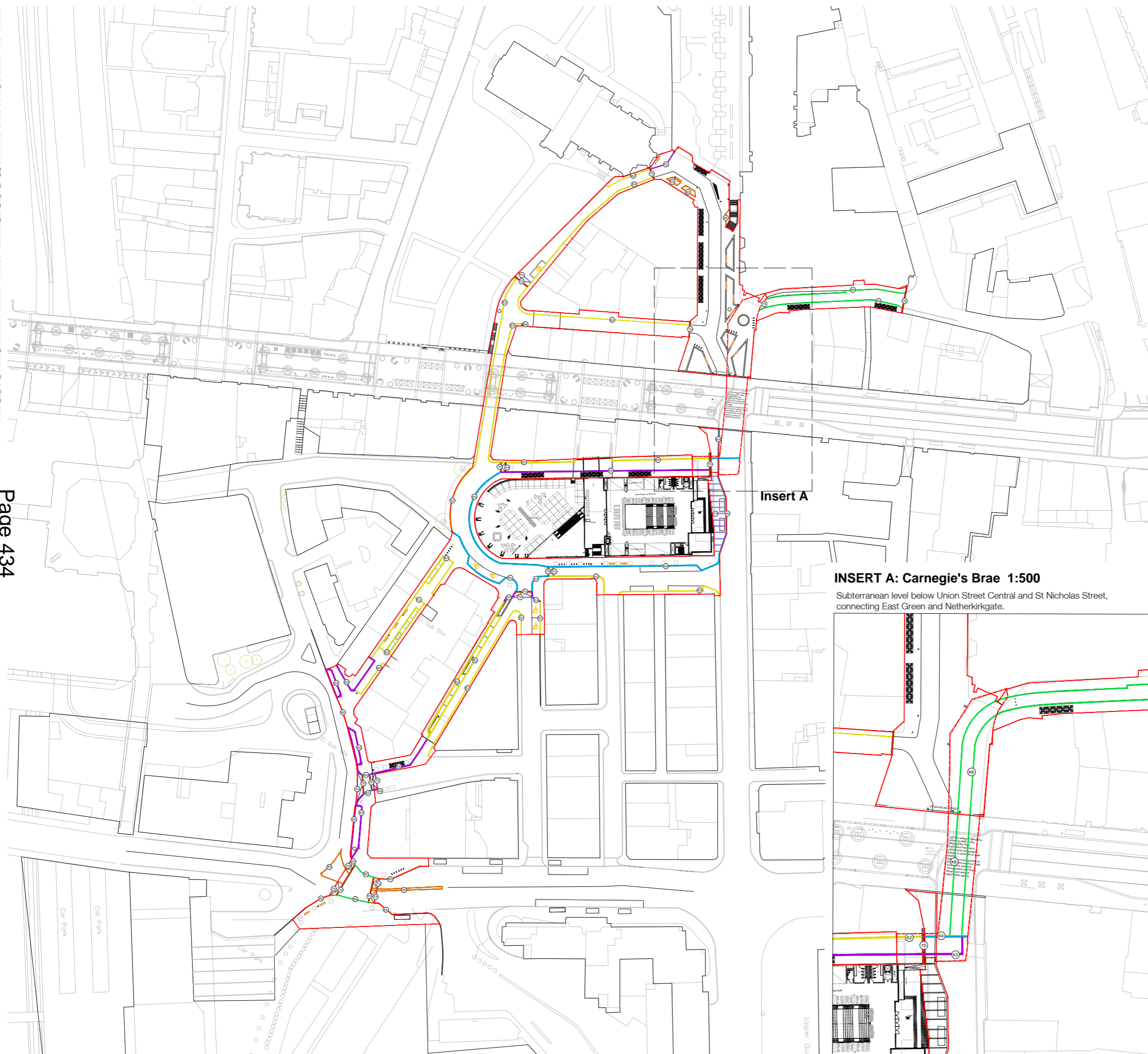
PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Surface Finishes

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun 22	DRAWN MMc
SCALE/A1	1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1003

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Sources: Ordnance Survey



KERBS, TRIMS AND EDGES

- K3**
Kerb Type 3 (K3):
Scottish granite stone bullnosed kerb;
Colour: Mix of greys, buff and pink to match existing in surrounding area;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 400(w)x900-1200 (l)x255mm(d*);
Laid 60mm upstand.
- K4**
Kerb Type 4 (K4):
Scottish natural stone bullnosed kerb;
Colour: Mix of greys, buff and pink to match existing in surrounding area;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 400(w)x900-1200 (l)x255mm(d*);
Laid 20mm upstand.
- K5**
Kerb Type 5 (K5):
Scottish natural stone bullnosed kerb;
Colour: Mix of grey, buff and pink to match existing;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 200(w)x900-1200 (l)x255mm(d*);
Laid 60mm upstand.
- K6**
Kerb Type 6 (K6):
Scottish natural stone bullnosed kerb;
Colour: Mix of grey, buff and pink to match existing;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 200(w)x900-1200 (l)x255mm(d*);
Laid 20mm upstand.
- T4**
Trim Type 4 (T4):
Scottish natural stone flat top kerb;
Colour: Grey;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 400(w)x900-1200 (l)x255mm(d*);
Laid flush to interface with adjacent surfaces.

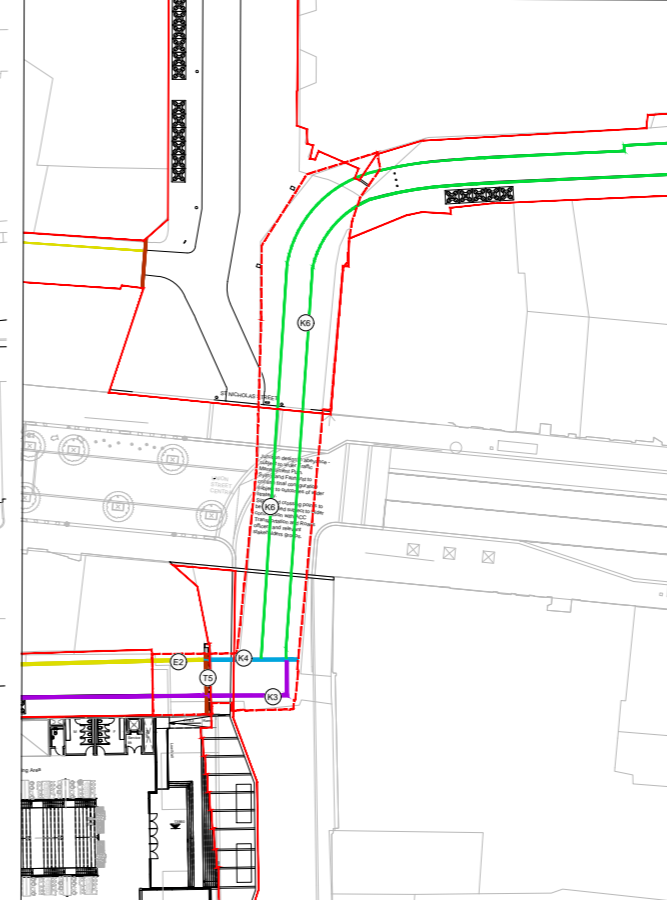
- LEGEND**
- T5**
Trim Type 5 (T5):
Scottish natural stone flat top kerb;
Colour: grey;
Supplier: CED Stone/ Tradstocks;
Finish: fine picked or punch finish;
Size: 200(w)x900-1200 (l)x255mm(d*);
Laid flush.
 - E2**
Existing kerbs (E2):
Existing kerbs retained and made good, or re-laid as required in areas of poor condition. Reuse of kerbs lifted from other areas may be used to replace areas which are in poor condition.
- NOTE:**
Ultimate selection of materials will be depending upon availability within the marketplace / further dialogue with ACC client.
(d*) Depth to allow for vehicular overrun, to be confirmed by Fairhursts.
- PHASE 1 & 2 BOUNDARY**
See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

- To be read in conjunction with:
- General Arrangement Drawings 1:750:
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Insert A

INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



NOTE:
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 - final traffic movement and bus stop locations (subject to liaison with SYSTRA for wider Traffic Management Plan)
 - material strategy for feature areas (to be discussed and agreed with ACC client)

Spatial configuration as currently agreed.

Final selection of materials in abeyance, to be discussed and agreed with ACC client.

Vertical delineation and build ups in abeyance, and all related elements (tactile paving and potential for trims with specific hazard warning finishes) all subject to outcome of the discussion with ACC (kerbs upstand and location of raised tables TBC) and subject to feasibility (underground surveys).

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REV.	DESCRIPTION	APP. DATE
-	Draft Issue to ACC	JWA 06/07/22

LDA DESIGN

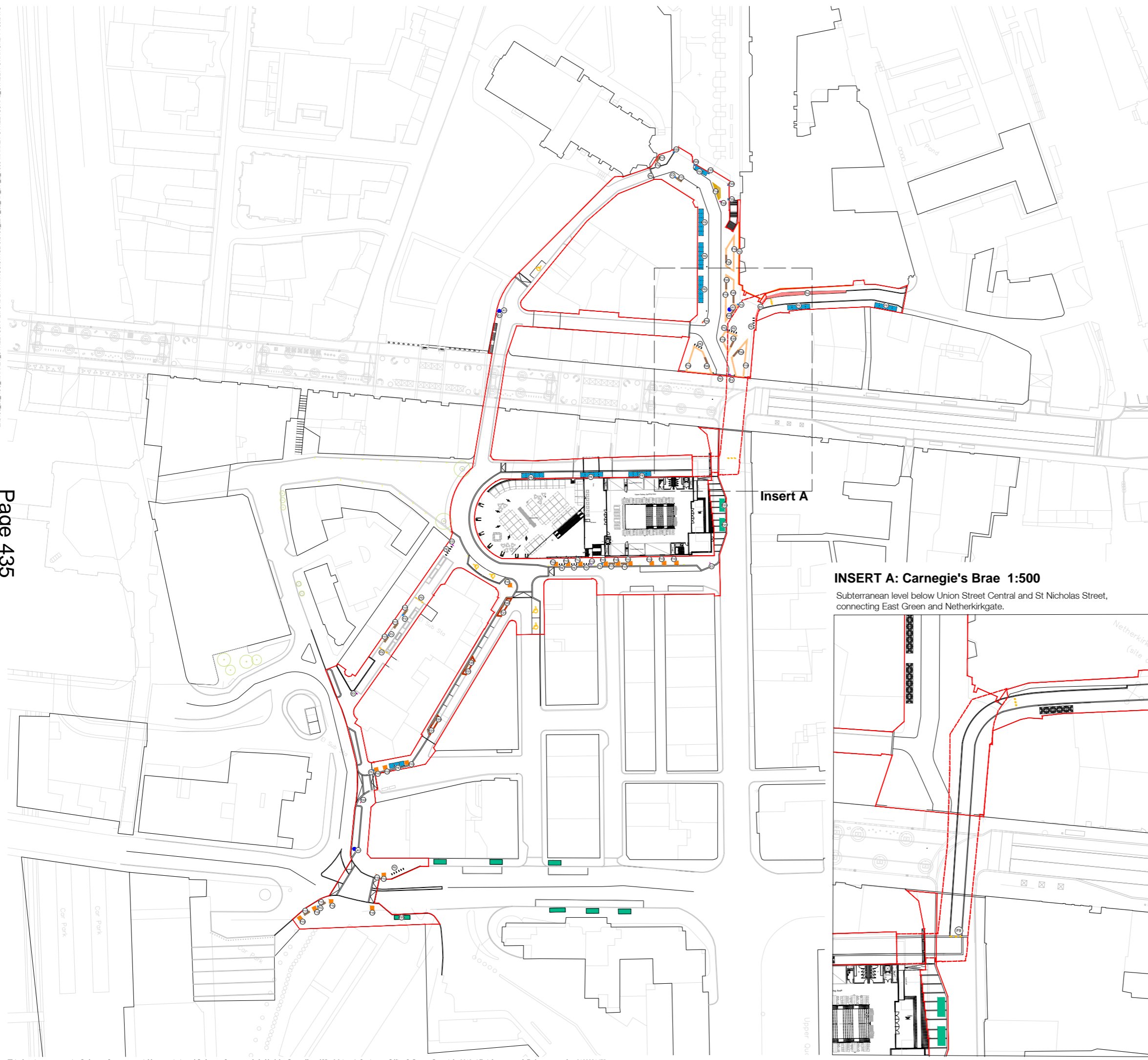
PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Kerbs and Trims

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun/22	DRAWN MMc
SCALE/A1	1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1004

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 Sources: Ordnance Survey



STREET FURNITURE

- Street Furniture Type 3 (F3): Bins
- Street Furniture Type 6 (F6): Cycle stands.
- Street Furniture Type 8 (F8): Canvases for outdoor seating areas (TBC).
- Street Furniture Type 9 (F9): Moveable bollards (All locations tbc).
- Street Furniture Type 10 (F10): Wayfinding boards.
- Street Furniture Type 11 (F11): Drinking fountain.
- Street Furniture Type 12 (F12): Bike tool station.
- Street Furniture Type 15 (F15): Tree grille.
- Street Furniture Type 17 (F17): Bench.
- Street Furniture Type 18 (F18): Bespoke feature timber seat
- Street Furniture Type 19 (F19): Stone planter edge
- Street Furniture Type 20 (F20): Timber wall seat.

LEGEND

- Street Furniture Type 21 (E21): Granite planter edge.
- Street Furniture Type 22 (E22): Existing wayfinding totem relocated.
- Street Furniture Type 23 (E23): Box planter with trellis system.
- Street Furniture Type 25 (E25): Bus shelter.
- Existing wayfinding totem (E3): Existing wayfinding totem retained
- Existing railing (E4): Railing retained, to be painted and cleaned.

NOTE:
For further details, refer to document number 8153-LDA-02-XX-SP-L-1001 Market Streetscape Outline Specification.

ART STRATEGY

- Art Feature Type 1 (A1): Iconic wayfinding sculpture feature.
- Art Feature Type 2 (A2): Mural to building facade.

NOTE:
Art Strategy TBC - subject to further consultation. Final selection to be discussed and agreed with ACC client. All art features shown currently are indicative and subject to change following further discussion.

PHASE 1 & 2 BOUNDARY
See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

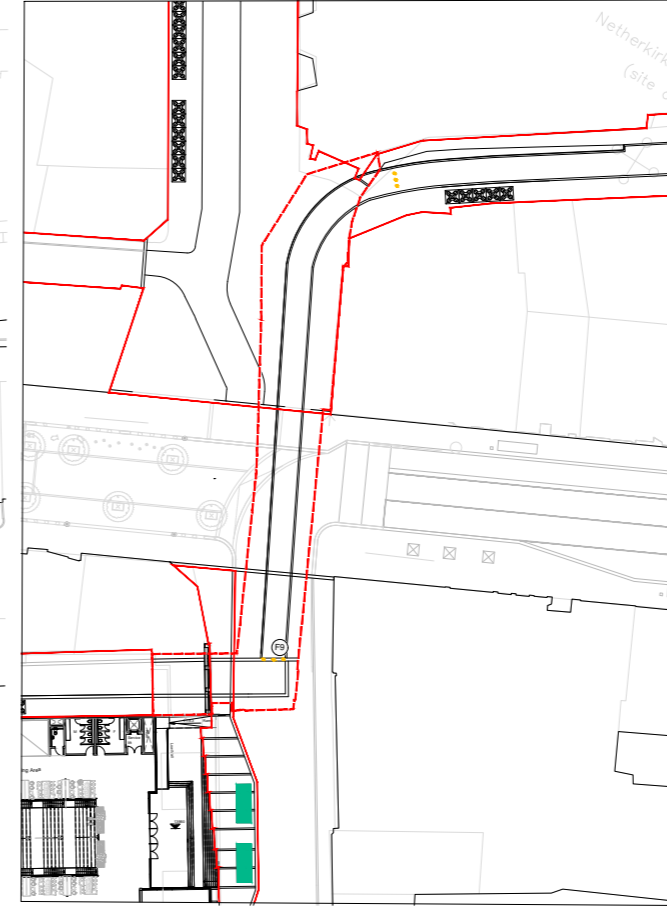
To be read in conjunction with:

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8153-LDA-02-XX-SP-L-1002
- Stage 3 Market Streetscape Executive Summary
8153-LDA-02-XX-RP-L-1002

Insert A

INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



NOTE:

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 - material strategy for feature areas (to be discussed and agreed with ACC Client)

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REV.	DESCRIPTION	APP. DATE
-	Draft Issue to ACC	JW 06/07/22

LDA DESIGN

PROJECT TITLE
Aberdeen City Centre Vision

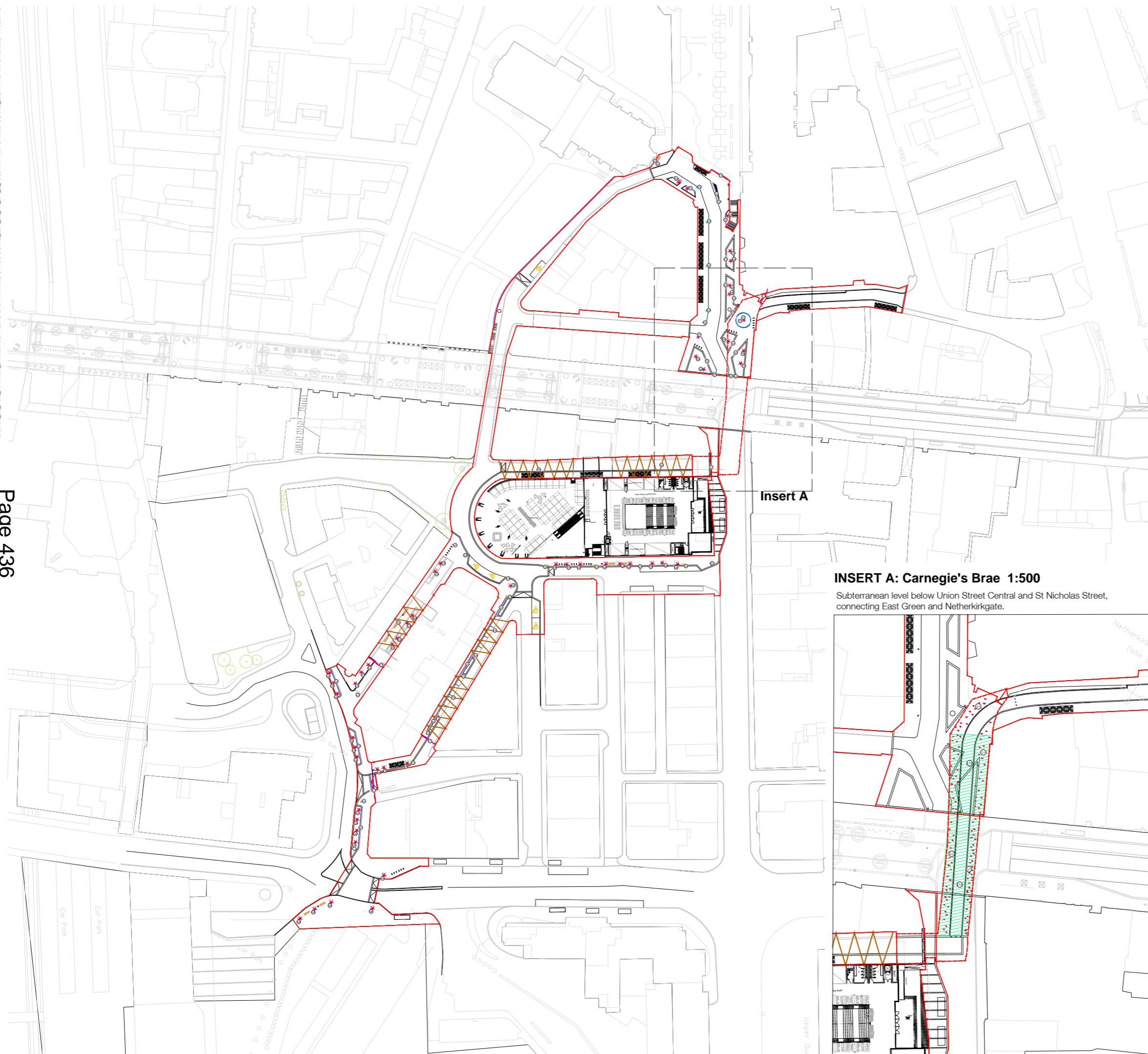
DRAWING TITLE
Market Streetscape
Street Furniture

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun '22	DRAWN MMc
SCALE/A1	1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1005

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Sources: Ordnance Survey



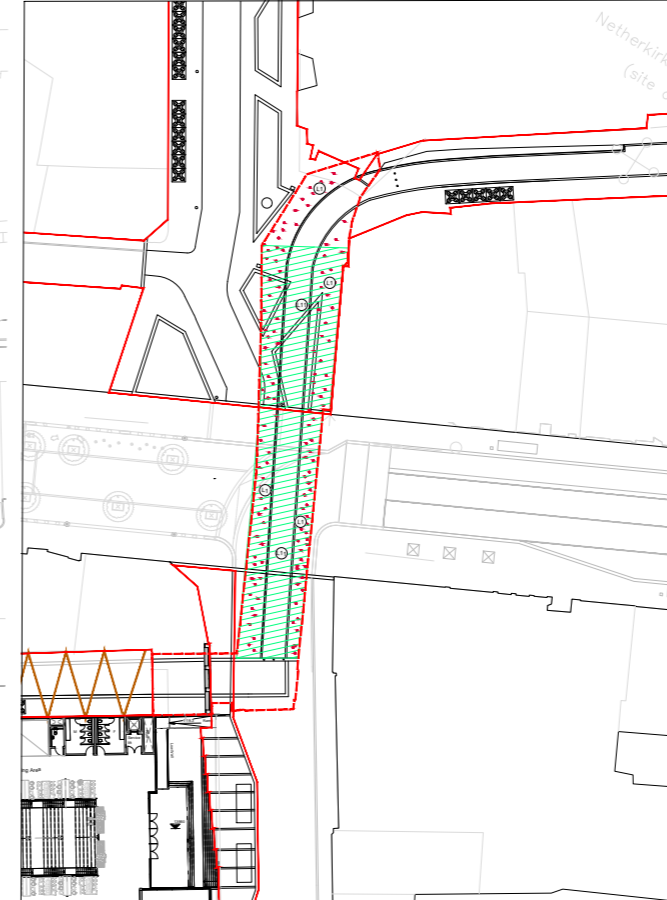
- LIGHTING**
- Lighting feature Type 1 (L1): In-ground 'constellation' way-finding lighting
 - Lighting feature Type 4b (L4b): Tree uplighters to trees in fixed planters.
 - Lighting feature Type 5 (L5): Allowance Supplementary Feature Lighting to street furniture elements
 - Lighting feature Type 6 (L6): Allowance for Iconic Feature Lighting to St Nicholas Street
 - Lighting feature Type 7 (L7): Allowance for Sentinel Lighting at Key Nodes (street entrances and steps)
 - Lighting feature Type 8 (L8): Catenary Tumbler lighting.
 - Lighting feature Type 9 (L9): Lighting column.
 - Lighting feature Type 10 (L10): Lantern lighting column to match existing in The Green.
 - Lighting feature Type 11 (L11): Immersive lighting installation in Carnegie's Brae.
- UTILITIES**
- Utilities Type 1 (U1): Recessed water, power and drainage outlet. Power supply for each unit: 1 x 63amp, 2 x 32amp, 2 x 16 amp plus water supply (TBC)
 - PHASE 1 & 2 BOUNDARY See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

NOTE:
The Lighting proposals illustrated is indicative only, subject to further consultation with Client and relevant stakeholders groups engagement. Suitable lighting levels to be verified by Engineers.

- To be read in conjunction with:
- General Arrangement Drawings 1:750:
8153-LDA-02-XX-DR-L-1001 Market Streetscape Landscape General Arrangement Plan
8153-LDA-02-XX-DR-L-1002 Market Streetscape Rendered General Arrangement Plan
8153-LDA-02-XX-DR-L-1003 Market Streetscape Surface Finishes
8153-LDA-02-XX-DR-L-1004 Market Streetscape Kerbs and Trims
8153-LDA-02-XX-DR-L-1005 Market Streetscape Street Furniture
8153-LDA-02-XX-DR-L-1007 Market Streetscape Softworks and Tree Planting
8153-LDA-02-XX-DR-L-1100 Market Streetscape Existing vs Proposed
8153-LDA-02-XX-DR-L-1101 Market Streetscape Landscape Phasing Plan
 - General Arrangement Drawings 1:250:
8153-LDA-02-XX-DR-L-2000 series
 - Site Section Drawings
8153-LDA-02-XX-DR-L-4001-4002 Market Streetscape Existing vs Proposed Sections
 - Detail Drawings
8153-LDA-02-XX-DR-L-5000 series (Street Furniture)
8153-LDA-02-XX-DR-L-5100 series (Hardworks)
8153-LDA-02-XX-DR-L-5200 series (Softworks)
 - Landscape Specification
8153-LDA-02-XX-SP-L-1001
 - Landscape Management and Maintenance Schedule
8153-LDA-02-XX-SP-L-1002
 - Stage 3 Market Streetscape Executive Summary
8153-LDA-02-XX-RP-L-1002

INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



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	Draft Issue to ACC	Jwa 06/07/22

LDA DESIGN

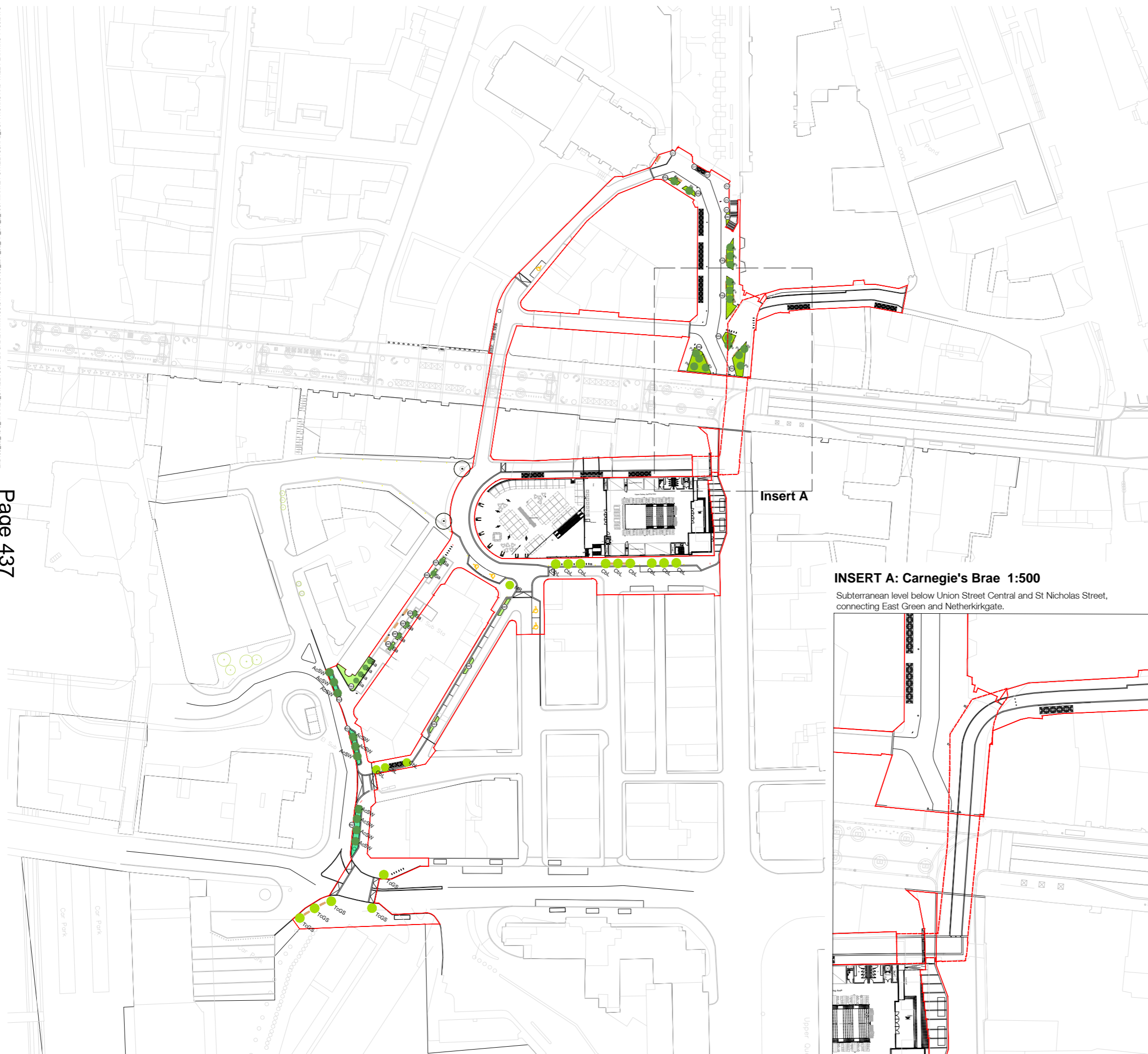
PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape Lighting and Utilities

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun' 22	DRAWN MMc
SCALE	A1 1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1006

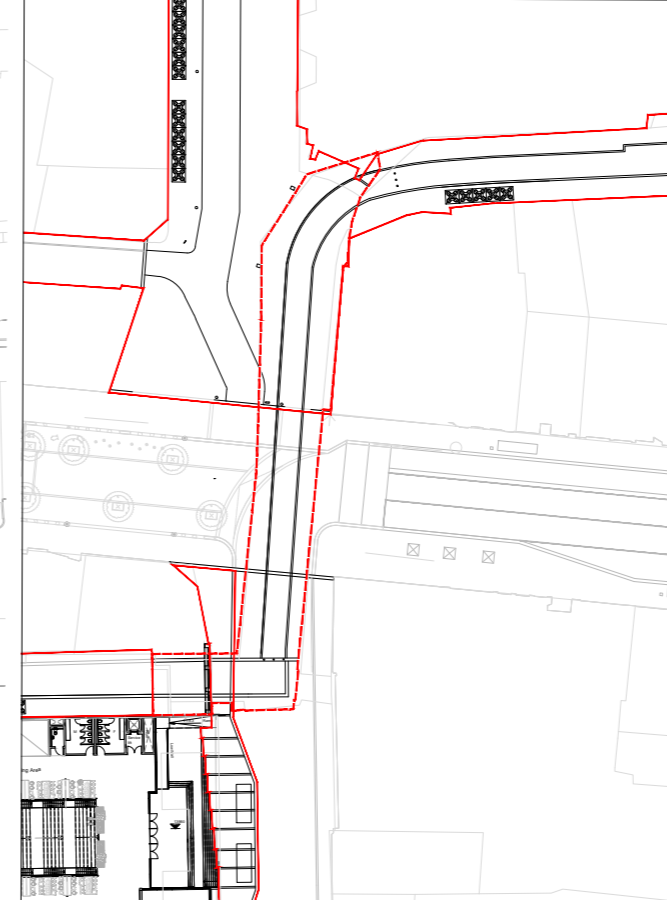
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Sources: Ordnance Survey



- LEGEND**
- SOFTWORKS**
- Trees in Hard Landscape***
Proposed feature trees in hard landscape
Mix of the following species:
Morus 'Rudolph' (MR), Carpinus betulus 'Lucas' (CbL), Tilia Cordata 'Green Spire' (TcGS)
 - Trees in Soft Landscape***
Proposed trees in soft landscape
Mix of the following species:
Sorbus acuparia (Sa), Pinus sylvestris (Ps), Acer Campestre 'Street Wise' (AcSW)
 - Existing Trees:
Existing trees retained.
 - Softworks mix 1 (SW1):
Mix 1 - Shrub and herbaceous planting to Carmelite Lane and Carmelite Street
 - Softworks mix 2 (SW2):
Mix 2 - Shrub and herbaceous planting to St Nicholas Street
 - Rain garden mix (RG1):
Rain garden planting mix to Wapping Street verges.
 - Climbing plants (C1):
Climbing plant mix to be grown up Bon Accord Centre columns in St Nicholas Street. Trained via trellis wire system.
- *Assume all trees require urban tree cell system. Refer to 8153-LDA-02-XX-SP-L-1001 Outline specification for more detail.
- Planting selection- subject to further consultation.
Final selection to be discussed and agreed with ACC client.
- For more details on the plant species refer to:
8153-LDA-02-XX-SP-L-1001 Outline Specification.
- For information about the maintenance regime refer to:
8153-LDA-02-XX-SP-L-1002 Landscape Management and Maintenance Schedule.
- PHASE 1 & 2 BOUNDARY
See drawings 8153-LDA-02-XX-DR-L-1101 for further information on project phasing

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8153-LDA-02-XX-DR-L-1004 Market Streetscape Kerbs and Trims
8153-LDA-02-XX-DR-L-1005 Market Streetscape Street Furniture
8153-LDA-02-XX-DR-L-1006 Market Streetscape Lighting and Utilities
8153-LDA-02-XX-DR-L-1100 Market Streetscape Existing vs Proposed
8153-LDA-02-XX-DR-L-1101 Market Streetscape Landscape Phasing Plan
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8153-LDA-02-XX-DR-L-2000 series
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8153-LDA-02-XX-RP-L-1002

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Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.



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-	Draft Issue to ACC	JWa 06/07/22

LDA DESIGN

PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Softworks and Tree Planting

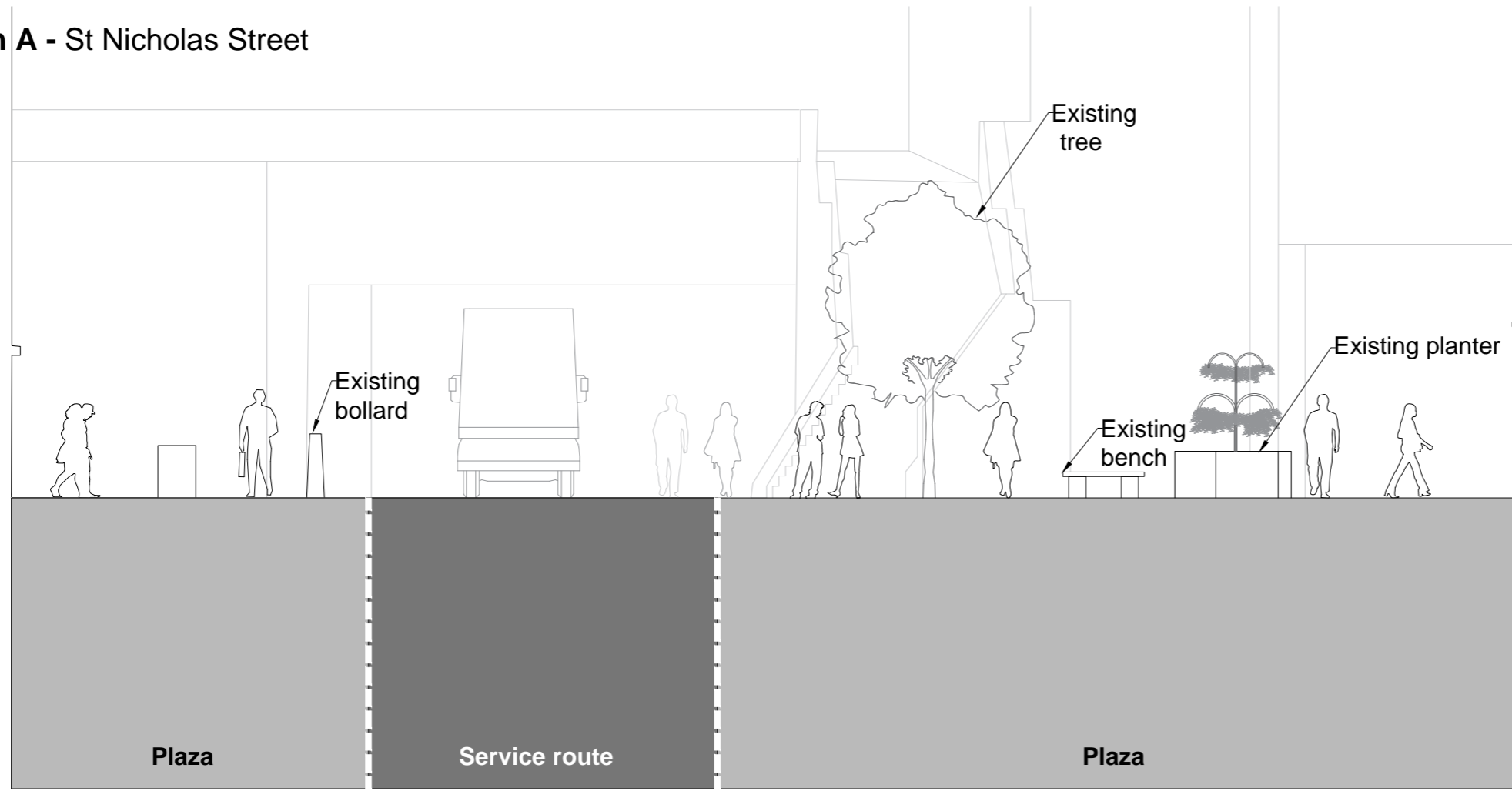
ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun '22	DRAWN MMc
SCALE/A1	1:750	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-1007

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Sources: Ordnance Survey

Existing section A - St Nicholas Street



LEGEND

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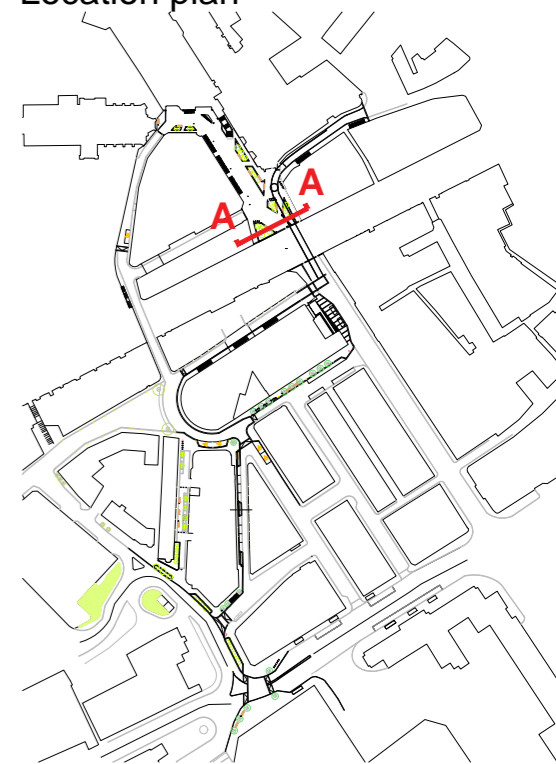
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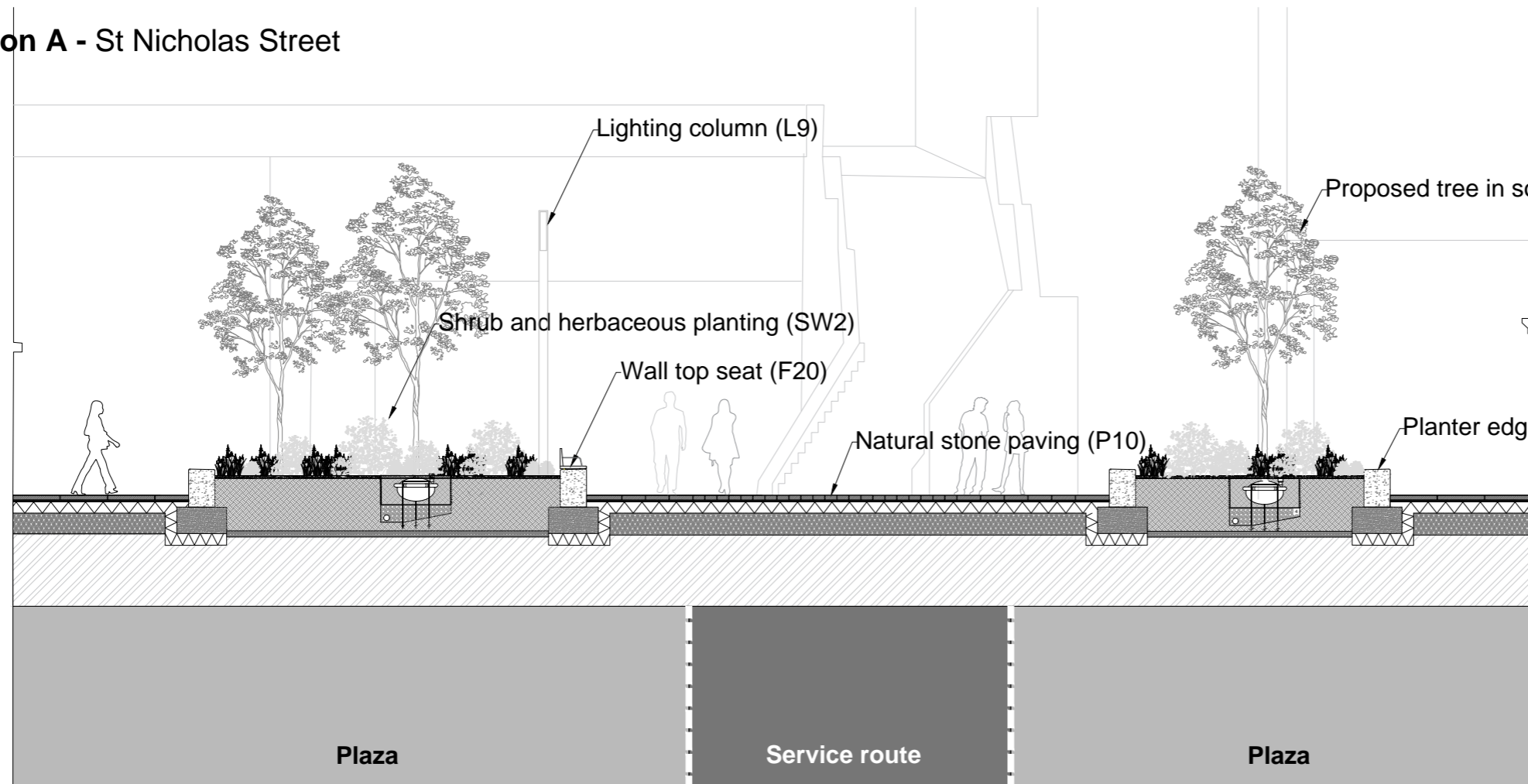
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Location plan



Proposed section A - St Nicholas Street



REV.	DESCRIPTION	APP. DATE
	Draft issue to ACC	JW 06/07/22

LDĀDESIGN

PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Existing v. Proposed Section A

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun '22	DRAWN MMe
SCALE@A1	1:50	CHECKED GMe
STATUS	Draft	APPROVED RW

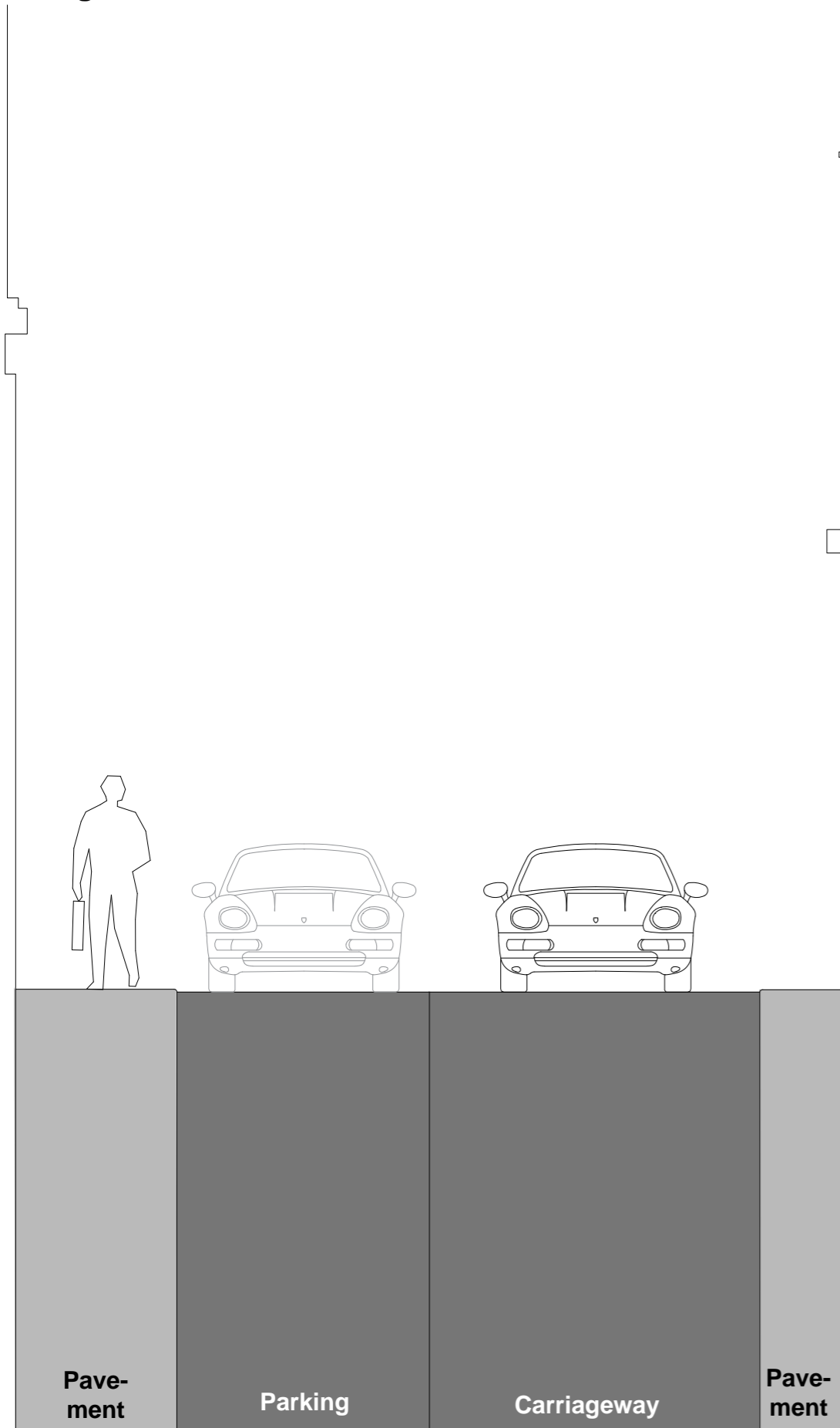
DWG. NO 8153-LDA-02-XX-DR-L-4001

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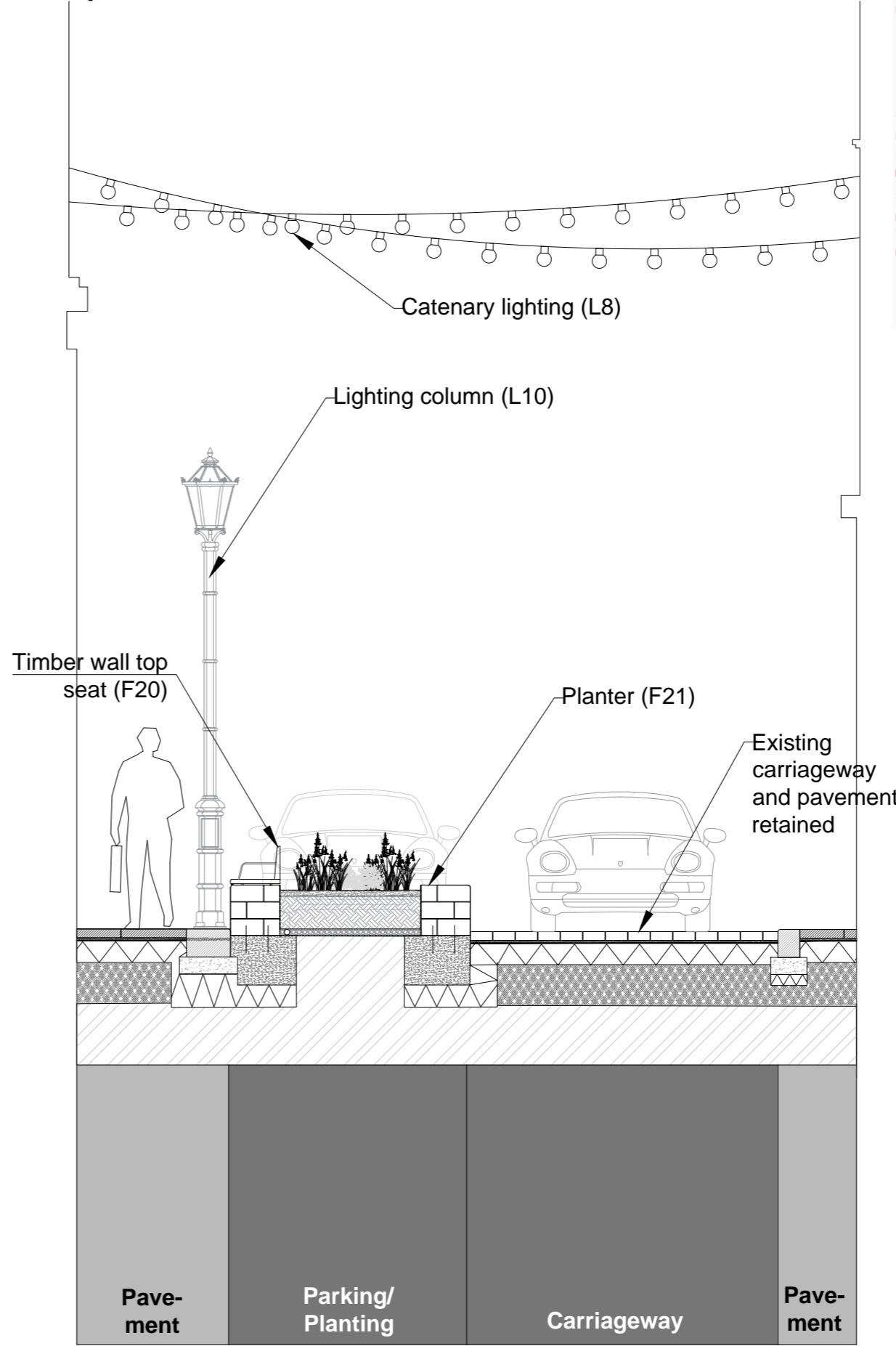
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Sources Ordnance Survey



Existing section B - Carmelite Lane



Proposed section B - Carmelite Lane



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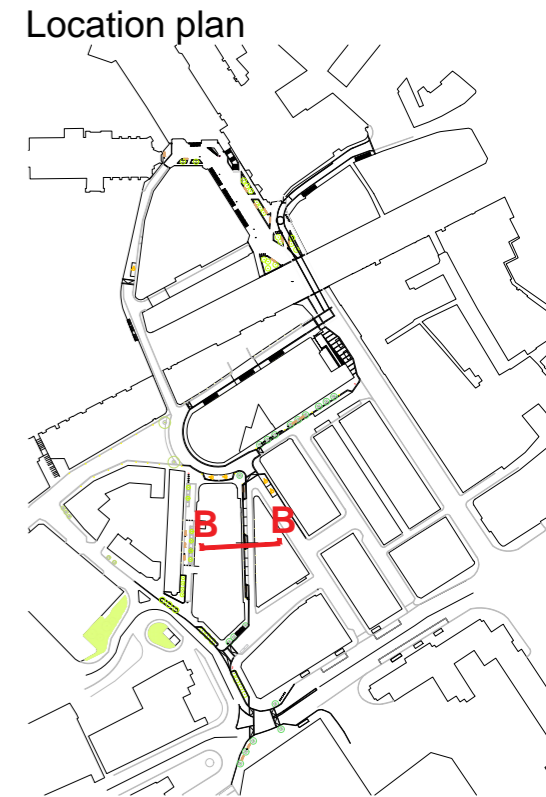
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REV.	DESCRIPTION	APP. DATE
-	Draft Issue to ACC	JWw 08/07/22

LD&DESIGN

PROJECT TITLE
Aberdeen City Centre Vision

DRAWING TITLE
Market Streetscape
Existing v. Proposed Section B

ISSUED BY	Glasgow	T: 0141 222 9780
DATE	Jun '22	DRAWN MMc
SCALE@A1	1:25	CHECKED GMe
STATUS	Draft	APPROVED RW

DWG. NO 8153-LDA-02-XX-DR-L-4002

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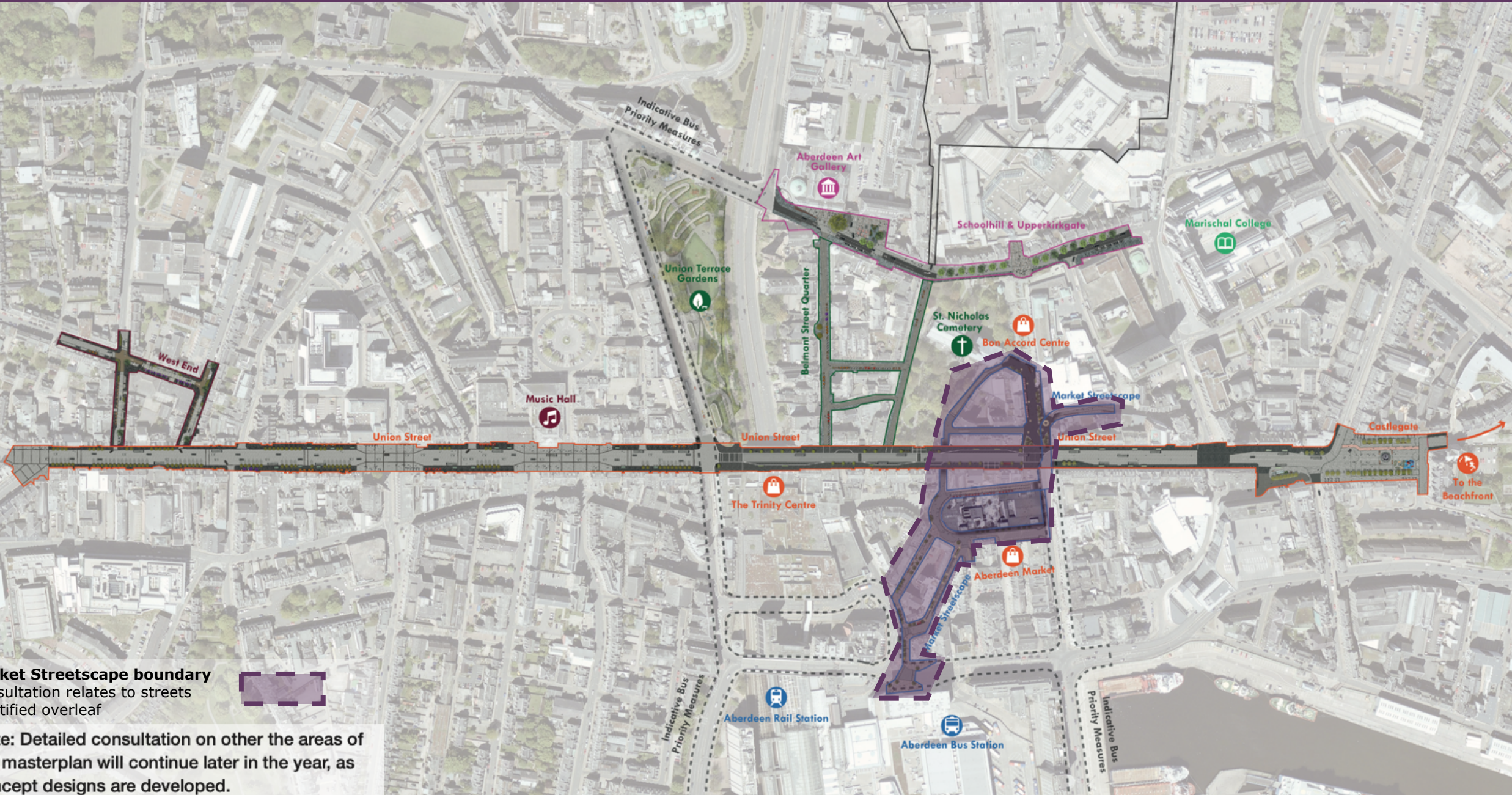
Aberdeen City Centre Masterplan (CCMP) Market Streetscape Engagement Summary of Feedback

Page 441

July 2022

CCMP: Overall Streetscape Proposals

Page 442



Market Streetscape boundary
Consultation relates to streets identified overleaf

Note: Detailed consultation on other the areas of the masterplan will continue later in the year, as concept designs are developed.

CCMP: Market Streetscape – summary of proposals Consulted on

The plan below shows the concept designs for Market Streetscape.



Page 443

Parking and transport

Two new accessible parking spaces are proposed directly opposite the market building on The Green between Carmelite Street and Carmelite Lane. A further two accessible spaces are proposed on Stirling Street by re-purposing existing general parking spaces. The existing accessible parking space on Correction Wynd is retained. The existing taxi rank on Hadden Street is also retained as is.

Surfacing

Key areas are resurfaced to improve walking and wheeling accessibility between Union Street and the train and bus stations. A light touch approach is taken through linking up areas where the paving is already smooth and in good quality, such as Wapping Street and Carmelite Street. New raised table crossings at The Green, Trinity Street and Guild Street ensure that it is easy to cross the historic setted streets at junctions.

Rest

Benches and seat walls are proposed on Carmelite Lane, Carmelite Street and Hadden Street to ensure there are opportunities to rest on key routes between Union Street and the stations. There is a significant amount of seating currently on St Nicholas Street which is well used, this is considered in the new proposals, ensuring there is plenty seating for those who dwell in St Nicholas Street.



INSERT A: Carnegie's Brae 1:500

Subterranean level below Union Street Central and St Nicholas Street, connecting East Green and Netherkirkgate.

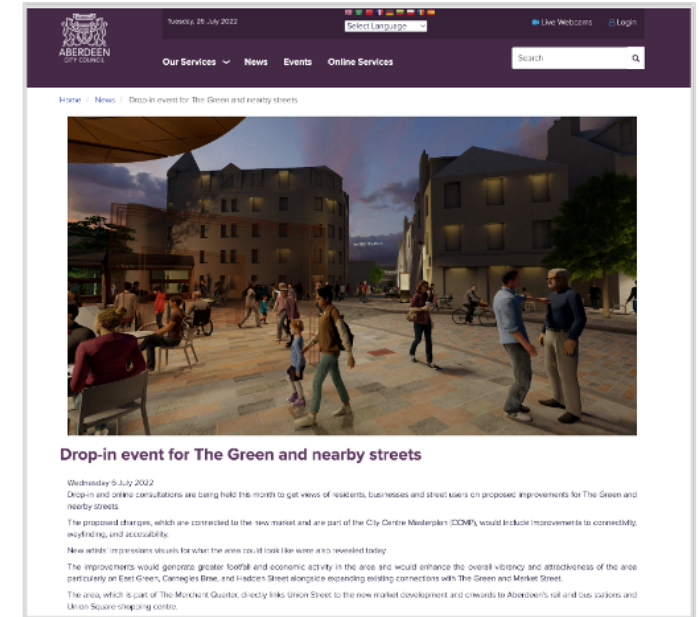
Summary of the proposed works

- 1 The Green**
 - Existing natural stone setts retained, restored and made good where required
 - New natural stone paving to market building edge lying with the internal footscape
 - A new natural stone, raised table plaza creating a sense of arrival into the Merchant Quarter from the Market
 - Addition of cycle stands and feature tree at head of Carmelite Lane
 - 2no. accessible parking bays included
- 2 Carmelite Street**
 - Existing paving and planting retained
 - Through route stepped up by the introduction of bollards. Access to private car park retained for residents.
 - Benches added to provide refuge within the central streetscape
 - Catenary lighting spanning from building to building
 - Enhanced greening and existing planting replaced where needed
- 3 Wapping Street**
 - A line of traffic green over to footpath widening, promoting safe active travel on the eastern edge
 - Street greening introduced through street trees and robust low-maintenance planting
 - Opportunity to dwell with the introduction of street side furniture
- 4 Guild Street Crossing**
 - Pedestrian priority crossing point, widened footways creating a plaza like space as a welcome mat to the city
 - Street greening introduced through street trees and robust low-maintenance planting
 - A widened footpath giving the theatre a street presence
 - Opportunity to dwell with the introduction of street side furniture
 - The start and end of an intuitive wayfinding paving inlay, totem, art trail
- 5 Carmelite Lane**
 - Existing natural stone setts retained in part, complemented with areas of new natural stone paving
 - Street greening incorporated through low level, robust, low maintenance planting
 - 8 retained car parking spaces, open to one way traffic
 - A continued street furniture and lantern lighting language as per those in The Green
 - Catenary lighting spanning from building to building
 - Wayfinding through paving inlays, totems and signage tying with Hadden St plaza & Trinity Street
- 6 East Green**
 - Existing natural stone setts retained, restored and made good where required
 - A new natural stone edge to the Market tying with Carnegie's Brae materials whilst also being better suited to outdoor seating opportunities
 - Lighting through the use of catenary lights & appreciating the listed arch structure above on Market Street bringing the space to life
- 7 Carnegie's Brae**
 - New natural stone paving throughout tying to the Merchant Quarter material palette
 - Existing sandstone arches and associated architecture, cleaned to reveal its original character
 - Lighting & art installations bringing the space to life. Alongside flexibility to host cultural events
 - Outdoor seating opportunities to Netherkirkgate considered and integrated
- 8 Correction Wynd**
 - Restoration of existing setts where required
 - Raised table at underpass to create share with care zone to prioritise pedestrian movement
- 9 Market Street**
 - A new natural stone materiality to the east footway, recognising the arrival at the Market building and giving it a street presence
- 10 Hadden Street**
 - Materiality continuity with the internal Market floor and connection at upper level to Union Street
 - Wayfinding a key thread through artistic paving inlays, totems & lighting
 - Street greening introduced through street trees
 - Taxi rank provision retained as existing
 - Cycle stands introduced
- 11 Trinity Street**
 - Vehicular junction with Wapping Street re-configured to prioritise pedestrian movement, social opportunity, retail engagement and street greening
 - Trees introduced into existing tree pits and new feature tree implemented at foot of Carmelite Lane
 - Signage introduced to capture station foot traffic and intuitive wayfinding
 - Street furniture enhanced to provide seating, cycle parking, bin storage.
- 12 St Nicholas Street**
 - Upgraded plaza with planting, street furniture and trees
 - New natural stone surface to improve accessibility and enhance pedestrian priority of space, retaining service access
 - Integration of murals or art within plaza
 - Improved wayfinding and signage
- 13 St Nicholas Lane**
 - Introduction of strip of carriageway repaved in smooth surface to encourage use by cyclists travelling from Merchant Quarter to Union Street
 - No other proposed streetscape works other than making good of natural stone surface where required
- 14 Stirling Street, Exchange Street**
 - 2no. accessible parking bays included to the north of Stirling Street
 - No proposed streetscape works other than making good of natural stone surfaces where required.

Market Streetscape Engagement Activity

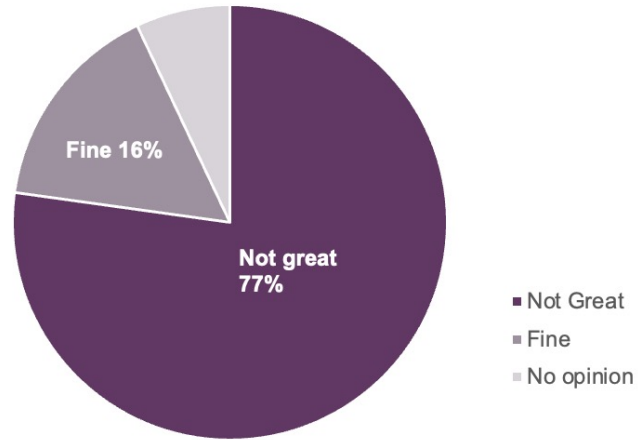
- Consultation publicised 6th July by direct letter drop to 450 properties and supporting PR from ACC Comms.
- Consultation ran from 8th July – 12 noon 25th July
- Consultation information available online www.streets-uk/marketstreetscape
- Drop in events held in Maritime Museum 13th and 14th July from 2pm-6pm
- 44 people attended drop in events
- 114 written submissions made in total
- Stakeholder meetings held as follows:
 - DEP 11th July
 - City Centre Community Council 11th July
 - ACTUP 14th July
 - Aberdeen Inspired (at Merchant Quarter Networking Event 19th July)

Page 444



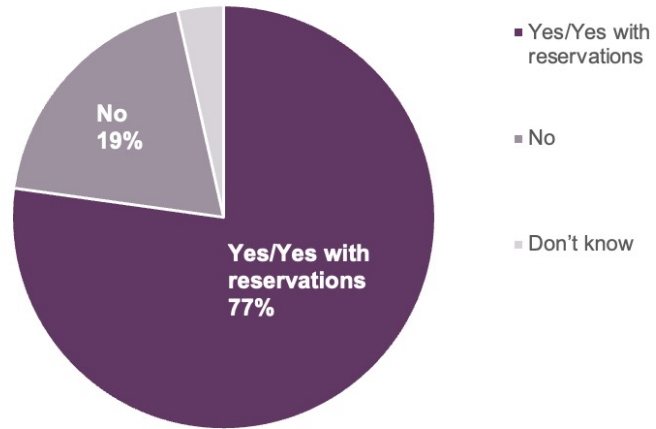
Market Streetscape Feedback

How would you rate the current experience of people arriving at the stations and walking or wheeling to Union Street?

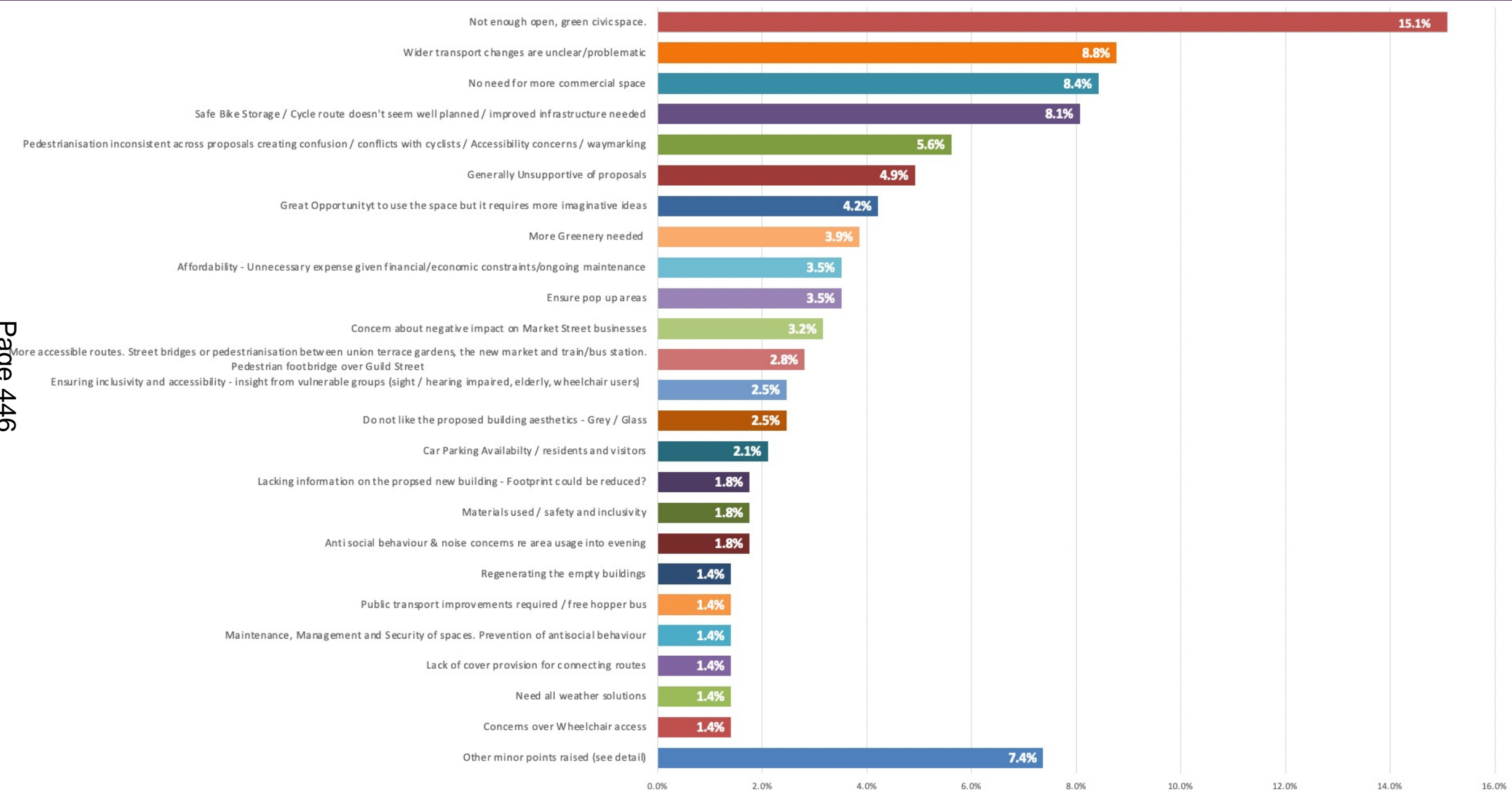


Page 445

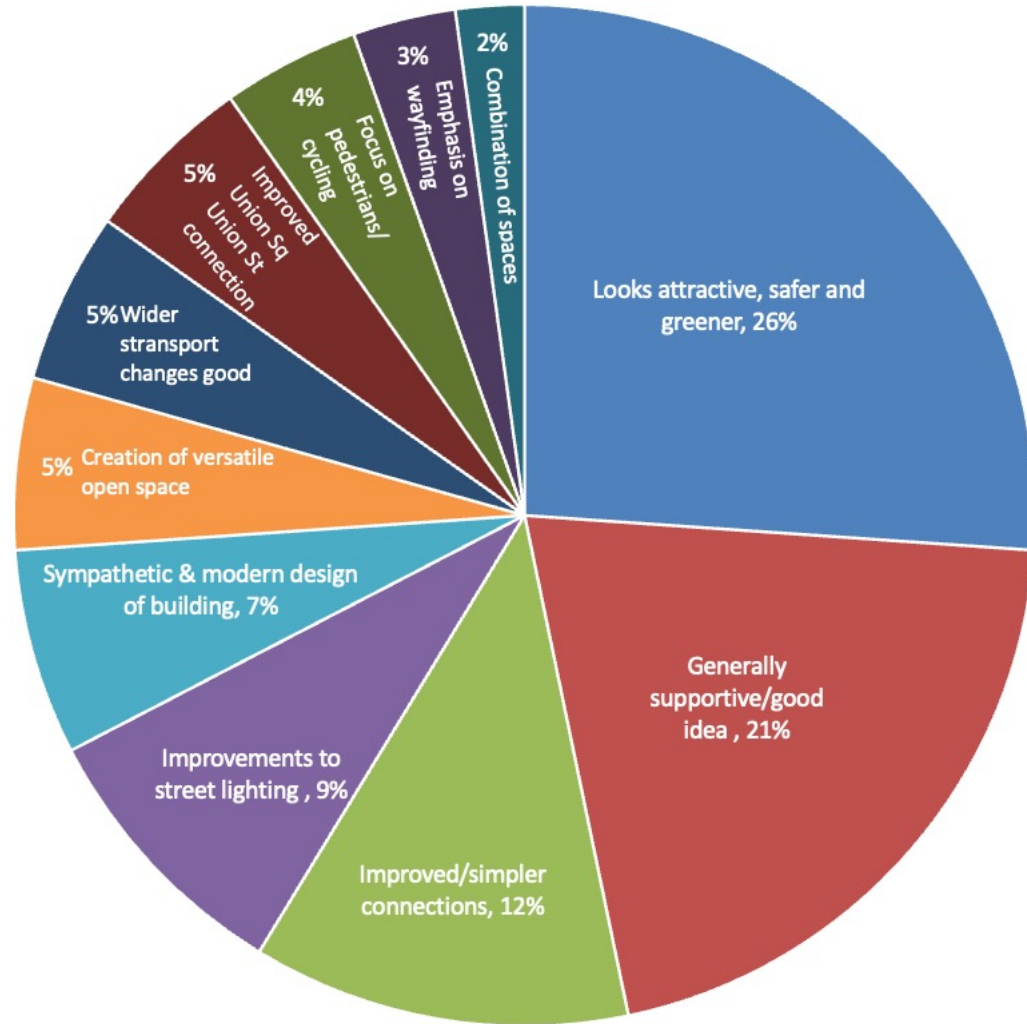
Do you think the proposals will create a more pleasant walking and wheeling route between the stations and Union St?



Issues Raised



People told us they like...



- Looks attractive, safer and greener
- Improvements to street lighting
- Wider transport changes are good
- The emphasis on wayfinding
- Generally supportive/good idea
- Sympathetic & modern design of building
- The 'Green' connecting Union Square to Union Street
- Increased focus on pedestrian / cyclists / wheeling
- Improved/simpler connections
- Creation of a versatile open space.
- Combination of internal and external spaces



This is a great initiative to get people arriving in Bus and Train stations to realise just streets away get you to the shopping centres, pub and restaurants and to enjoy the history and culture of Aberdeen.

Chair, City Centre Community Council

Aberdeen Inspired support the continued investment in the City Centre Masterplan and will continue to provide the BID business networks as a vehicle for engagement and communication with our levy payers and other businesses.

Aberdeen Inspired

- The Market redevelopment could significantly improve accessibility to the eastern end of Union St - predicated on accessible blue badge space provision in the streets surrounding The Green
- Welcome the opportunity to change the existing urban realm and discuss balancing accessibility and place along the historic East Green which is in dire need of refurbishment (in circa 1840's materials and layout within the conservation area and to balance out requirements)
- Welcome Carnegie's Brae to be included as the urban realm is in v poor condition and part of the city centre routes to the stations

Disability Equity Partnership

There is no obvious cycle-specific infrastructure in the form of delineated lanes or surfacing. The visualisation of Carmelite St shows a cyclist emerging from a narrow space. Shared use, especially in constrained spaces like this does not work for cyclists or for pedestrians, it leads to conflicts. In Carmelite St, more useable space could be created if there was one row of planters and seating, rather than two. Surfacing proposed may look nice but is it slippery when wet, in comparison with conventional road surfacing.

Aberdeen Cycle Forum



Our response to the top 10 issues raised

You said...	We will...
Not enough open/green civic space as part of the plans	Aim to incorporate as much greening and open space into the proposals and will continue to review this as designs develop. There may also be opportunity to incorporate more greening within The Green, this doesn't form part of the initial phase 1 & 2 of the market streetscape and will be explored at a later date.
Wider transport changes unclear and problematic	Ensure a more detailed access and circulation plan for the Market area has been prepared. Traffic changes proposed to support market streetscape will be the subject of a separate statutory consultation, called an Experimental Traffic Regulation Order (ETRO,) to commence in the last quarter of 2022. Any traffic comments made as part of the market streetscape will be reviewed by the Council as part of the preparation of the ETRO.
No more commercial space is required	Note this. However, the market building was not part of this consultation. The proposed new market will be a destination venue that attracts additional footfall to the city centre.
Safe bike storage/improved infrastructure needed	Review these comments as designs progress. Cycle parking and bike tool stations will be incorporated into the proposals. Traffic changes being promoted by the wider City Centre Masterplan will support an increase in cycle and wheeling activity, with through car trips removed. The Market area ETRO proposals specifically seek to reduce through traffic, rationalising routes and movements. Many of these changes will contribute towards an environment which is more conducive to cycling activity.
Pedestrianisation is inconsistent across the proposals	Ensure the Market area ETRO proposals specifically seek to reduce through traffic, rationalising routes and movements. Many of these changes will contribute towards an environment which is more pedestrian friendly.
Generally unsupportive	Note this.
Great opportunity to use the space but required more imaginative ideas	Explore, with partners, opportunities to curate events and activates that will animate and activate the improve public streetscape that supports the vibrancy of The Green and Merchant Quarter.
More greenery needed	Aim to incorporate as much greening into the proposals as is possible.
Affordability	Note this comment. The Council is committed to investing in the future of the City Centre.
Ensure pop up space	Deliver pop up space. The plans will accommodate this:Pop up space is available in The Green and St Nicholas Street. Carnegie's Brae also, depending on the type of pop up.

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24 August 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Buffer Zones
REPORT NUMBER	COM/22/167
DIRECTOR	Gale Beattie – Director of Commissioning
CHIEF OFFICER	Vikki Cuthbert – Interim Chief Officer Governance
REPORT AUTHOR	Deirdre Nicolson/Jenni Lawson
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 To report back to the Council on progress in liaising with the Scottish Government and COSLA in exploring options to establish protest free buffer zones including but not limited to potentially implementing a local byelaw.

2. RECOMMENDATIONS

That Council:-

- 2.1 Note the national activities underway in relation to the matter of establishing protest-free buffer zones, in particular:-
- the legal opinion referred to in the COSLA briefing note at Background Paper 10.1 and;
 - that there is a technical ‘mini-summit’ to discuss the potential use of byelaws being held on 29th August, referred to in detail at paragraph 3.6 below.
- 2.2 Instruct the Interim Chief Officer – Governance to continue to liaise with the Scottish Government and COSLA and report back to the meeting of Full Council on 14 December 2022 with an update on latest developments including:-
- 1) evidence contained in the independent research commissioned by the Scottish Government relating to protests/vigils to gather more robust and objective evidence on the impact of protests/vigils on patients and others if available; and
 - 2) evidence from NHS Grampian, Police Scotland and Back-off Scotland as to the number and nature of protests taking place in Aberdeen.

3. CURRENT SITUATION

3.1 At a specially requisitioned meeting on 13 July 2022, the Council resolved to instruct the Chief Officer - Governance to, amongst other things, liaise with the Scottish Government and COSLA to explore options to establish protest-free buffer zones including but not limited to potentially implementing a local byelaw, and to report back to the next meeting of Full Council.

3.2 In response to the Council's instruction, there are a number of ongoing activities detailed below in relation to the matter of establishing protest-free buffer zones. We do not have full detail at this time on all potential options, and therefore, it is important for officers to continue to liaise with the relevant parties and report back with more detail at the December meeting of Full Council.

3.3 Scottish Government Ministerial Working Group

3.3.1 A Scottish Government Ministerial-led Working Group on Abortion Buffer Zones around healthcare facilities was formed in 2021 to consider short, medium and long-term actions that may help to address the issue of protests/vigils that take place outside of abortion clinics or other facilities providing healthcare.

3.3.2 The group brings together representatives of affected Councils and Health Boards, along with representatives from the Convention of Scottish Local Authorities (COSLA), the Society of Local Authority Lawyers and Administrators (SOLAR) and Police Scotland.

3.3.3 Officers of Aberdeen City Council have been invited to attend the next meeting scheduled for 23 August 2022.

3.4 COSLA Update

In November 2021, COSLA produced a briefing note on the matter of buffer zones, which can be found at Appendix 10.4 of this report. This specifically refers to the legal opinion that SOLAR obtained from Counsel, which is unequivocal and confirms that local authorities cannot use byelaws to implement buffer zones at NHS reproductive health facilities. COSLA confirmed that their Community Wellbeing Board has ultimate responsibility for policy direction on this issue, and the first meeting of the 'new' Board is on 22nd September. The agenda has yet to be finalised, but it is likely that there will at least be an update on where things stand with respect to Buffer Zones. There is a recognition from COSLA that there are significant complexities in looking to implement any byelaw.

3.5 NHSG and Police Scotland

3.5.1 A preliminary meeting has been held with representatives of NHSG to request their views on buffer zones, and we are awaiting their views.

3.5.2 Confirmation has been received from the Police that in recent years in Aberdeen there have been various protests/rallies around both sides of the abortion/pro-life debate and related woman's rights issues, however these have passed off as peaceful events posing no significant issue.

3.6 Mini-Summit

The Scottish Government held a summit on abortion care in June 2022. A 'mini-summit' is now scheduled to take place on 29th August. The Scottish Government has clarified that this will have a reduced invite list and is more a technical meeting, stating "the purpose of this is to discuss the potential use of byelaws, including the process, council powers including legal concerns, and support the Scottish Government could potentially offer in this space." Aberdeen City Council have been invited to attend along with Glasgow and Edinburgh City Councils.

3.7 Back-off Scotland

[Back Off Scotland](#) is a grass roots organisation which was established in 2020 to campaign for the Scottish Government to introduce 150 metre 'buffer zones' (protest-free areas) around clinics that provide abortion services across Scotland and maybe able to provide evidence as to the situation in Aberdeen.

3.8 Proposed Abortion Services Safe Access Zones Bill

3.8.1 Gillian Mackay MSP has proposed an Abortion Services Safe Access Zones Scotland Bill which would introduce safe access zones around healthcare settings that provide abortion services.

3.8.2 As this is a Member's Bill, distinct from a Government Bill, the first step is for the proposal to be published on the Parliament's website and a consultation lodged. The consultation for this proposed Bill closed on 11 August 2022.

3.8.3 If the MSP has support from at least 18 other MSPs, from a number of political parties, the Scottish Government will have the opportunity to stop the MSP's proposal, but only by confirming that they will change the law in much the same way.

3.8.4 If at least 18 other MSPs support the proposal, and it isn't stopped by the Scottish Government, the MSP gets the right to introduce a Members' Bill. It would likely take at least a few months to get the Bill ready for introduction to the Scottish Parliament. Once introduced the Bill will follow a 3 stage process as would any Government Bill.

3.8.5 Scottish legislation needs to be compatible with Human Rights legislation.

3.9 Abortion Services (Safe Access Zones) (Northern Ireland) Bill

3.9.1 The Supreme Court are considering whether the [Abortion Services \(Safe Access Zones\) \(Northern Ireland\) Bill](#) is outside the legislative competence of the Northern Ireland Assembly.

3.9.2 The Bill makes provision for the establishment of safe access zones around abortion clinics and other premises which provide sexual and reproductive health services, in order to protect the people who use and work in those premises. The Bill criminalises certain behaviour in a safe access zone.

3.9.3 A Bill is outside the competence of the Northern Ireland Assembly if it is incompatible with the rights protected by the European Convention on Human Rights. These include the rights to freedom of thought, conscience and religion, freedom of expression and freedom of assembly and association guaranteed by Articles 9, 10 and 11 of the Convention. The Supreme Court is deciding whether the Bill is outside the Northern Ireland Assembly's legislative competence because it disproportionately interferes with these rights.

3.9.4 The Hearing took place on 19 and 20 July 2022. The judgement is expected to be issued in the autumn. It is sensible to await the outcome of this case, as it will help understand any potential limitations that may be relevant to the Scottish Government and potentially the Council.

3.10 Public Safety Protection Orders

English local authorities have the power to implement Public Safety Protection Orders but this is not a remedy which is available to Scottish local authorities. It is however worth noting that the validity of the Public Spaces Protection Order made by the London Borough of Ealing prohibiting anti-abortion protests in the immediate vicinity of Marie Stopes UK West London Centre which provides family planning services, including abortion services was considered by the Appeal Court. The court considered the human rights aspects on a fact specific basis. Any legal challenge to a Scottish Byelaw would also be fact specific necessitating evidence.

Byelaws and Alternative Considerations

3.11 Powers to Implement a Byelaw

3.11.1 Councils have a general power under the Local Government (Scotland) Act 1973 to implement byelaws. The byelaw has to be created for the good rule and government of the whole or any part of their area and for the prevention and suppression of nuisances therein and requires evidence of the nuisance.

3.11.2 A byelaw cannot be created if there are any other existing laws which could/should be used to prevent the nuisance.

3.11.3 In addition, any byelaw has to be compatible with Human Rights legislation.

3.12 Process to create a Byelaw

The process for implementing a byelaw would be:

1. Decision by Full Council to approve a byelaw.
2. Advertise
 - a. Must be advertised for at least one month
3. Request confirmation from Scottish Ministers
4. Scottish Ministers to consider any objections
 - a. Scottish Ministers could decide to hold a local inquiry which requires to be conducted by a Sheriff
5. Scottish Ministers confirm Byelaw
6. Advertise Notice of Confirmation
7. Byelaw comes into force.
 - a. Normally agreed between ACC and Scottish Government. If no date fixed, the byelaws come into operation at expiration of one month from date of SG confirmation.

3.13 Prevention and Suppression of Nuisance

3.13.1 It is noted that protests, by groups and individuals have already taken place at Aberdeen Royal Infirmary this year, and further noted that some of these have been organised under the guise of being 'prayer vigils'.

3.13.2 The extent of these protests and the impact on those accessing and using these services is unknown.

3.13.3 The Scottish Government Ministerial Working Group also "*noted that there was dispute between the groups on both sides around the scale of the problem and some of the incidents which had been reported. It would therefore be helpful to gather more information on the locations, size and timings of protests/vigils, potentially with help from NHS Boards. It was agreed that it would be useful to commission independent research to look at protests/vigils to gather more robust and objective evidence on the impact of the protests/vigils on patients and others.*"

3.13.4 It would therefore be useful to have sight of the outcome of this independent research.

3.14 Existing Legislation which could be used to prevent or suppress any nuisance

3.14.1 As referenced in paragraph 3.11.2, a Byelaw can only be created if there is no existing legislation which could be used to prevent or suppress a nuisance. The following paragraphs reference existing legislation which could possibly be used.

3.14.2 Dispersal Orders under Antisocial Behaviour etc. (Scotland) Act 2004

The Antisocial Behaviour etc. (Scotland) Act 2004 allows police to issue a dispersal order which can order a group of two or more people to disperse. They can be issued where the public has been alarmed or distressed and where behaviour has become significant, persistent, and serious. Dispersal orders can only be issued if other approaches have been tried and failed, and they only last for three months at which point the same test would need to be met again.

3.14.3 AntiSocial Behaviour Orders under Antisocial Behaviour etc. (Scotland) Act 2004

The Act also provides for antisocial behaviour orders to be issued, but these are applied to specific, named individuals and not to groups or gatherings, and there is evidence from other areas that anti-abortion activists travel between protests, often over long distances.

3.14.4 Public Order Act 1986

The Public Order Act 1986 allows the police to give written directions which impose conditions on public assemblies to prevent disorder or disruption, or to stop groups gathering to intimidate others with a view to preventing them doing something that they have a legal right to do. This provision has been used before for this purpose by the Metropolitan Police in London but was retracted and the police force claimed it had been issued in error - so its practicability is questionable.

3.14.5 Civic Government (Scotland) Act 1982

The Civic Government (Scotland) Act 1982 prohibits the obstruction of pedestrians. Any person who, being on foot in any public place — (a) obstructs, along with another or others, the lawful passage of any other person and fails to desist on being required to do so by a constable in uniform, or (b) wilfully obstructs the lawful passage of any other person shall be guilty of an offence and liable, on summary conviction.

3.15 Compatibility with Human Rights

3.15.1 The Human Rights Act 1998 make it unlawful for Aberdeen City Council to act in a way which is incompatible with a Convention right. These rights include:

- Article 8 Right to respect for private and family life
- Article 9 Freedom of thought, conscience and religion
- Article 10 Freedom of expression

3.15.2 These rights however are qualified and Aberdeen City Council can interfere with these rights when the action is lawful, necessary and proportionate which would include taking action taken to:

- protect health
- protect the rights and freedoms of other people

3.15.3 Action is 'proportionate' when it is appropriate and no more than necessary to address the problem concerned. This is why it is important to understand the location, size, nature, and timings of protests/vigils.

3.16 Challenges to Implementing Byelaws

3.16.1 Judicial Review

A judicial review is a type of court proceeding in which a judge reviews the lawfulness of a decision or action taken by a public body. Members of the public have the right to ask for a judicial review of any decisions taken by the Council and Scottish Government which are claimed to be out with their powers (ultra vires). This could include a decision to implement a byelaw and decision, by the Scottish Ministers, to confirm the byelaw. Judicial Reviews take place in the Court of Session. Timescales between a member of the public raising an action for judicial review and the actual hearing vary on a case by case basis.

3.16.2 Objections to Byelaws

All proposed byelaws require to be advertised prior to confirmation by the Scottish Ministers. Members of the public have thirty days to object to the Byelaw. The Scottish Ministers may decide to hold a local inquiry conducted by a Sheriff if a number of objections are raised.

4. **FINANCIAL IMPLICATIONS**

4.1 Cost of Promoting Byelaws

Byelaws require to be advertised twice in the local press. Cost of advertisement would be in the region of £1000 and a source of funding would need to be identified. The Scottish Minister may also choose to hold a local inquiry which may require Aberdeen City Council to instruct an advocate or QC to act on its behalf.

4.2 Costs of defending a Judicial Review

As referenced in paragraph 3.16.1 members of the public have the right to ask for a judicial review of any decisions taken by the Council. As Judicial Reviews take place in the Court of Session, the Council's costs will be significant and are unlikely to be less than a six-figure sum, due to the requirement to instruct an advocate or QC.

Even if the courts uphold the decision in Aberdeen City Council's favour, applicants can apply for a Protective Expenses Order which may limit the amount of legal expenses the Council can recover. Criteria for considering if a Protective Expenses Order should be granted are:

- The issues raised have to be of general public importance;
- The public interest required that those issues be resolved in the proceedings that the application related to;

- The applicant should have no private interest in the outcome of the case;
- Having regard to the financial resources of the parties and the amount of costs likely to be involved, it would fair and just to make the order; and
- If the order was not made, the applicant would probably discontinue the proceedings and would be acting reasonably in doing so.

5. LEGAL IMPLICATIONS

5.1 Given the legal implications mentioned above, a byelaw may not be the appropriate route in order to address the issue of protest free buffer zones, if there are other potential legislative options to prevent or suppress any nuisance. Existing legislative options available are set out in sections 3.11 to 3.12 of the report.

5.2 A byelaw could potentially conflict with Human Rights legislation, so it is important that the Council continues to work closely with all relevant parties mentioned above, including the Scottish Government, NHS, Police Scotland etc to identify further options and awareness of any risks, including the potential risk of judicial review for either the Council or the Scottish Government.

6. ENVIRONMENTAL IMPLICATIONS

6.1 No impact

7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the 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?
Compliance	Risk that the decision to create a byelaw is ultra vires	1. Only proceed with promotion of byelaw once outcome of Supreme Court is known 2. Only proceed with promotion of byelaw once sufficient evidence has been received	L	Yes
Operational	Insufficient resources to promote and defend any court actions	1. Instruct legal framework partner if required	L	Yes

	arising from the promotion of a byelaw			
Financial	Costs incurred in defending a court action	1. Investigate funding from Scottish Government and/or COSLA	M	Yes
Reputational	Risk that the decision to create a byelaw is ultra vires	1. Only proceed with promotion of byelaw once outcome of Supreme Court is known 2. Only proceed with promotion of byelaw once sufficient evidence has been received	M	Yes
Environment / Climate	n/a			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	No impact
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	No impact
Prosperous People Stretch Outcomes	Having safe, secure access to abortion services 4.3 Improving health and reducing inequalities 5.1 Improving timely access to support
Prosperous Place Stretch Outcomes	No impact
Regional and City Strategies	No impact

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	<p>A full impact assessment will be required to assess the impact of implementing a potential Byelaw in Aberdeen on the following protected characteristics:</p> <ol style="list-style-type: none"> 1. Sex 2. Pregnancy and Maternity 3. Religion or Belief <p>Human Rights:</p> <ol style="list-style-type: none"> 1. Article 2 – Right to Life 2. Article 8 – Right to Respect for Family and Private Life 3. Article 9: Freedom of thought, conscience and religion 4. Article 10: Freedom of expression 5. Article 11: Freedom of assembly and association
Data Protection Impact Assessment	Not required
Other	Not applicable

10. BACKGROUND PAPERS

10.1 – [Requisitioned Meeting of the Council on 13 July 2022](#)

10.2 [Ministerial Working Group – Abortion Buffer Zones - gov.scot \(www.gov.scot\)](#)

10.3 [Proposed Abortion Services Safe Access Zones Scotland Bill | Scottish Parliament Website](#)

[10.4 COSLA report on Buffer Zones](#)

11. APPENDICES

None

12. REPORT AUTHOR CONTACT DETAILS

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