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To: Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Cooke, Fairfull, Farquhar, Grant, Greig, Houghton, Hutchison, Macdonald, Nicoll, Radley and Watson.

Town House,
ABERDEEN 25 January 2023

FINANCE AND RESOURCES COMMITTEE

The Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in **Council Chamber - Town House** on **WEDNESDAY, 1 FEBRUARY 2023 at 10.00 am**. This is a hybrid meeting and Members may also attend remotely.

The meeting will be webcast and a live stream can be viewed on the Council's website. <https://aberdeen.public-i.tv/core/portal/home>

JENNI LAWSON
INTERIM CHIEF OFFICER - GOVERNANCE

BUSINESS

NOTIFICATION OF URGENT BUSINESS

1.1. Urgent Business

DETERMINATION OF EXEMPT BUSINESS

2.1. Determination of Exempt Business

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3.1. Declarations of Interest and Transparency Statements

DEPUTATIONS

- 4.1. Deputations

MINUTE OF PREVIOUS MEETING

- 5.1. Minute of Previous Meeting of 7 December 2022, for Approval (Pages 5 - 16)

COMMITTEE PLANNER

- 6.1. Committee Planner (Pages 17 - 28)

NOTICES OF MOTION

- 7.1. Notice of Motion by Councillor Kate Blake (Pages 29 - 30)

REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES

- 8.1. Referrals from Council, Committees and Sub Committees

BUDGETS

- 9.1. Council Financial Performance - Quarter 3, 2022/23 - RES/23/049 (Pages 31 - 84)
- 9.2. Work Plan and Business Cases - COM/23/039 (Pages 85 - 94)

There are exempt appendices relating to this report contained within the Exempt Appendices Section of this agenda below.

- 9.3. Place Based Investment Programme and UK Shared Prosperity Fund - COM/23/042 (Pages 95 - 118)
- 9.4. Capital Programme Delivery Projects Update - RES/23/043 (Pages 119 - 170)

SERVICE DELIVERY

- 10.1. Scotland Excel (ACC) Annual Value Report - COM/23/040 (Pages 171 - 196)

- 10.2. Events 365 Plan 2023-2026 - COM/23/044 (Pages 197 - 244)

An exempt appendix is contained within the Exempt Appendices Section of this agenda below.

CITY GROWTH AND STRATEGIC PLACE PLANNING

- 11.1. No reports under this heading

PROPERTY AND ESTATES

- 12.1. No reports under this heading

EXEMPT/CONFIDENTIAL BUSINESS

- 13.1. No reports under this heading

EXEMPT APPENDICES

- 14.1. Work Plan and Business Cases - Exempt Appendices (Pages 245 - 256)

- 14.2. Events 365 Plan 2023-2026 - Exempt Appendix (Pages 257 - 260)

EHRIAs related to reports on this agenda can be viewed [here](#)

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Should you require any further information about this agenda, please contact Mark Masson, mmasson@aberdeencity.gov.uk or 01224 067556

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Finance and Resources Committee

ABERDEEN, 7 December 2022. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Bonsell (as substitute for Councillor Grant for items 10 and 14), Brooks (as substitute for Councillor Houghton), Cooke, Fairfull, Farquhar, Grant (for all items except 10 and 14) Greig, Macdonald, Nicoll, Radley, van Sweeden (as substitute for Councillor Hutchison) and Watson.

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.

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider items 9.1 – (Work Plan and Business cases exempt appendices), 9.2 – (unrecoverable debt – exempt appendix), 13.1 – proposed disposal of Altens Lorry Park and 13.2 (Altens East Recycling and Resource Facility – update report) with the press and public excluded from the meeting.

The Committee resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 5 (paragraph 8), article 6 (paragraph 6) article 18 (paragraph 9) and article 18 (paragraph 6).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following were intimated:-

Councillor Grant advised that he had a connection in relation to item 9.3 (Place Based Investment Programme and UK Shared Prosperity Fund) by virtue of him being a former Chairman of the Tillydrone Community Development Trust, and 9.4 (Capital Programme Delivery) by virtue of him having children at Riverbank Primary School. He considered that the nature of his interests would not require him to leave the meeting prior to consideration of the item.

Councillor Grant declared an interest in relation to agenda items 10.2 (Public Art Guidance and Panel) by virtue of him being Project Manager for Aberdeen Inspired and agenda item 13.4 (Wallace Tower) by virtue of him being a former Chairman of the Tillydrone Community Development Trust. He considered that the nature of his interests would require him to leave the meeting prior to consideration of the item.

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MINUTE OF PREVIOUS MEETING OF 2 NOVEMBER 2022

3. The Committee had before it the minute of the previous meeting of 2 November 2022, for approval.

The Committee resolved:-

to approve the minute as a correct record.

COMMITTEE PLANNER

4. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer - Governance.

The Committee resolved:-

- (i) to remove items 5 (Commissioning and Procurement Services Risk Register);
- (ii) to remove items 11 (New Housing Programme Delivery), 12 (Summerhill New Build Housing Project Update), 13 (B999 Shiellhill Junction), 14 (Auchmill New Build Project update), 15 (Aberdeen Art Gallery), 82 (Tillydrone Primary School) and 83 (Housing Capital Led New Build projects) due to one consolidated report being prepared for this meeting;
- (iii) to transfer items 61 (Ellon Park and Ride to Garthdee Transport Corridor Study) and 62 (A96 Multi-Modal Study) to Net Zero, Environment and Transport Committee; and to request that the Chief Officer – Strategic Place Planning confirm what date the report on the Ellon Park and Ride will be report to Net Zero, Environment and Transport Committee;
- (iv) to request that the Chief Officer Capital confirm which date item 78 will be reported to Committee (Marywell to A956 Wellington Road cycle path) and whether it would be beyond 2024;
- (v) to note the reasons for the reporting delay in relation to items 7 (Aberdeen Hydrogen Hub), 10 (Wellington Road), 17 (Property Auction – alternative avenue of surplus asset disposal pilot project), 18 (Bucksburn Academy Extension – outline business case), 29 (St Machar Academy – removal of unused modular classroom building); and
- (vi) to otherwise note the planner.

WORK PLAN AND BUSINESS CASES – REVENUE - COM/22/272

5. The Committee had before it a report by the Head of Commercial and Procurement Service, which presented work plans where expenditure was included for the Resources Function to Committee to review; and also sought approval of the total

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estimated expenditure for the proposed contract as contained in the Procurement Business Case appended to the report.

The report recommended:-

that the Committee –

- (a) review the workplan as detailed in the Appendices for the Resources Function;
- (b) approve the procurement business case, including the total estimated expenditure for the proposed contract; and
- (c) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency).

The Committee resolved:-

to approve the recommendations.

UNRECOVERABLE DEBT - CUS/22/271

6. The Committee had before it a report by the Chief Officer – Customer Experience, which advised on numbers and values of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, Penalty Charge Notices, Bus Lanes Enforcement Charge Notices, Service Income and Council House Rent debts made unrecoverable during 2021/22 as required in terms of the Council's Financial Regulations and approved Non-Domestic Rates write off in excess of £25,000.

The report recommended:-

that the Committee -

- (a) approve the listing of the Non-Domestic Rates debts in excess of £25,000 shown in Appendix 6 as unrecoverable and instruct the Chief Officer – Customer to write them off; and
- (b) note that the Financial Regulations number, value and reasons for debts written off for Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, Penalty Charge Notices, Bus Lanes Enforcement Charge Notices, Service Income and Council house rent during 2021/22.

The Committee resolved:-

to approve the recommendations.

PLACE BASED INVESTMENT PROGRAMME AND UK SHARED PROSPERITY FUND - COM/22/277

7. The Committee had before it a report by the Chief Officer – City Growth, which sought approval for the allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2022/23 and bids to the UK Shared Prosperity Fund 2022/25.

The report recommended:-

that the Committee -

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- (a) award up to £50,000 to the Ferryhill Railway Heritage Trust incorporating Ferryhill Men's Shed for the Restoration of historic Office Buildings and Water Tower project;
- (b) award up to £22,013 to the Fersands Fountain Community for the Nursery Garden Improvement Project with agreement to increase this up to the requested £33,000 should there be underspends in any of the previously approved projects; UK Shared Prosperity Fund;
- (c) award up to £70,000 to Aberdeen City Council Community Buildings Feasibility Studies project, subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- (d) award up to £101,000 to Aberdeen City Council ClimateOS software project, subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- (e) award up to £240,000 to Aberdeen City Council SPECTRA festival project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- (f) award up to £700,000 to Aberdeen City Council Tolbooth Museum Improvements and Structural Repairs project, subject to approval of a full business case by Finance and Resources Committee and subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- (g) award up to £40,000 to Aberdeen City Council - Aberdeen Archives, Gallery and Museum for Reimagining the Cowdray Hall feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government;
- (h) award up to £90,000 to Aberdeen City Council - Aberdeen Archives, Gallery and Museum for Aberdeen Archives Centre feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government; and
- (i) award up to £150,000 to Aberdeen City Council – Aberdeen Archives, Gallery and Museum for Audience Evaluation & Acquisition feasibility project subject to approval of the Aberdeen City Council Shared Prosperity Fund Investment Plan by the UK Government.

The Committee resolved:-

- (i) to request that officers provide information to Councillor Macdonald outwith the meeting by way of email relating to Benholms Towers and the amount of funding already received and what had been requested; and
- (ii) to approve the recommendations contained in the report.

CAPITAL PROGRAMME DELIVERY: PROJECTS UPDATE - RES/22/281

8. The Committee had before it a report by the Chief Officer – Capital, which summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue

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Accounts. The report also highlighted issued considered worthy of particular note which were specific to individual programmes/projects.

The report recommended:-

that the Committee -

- (a) note the current status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programme;
- (b) note that there is an on-going review of the approved Capital Programme to inform decision making when setting the new approved Capital Programme on Budget Day in March 2023;

The Convener moved, seconded by the Vice Convener:-

that the Committee:-

- (1) approves the recommendations; and
- (2) note that the Chief Officer – Capital would produce a Service Update regarding Union Terrace Gardens once it had been handed back to the Council following the completion of the works.

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

that the Committee:-

- (1) note the current status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programme;
- (2) note that there is an on-going review of the approved Capital Programme to inform decision making when setting the new approved Capital Programme on Budget Day in March 2023;
- (3) welcomes progress in the delivery of Countesswells Primary School, Torry Primary School and Hub and other projects;
- (4) following the decision by the SNP/Lib Dem administration to suspend the delivery of the new Tillydrone Primary School, at the meeting of Full Council in August 2022, notes paragraph 3.30 which sets out potential challenges in progressing work with the new school. Notes that the administration gave a clear commitment to deliver the new school by “Summer 2024” and calls upon the administration to reaffirm their commitment to deliver the new school within that timescale;
- (5) given the risks set out within paragraph 3.30, instructs the Chief Officer – Capital to produce a public engagement plan with both the Riverbank and St Peters RC school communities to keep them more fully apprised of progress and/or delays to both projects, and provide them with an opportunity to ask questions and discuss their concerns as a matter of urgency;
- (6) note that the SNP/Lib Dem administration agreed, at the meeting of Full Council in August 2022, to instruct the Chief Officer - Capital to pause the four Housing Capital Council-led new build projects, to evaluate the actions to be taken, assess best value and where appropriate retender work packages and report on the outcome of this review;

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- (7) note that paragraphs 3.42 - 3.45 of the report set out that all works at both Craighill and Kincorth sites will remain suspended. In light of this, instructs the Chief Officer – Capital to report to the next Finance and Resources Committee with a clear implementation plan to ensure the committee has oversight on the delivery of these two important projects.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Cooke, Fairfull, Greig, Nicoll, Radley and van Sweeden; for the amendment (5) – Councillors Brooks, Farquhar, Grant, Macdonald and Watson.

The Committee resolved:-

- (i) to note that a meeting would be arranged with elected members from opposition parties, the Partnership and relevant officers, in order to investigate if a more robust reporting style in relation to capital projects could be utilised for this Committee;
- (ii) to note that the Chief Officer – Capital would send information to Members by way of email, regarding the Art Gallery costs and debts for the building; and
- (iii) to adopt the motion.

PERFORMANCE MANAGEMENT FRAMEWORK REPORT – COMMISSIONING AND RESOURCES - CUS/22/275

9. The Committee had before it a report by the Chief Officer – Data and Insight, which presented Members with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions.

The report recommended:-

that the Committee note the report and provide comments and observations on the performance information contained in the report appendix.

The Committee resolved:-

to note the report.

At this juncture, in accordance with article 2 of the minute, Councillor Grant left the meeting and was replaced by Councillor Bonsell for the following item of business .

PUBLIC ART GUIDANCE AND PANEL - COM/22/268

10. The Committee had before it a report by the Chief Officer – City Growth, which approved the improvement/transformation of service delivery and to establish the Public Art Panel Aberdeen (PAPA), which would be guided by the Public Art document to respond to all matters regarding public art the Council receive.

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The report recommended:-

that the Committee -

- (a) approve the establishment of the Public Art Panel Aberdeen (PAPA), and the delegated power to the Chief Officer- City Growth develop appropriate Terms of Reference for the panel; and
- (b) approve the Public Art (PA) document provided in Appendix 1 to this report as the Council's guidance and process on the matter of public art requests, commissions and caretaking.

The Committee resolved:-

- (i) to approve the establishment of the Public Art Panel Aberdeen (PAPA), as per the Terms of Reference in Appendix 4 issued as a second additional circulation;
- (ii) to approve the Public Art (PA) document provided in Appendix 1 to this report as the Council's guidance and process on the matter of public art requests, commissions and caretaking;
- (iii) to note that where any public art proposal has a financial implication for the Council it will adhere to the proposed PAPA procedure and be reported to the Finance and Resources Committee; and where there is a funding implication, or application for funding to the Common Good this will be considered at the Council Budget meeting; and
- (iv) to agree to review the process after 12 months of operation and to report back to this committee after 12 months.

LOCAL AUTHORITY BUS SERVICES - OPE/22/278

11. The Committee had before it a report by the Chief Officer – Operations and Protective Services, which advised Members on the steps that would be necessary to establish the setting up by the Council of a municipal bus company or Local Authority operated bus services.

The report recommended:-

that the Committee –

- (a) note the requirements for the introduction of a municipal bus company and Local Authority operated bus services;
- (b) instruct the Chief Officer - Strategic Place Planning to continue to develop Bus Service Improvement Partnerships through the North East of Scotland Bus Alliance; and
- (c) instruct the Chief Officer - Operations and Protective Services to include assessment of Local Authority operated bus services when implementing supported bus services.

The Convener, seconded by the Vice Convener, moved:-

that the Committee approve the recommendations contained within the report.

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

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that the Committee:-

- (1) note the requirements for introduction of a municipal bus company and Local Authority operated bus services;
- (2) instruct the Chief Officer - Strategic Place Planning to continue to develop Bus Service Improvement Partnerships through the North East of Scotland Bus Alliance, including developing the model of a municipal bus company for the potential future provision of services; and
- (3) instruct the Chief Officer - Operations and Protective Services to include assessment of Local Authority operated bus services when implementing supported bus services.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener, and Councillors Brooks, Cooke, Fairfull, Farquhar, Greig, Nicoll, Radley and van Sweeden; for the amendment (3) – Councillors Grant, Macdonald and Watson.

The Committee resolved:-

to adopt the motion.

COMPLEX CARE STRATEGIC BUSINESS CASE - ACHSCP/22/296

12. The Committee had before it a report by the Chief Officer – Health and Social Care Partnership, which provided details of the intended strategic direction for provision of complex care accommodation in the City within a Strategic Business Case and also sought approval to proceed hereafter to the production of an Outline Business Case.

The report recommended:-

that the Committee –

- (a) note the contents of the Strategic Business Case appended; and
- (b) instruct the Chief Officer – Capital to progress the Outline Business Case and to report back the outcome to this Committee in March 2023.

The Committee resolved:-

to approve the recommendations.

COMMUNITY WEALTH BUILDING - COM/22/279

13. The Committee had before it a report by the Chief Officer – City Growth, which provided an update on Community Wealth Building as a local place based economic development approach and sought approval of the proposed actions to develop a community wealth building approach.

The report recommended:-

that the Committee –

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- (a) note the proposed short, medium and long-term actions for Community Wealth Building in Aberdeen (provided in Appendix 1 of this report); and
- (b) instruct the Chief Officer - City Growth to work with other relevant Chief Officers to implement the proposed actions.

The Committee resolved:-

- (i) to note that the Chief Officer – City Growth would provide information to members by way of email, relating to the evaluation of the Torry Rocks scheme;
- (ii) to request that the Chief Officer – City Growth provide details to Members in relation to the Business Gateway Community Advisor post, including the data analysis related to this post, by way of Service Update;
- (iii) to note the proposed short, medium and long-term actions for Community Wealth Building in Aberdeen (provided in Appendix 1 of this report);
- (iv) to instruct the Chief Officer - City Growth to work with other relevant Chief Officers to implement the proposed actions; and
- (v) to support the development of CWB plans by undertaking two mappings. Firstly, of existing community institutions which can support CWB in Aberdeen, including Credit Unions, Living Wage employers, and the business sector. Secondly, of spend by Aberdeen City Council, both capital and revenue, compliant with the Local Multiplier (LM3) methodology developed by the New Economics Foundation.

At this juncture, in accordance with article 2 of the minute, Councillor Grant left the meeting and was replaced by Councillor Bonsell for the following item of business.

WALLACE TOWER - RES/22/276

14. With reference to article 21 of the minute of meeting of the City Growth and Resources Committee of 21 September 2022, the Committee had before it a report by the Chief Officer – Corporate Landlord, which advised of the outcome of the consultation regarding the proposed disposal of this Common Good property following the amendment to the original asset transfer request for the purchase of the Wallace Tower by the Tillydrone Community Development Trust. The report also sought to request approval to petition the Court, under section 75 of the Local Government (Scotland) Act 1973, to receive authority to dispose of this Common Good Property under section 74 of the Local Government (Scotland) Act 1973 and the Land Disposal (Scotland) Regulations 2010.

The report recommended:-

that the Committee -

- (a) note the representations received during the Consultation period;
- (b) instruct the Chief Officer - Governance to lodge a petition with the Courts under Section 75(2) of the Local Government (Scotland) Act 1973 for authority to

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- dispose of the Wallace Tower and associated Common Good land within Seaton Park extending to circa 435sq.m; and
- (c) if the requested authority is granted by the Court, to instruct the Chief Officer - Corporate Landlord, to progress the asset transfer request under section 74 of the Local Government (Scotland) Act 1973 and the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

The Committee resolved:-

- (i) to instruct the Chief Officer - Corporate Landlord to include a right of pre-emption, in favour of the Council, in the event that the Proposed Development does not take place within a reasonable timeframe and a right of first refusal to purchase the asset should it ever be sold by the Trust; and
- (ii) to otherwise approve the recommendations.

TOLBOOTH MUSEUM EXTERNAL IMPROVEMENTS AND STRUCTURAL REPAIRS - RES/22/274

15. The Committee had before it a report by the Chief Officer – Corporate Landlord, which sought approval of the Full Business Case associated with the Tolbooth Museum External Improvement and Structural Repairs project and for approval to award the contract.

The report recommended:-

that the Committee -

- (a) approve the Full Business Case for the Tolbooth Museum as shown in Appendix A; and
- (b) approve the award of the contract for the Tolbooth Museum to Building Services for the amount detailed in this report.

The Committee resolved:-

to approve the recommendations.

In accordance with Article 1 of this minute, the following items were considered with the press and public excluded.

PROPOSED DISPOSAL OF ALTENS LORRY PARK - RES/22/269

16. The Committee had before it a report by the Chief Officer – Operations and Protective Services, which advised Members of the proposal to sell the ground lease site comprising the Altens Lorry Park, Hareness Road, Altens, Aberdeen following an approach from the Council's tenant.

The report recommended:-

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that the Committee -

- (a) accept the recommendation as detailed in paragraph 3.14 of the report; and
- (b) instruct the Chief Officer – Governance to conclude missives for the sale of the property incorporating various qualifications as are necessary to protect the Council's interest, together with any other matters as are required to complete the sale.

The Committee resolved:-

to approve the recommendations.

ALTENS EAST RECYCLING AND RESOURCE FACILITY - UPDATE REPORT - RES/22/297

17. The Committee had before it a report by the Chief Officer – Operations and Protective Services, which provided an update for Members on the current situation at Altens East Recycling and Resource Facility and sought approval to reinstate the facility.

The report recommended:-

that the Committee -

- (a) note the contents of the Strategic Outline Case for Altens East Recycling & Resource Facility and the comments from the Government's advisory body - Zero Waste Scotland at section 3.24;
- (b) approve Option 1 of the Strategic Outline Case for Altens East Recycling & Resource Facility;
- (c) instruct and delegate authority to the Chief Officer – Capital to progress the reinstatement of the Altens East Recycling & Resource Facility working with the Council's Waste Contractors – Suez, Chief Officer – Corporate Landlord, Insurers, and all associated stakeholders;
- (d) delegate authority to the Chief Officer – Capital following consultation with the Chief Officer - Commercial and Procurement to approve entering into agreements between the Council and contractors working on the reinstatement of the facility, which are ancillary to main re-instatement works contracts, where it is in Council's interests to do so;
- (e) delegate authority to the Chief Officer – Capital following consultation with the Chief Officer - Commercial and Procurement and Chief Officer – Finance to approve the procurement and appointment of external consultants and associated expenditure, where independent advice would be to the benefit of the Council as owner of facility;
- (f) delegate authority to the Chief Officer – Operations and Protective Services, following consultation with Chief Officer – Capital and Chief Officer - Commercial and Procurement to negotiate and agree variations or supplemental agreements to the Waste Service Contract with SUEZ, as a consequence of reinstatement works for Altens East Recycling & Resource Facility; and

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- (g) instruct the Chief Officer – Operations and Protective Services to update the Net Zero Committee on progress of the reinstatement of the services and ongoing business continuity arrangements.

The Committee resolved:-

to approve the recommendations.

EXEMPT APPENDICES

18. The Committee had before it for consideration, exempt appendices relating to the Work Plan and Business Cases – Revenue report and the Unrecoverable Debt report. (Articles 5 and 6 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt and confidential appendices.

- **COUNCILLOR ALEXANDER MCLELLAN, Convener**

	A	B	C	D	E	F	G	H	I
1	FINANCE AND RESOURCES COMMITTEE BUSINESS PLANNER								
	The Business Planner details the reports which have been instructed by the Committee 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	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3			01 February 2023						
4	Scotland Excel (ACC) Annual Value Report	To consider the annual Scotland Excel report		Melanie Mackenzie	Commercial and Procurement	Commissioning	2.1.3		
5	Events 365 Plan 2023-2026	To report on the 2016 Events Plan (events, key performance indicators); to agree a plan for the next three years		Matthew Williams	City Growth	Commissioning	2.1.2 & 3.2		
6	Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter's School	<p>Council on 3 March 2020 agreed to instruct the Chief Officer Corporate Landlord to take forward the proposals for investment for works at Riverbank School to accommodate the relocation of St. Peter's School once Riverbank School relocates to the City Growth and Resources Committee on 28 October 2020 with an indicative programme.</p> <p>Council on 10 March 2021 agreed to note that also included within the General Fund Capital Programme is £500,000 for the relocation of St Peters RC School to the current Riverbank School site is added to the Capital Plan and instruct the Chief Officer - Corporate Landlord to take forward design development to allow the full business case and construction costs to be reported to the City Growth and Resources Committee in advance of the 2023 budget process.</p> <p>Education Operational Delivery Committee on 8th September 2022 agreed to instruct the Chief Officer Capital to submit the refurbishment of the Riverbank School building project as a priority project for LEIP phase 3 funding and to report back to the Education and Children's Services Committee with an update on the outcomes of the funding bid and recommendations on next steps.</p>	The CG&R Committee on 21/9/22 noted that given the decision at EODC on 8/9/22 (see column B) a report will now be submitted in February 2023	Andrew Jones/Maria Thies	Corporate Landlord	Resources	1.1, 1.1.4, 1.1.9 & 4.1	D	The LEIP Phase 3 funding announcement was postponed to January 2023. An update will be provided to Education and Children's Services Committee on the outcomes of the funding bid and recommendations on next steps. It is estimated that a subsequent report will be provided to Finance and Resources Committee in May 2023.

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
7	Torry Heat Network	The CG&R Committee on 21/9/22 agreed to (1) authorise the Chief Officer Corporate Landlord to enter into commercial discussions with Grampian Housing Association with regard to the potential supply of heat to their proposed mixed-use re-development of the former Victoria Road school, and report the outcome to a future meeting of this committee; and (2) authorise the Chief Officer - Corporate Landlord to enter into commercial discussions with Ark Housing Association with regard to the potential supply of heat to their Balnagask Court premises and report the outcome to a future meeting of this committee.		Stephen Booth	Corporate Landlord	Resources	4.1	D	The Design works for the delivery of the design of Phase 2 of the Torry Heatnetwork is being progressed at this time. Delivery costs and Pricing is subject to more detail being available to allow commercial discussions with the 3rd parties mentioned. It is intended to Report the outcome of this to Committee in late 2023.
8	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases. (This is now a combined Revenue/Capital report)		Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
9	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
10	Bucksburn Academy Extension - Outline Business Case	The EODC on 08/09/22 agreed to note that officers had completed a feasibility study on the proposed permanent extension to Bucksburn Academy, and instruct the Chief Officer – Corporate Landlord to report back to the Finance and Resources Committee with an outline business case for consideration. The F&R Committee on 7/12/22 noted that the Implementation Plan for the revised Estate Plan is to be presented to E&CS committee in November for approval. This plan is currently reporting the Bucksburn Academy Extension project to the meeting of F&R in February 2023 (planner update provided by Maria Thies on 01/11/22)		Andrew Jones/Maria Thies	Corporate Landlord	Resources	1.1, 1.1.4, 1.1.9 & 4.1	R	Chief Officer - Corporate Landlord has requested the updated Outline Business Case for the permanent extension to Bucksburn Academy be referred to the Budget Meeting of 2023/24 due to the requirement of further data analysis.
11	Aberdeen Hydrogen Hub - Site Selection	The CG&R Committee on 3/2/22 agreed to note in principle the proposed sites in Appendix E (together with the associated planning risks) for the solar park array and the hydrogen production and refuelling facility and instructs the Chief Officer City Growth, in consultation with the Chief Officer Corporate Landlord to provide an update on Site Selection and any associated commercial terms at the next meeting of this Committee.		Stephen Booth	Corporate Landlord / City Growth	Resources	4.1	R	The preferred site for the Hydrogen Hub is not owned by ACC and will be subject to a full planning application. Recommend for removal.

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12	Ness Landfill Site - Use as a Solar Farm	The F&R Committee on 7/12/22 noted that as reported to The CG&R Committee on 21/6/22 the JV are still considering options for the site of the hydrogen production and refuelling facility. No proposal has yet been agreed by the Hub Board. an update will be provided by service update when this is agreed. Solar Park Proposal - Commercial discussions continue between the JV and the Council into the establishment of a solar park at Ness landfill site. the outcome of these discussions, assuming and agreement is reached, will be reported to the next committee.		Stephen Booth	Corporate Landlord	Resources		D	Heads of Terms for the lease of the Ness landfill site for use as a solar farm are well advanced, although subject to an Independent Joint Valuation to establish Market Rental value and further technical appraisal to establish Market Rental value and further technical appraisal.
13	Wellington Road	Council on 24/8/22 agreed to instruct the Chief Officer - Corporate Landlord to enter in discussions with the Scottish Government to acquire the land at Wellington Road and to report back the outcome of those discussions at the next City Growth and Resources Committee The F&R Committee on 7/12/22 noted that Officers have made initial contact with Scottish Government in relation to possible acquisition of the ground. Due to other pressures within ACC these are not a sufficient stage to report back to committee. it is intended that these will be presented to the next committee.		Stephen Booth	Corporate Landlord	Resources	4.1	D	Officers have met with Officials within the Scottish Government and agreed an approach to have a Joint instruction put in place for an updated independent Market Valuation for the site. The valuation is not yet available and will be reported to committee when available.
14	Place Based Investment Programme and UK Shared Prosperity Fund	To seek approval of funding from the Place Based Investment Fund and the Shared Prosperity Fund		Stuart Bews	City Growth	Commissioning	1.1.8, 1.1.11 & 3.4		
15	Council Financial Performance - Quarter 3, 2022/23	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
16			29 March 2023						
17	Christmas Village 2022 Feedback Report	To provide feedback on the 2022 Christmas Village, and make recommendations for the 2023 and beyond		Matthew Williams	City Growth	Commissioning	2.1, 2.1.1 & 2.1.2		

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18	City Centre Multi Storey Blocks - Option Appraisal	Council on 10/03/21 agreed (1) to approve £250,000 from the Housing Capital Programme to undertake a full option appraisal on the city centre multi storey blocks to consider future development and investment opportunities; and (2) to instruct the Chief Officer - Corporate Landlord to report back the outcome from the option appraisal of (1) above to the City Growth and Resources Committee no later than March 2022 The CG&R Committee on 3/2/22 agreed to defer this whilst further consideration of the outcome of the Council's appeal regarding the listing of these blocks is undertaken. The report will be submitted (likely June 2022) once a way forward has been established.	The F&R Committee on 02/11/22 heard from the Chief Officer - Corporate Landlord and noted that survey works were ongoing and a report would likely be submitted to Committee in early 2023.	Ian Perry/Bill Watson	Corporate Landlord	Resources	4.1		
19	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
20	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
21	Complex Care - Outline Business Case	The F&R Committee on 7/12/22 agreed to instruct the Chief Officer – Capital to progress the Outline Business Case and to report back the outcome to this Committee in March 2023.		John Wilson	Capital	Resources			
22	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
23			17 May 2023						
24	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		

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25	School Estate Plan: Hazlehead/ Countesswells Secondary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new secondary school provision for Hazlehead and Countesswells, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
26	School Estate Plan: Bucksburn/Newhills Primary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new primary school provision for Bucksburn/Newhills, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
27	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
28	Council Financial Performance - Quarter 4 2022/23	to present the Council Financial Performance - Quarterly report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
29			05 July 2023						
30	Cluster Risk Registers - Governance / SPP / City Growth / Finance / Commercial & Procurement Services / Capital and Corporate Landlord	To present and report the Cluster Risk Registers in accordance with Committee TOR		Ronnie McKean	Governance	Governance	2.1.4		
31	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		

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32	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
33	City Centre Six Monthly Update - Streetscape Programme	Council on 14/12/22 agreed the Streetscape Full Business Case (Appendix B) and to instruct the Director of Resources, following consultation with the Chief Officer - Commercial & Procurement and Chief Officer - Capital, to proceed with the negotiation and execution of contracts for delivery of the following programmes in the first instance and to report progress to the Finance and Resources Committee on a 6 monthly basis from the date of this report: (a) Union Street Central; (b) Market Streetscape Phase 1; and (c) Schoolhill/Upperkirkgate		Sandy Beattie/Craig Innes	Commercial and Procurement	Resources			
34	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
35			13 September 2023						
36	Fleet Replacement Programme (Annual Report)	To present the current position of the programme for Fleet Vehicles and Assets		John Weir	Operations and Protective Services	Operations	1.1.6		
37	Annual Committee Effectiveness Report	To present the Annual Committee Effectiveness Report		Mark Masson	Governance	Governance	GD 8.5	D	This will now be reported at the November 2023 F&R Committee meeting as a result of the recent changes and additions to Terms of Reference/Committees (Data to be taken from October 2022 to October 2023)
38	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		

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39	School Estate Plan: Northfield ASG Primary Schools Excess Capacity - Outline Business Case	To seek approval of an outline business case for reducing the number of primary schools in the Northfield ASG, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
40	School Estate Plan: Oldmachar ASG Primary Schools Excess Capacity - Outline Business Case	To seek approval of an outline business case for reducing the number of primary schools in the Oldmachar ASG, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
41	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
42	Council Financial Performance - Quarter 1, 2023/24	to present the Council Financial Performance - Quarterly report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
43			22 November 2023						
44	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	There may not be a need to present a report for each meeting, this would be dependent on submission of business cases required.	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
45	School Estate Plan: Harlaw Academy Condition & Suitability Improvements - Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of the Harlaw Academy building, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		

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46	School Estate Plan: St Machar Academy Outdoor Space Improvements (Modular Classroom Buildings) Condition & Suitability - Outline Business Case	The EODC on 08/09/22 agreed to instruct the Chief Officer – Corporate Landlord to make arrangements to carry out a feasibility study to consider the options for the removal of unused modular classroom buildings at St Machar Academy, and for carrying out general improvements to the outdoor space at the school, and to present a costed outline business case to the Finance and Resources Committee for consideration.		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
47	School Estate Plan: Ferryhill School Condition & Suitability Improvements Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of the Ferryhill School building, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
48	Capital Programme Delivery: Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
49	Council Financial Performance - Quarter 2, 2023/24	to present the Council Financial Performance - Quarterly report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
50	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson/Louise Fox	Data & Insights	Customer	2.1.3		
51			2024						
52	External Transportation Links to Aberdeen South Harbour	The CG&R Committee on 25/8/21 agreed that subject to approval by the UK and Scottish Governments, instruct the Chief Officer - Capital to progress the next stages of project delivery, including but not limited to, surveys and investigations, design development, obtaining all necessary approvals, permissions, licences, agreements and consents required to develop the design and an Outline Business Case for the project and to report back to this Committee and the City Region Deal Joint Committee upon completion in 2024, and to provide an update if not completed by that time.		John Wilson	Capital	Resources	1.1		

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53	School Estate Plan: Victorian School Building Improvements Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of Victorian school buildings, as detailed in the School Estate Plan	TBC - May 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
54	School Estate Plan: Sunnybank School relocation of additional services - Outline Business Case	To seek approval of an outline business case for relocation of additional services currently accommodated at Sunnybank School, as detailed in the School Estate Plan	TBC - May 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
55	School Estate Plan: Denominational Primary Schools	To seek approval of an outline business case for considering future arrangements for denominational primary school provision, as detailed in the School Estate Plan	TBC - July 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
56	School Estate Plan: Loirston Loch Primary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new primary school provision for Loirston Loch, as detailed in the School Estate Plan	TBC - July 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
57	School Estate Plan: Grandhome / Oldmachar / Bridge of Don Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Grandhome, Oldmachar and Bridge of Don, as detailed in the School Estate Plan	TBC - September 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
58	School Estate Plan: Bucksburn and Dyce Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Bucksburn and Dyce, as detailed in the School Estate Plan	TBC - September 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1, 1.1.4, 1.1.9 & 4.1		
59	Vacant Units on Union Street Action Plan	Council on 14/12/22 agreed to instruct the Chief Officer - City Growth to report back on progress of the plan to the Finance and Resources Committee in early 2024.	TBC - Early 2024	Richard Sweetnam	City Growth	Commissioning			
60	Public Art Guidance and Panel	The F&R Committee on 7/12/22 agreed to review the process after 12 months of operation and to report back to this committee after 12 months.	TBC - Early 2024	Elspeht Winram	City Growth	Commissioning	2.1.2		

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61			TBC						
62	Marywell to A956 Wellington Road – Cycle Path (RCD5394) 19/20	The CG&R Committee on 6 June 2019 agreed to instruct the Chief Officer – Capital and Chief Officer – Strategic Place Planning to undertake detailed design and cost estimates of the Preferred Route and connections, and to report back to this Committee for approval to construct in due course.	While the Sustrans Places for Everyone Funding is now available for application, this is now undertaken with different stages being applied for in specified windows throughout the year. There is currently no available resource to prepare a bid for the next stage of design due to other immediate priorities. (update provided by Joanna Murray on 17/11/22)	Alan McKay	Capital	Resources	3.2		
63	Freeport/Greenport update	The CG&R on 11/5/21 agreed to instruct the Chief Officer - City Growth to report back to this Committee on the development and outcome of any proposals if they progress.	Chief Officer – City Growth reported back to the Council meeting on 25 August 2022 on the submission of the North East of Scotland Green Freeport bid. At the time of writing, the outcome of the bidding process is not known.	Jamie Coventry	City Growth	Commissioning	3.2		
64	Developer Obligations - Asset Plans	<p>The CG&R Committee on 26/09/19 agreed to note that the Chief Officer – Strategic Place Planning would undertake the consultation on the draft Asset Plan template as outlined within this report and report the outcomes to a future meeting of this committee.</p> <p>Council on 10/03/21 agreed that given the significant impact on the development industry in the last 12 months, to instruct the Chief Officer - Strategic Place Planning to report to the City Growth and Resources Committee by the end of 2021 on the legally binding developer obligations that have been signed with the Council</p> <p>The CG&R Committee on 3/2/22 agreed to defer this.</p> <p>The recent publication of the Draft National Planning Framework 4 (NPF4) and draft Development Plan Regulations, building on the provisions of the Planning (Scotland) Act 2019, and associated proposed infrastructure levy, may now have superseded the proposals to develop asset plans. In the absence of a clear route forward it is recommended to provide a service update when more information is known on the Scottish Governments position on the current consultations and the possible introduction of an infrastructure levy.</p>	National Planning Framework 4 has still not been published, and after publication a new delivery plan is due to be prepared sometime in 2023 (update provided by David Dunne on 25/10/22)	David Dunne/James Welsh	Strategic Place Planning	Commissioning	3.2		

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65	Sustainable Drainage System (SUDS) Section 7	Maintenance of SuDS within the boundaries or curtilage of a private property, such as a residential driveway or a supermarket car park, is the responsibility of the land owner or occupier. The Scottish Environment Protection Agency's (SEPA's) preference is for SuDS constructed outside the boundaries or curtilage of a private property to be adopted by Scottish Water, the local authority or a public body, and as such SEPA seeks a guarantee for the long term maintenance and sustainability of any SuDS implemented. The CG&R Committee on 3/2/22 agreed to defer this. Officers continue to liaise with Scottish Water, latest request for update was week commencing 10/1/22, however at this time officers are still in the same position as per the update in Column C	A Service Update was circulated on 25/8/22 This will be reported once ongoing discussions with Scottish Water are concluded (updated provided by David Dunne on 25/10/22)	Claire Royce	Operations and Protective Services	Operations	3.2 & 3.3		
66	Property Auction-alternative avenue of surplus asset disposal pilot project	To request committee approval to undertake a pilot project to take surplus assets to property auction for disposal. The F&R Committee on 7/12/22 noted that this project/ report has been delayed due to unfilled posts and re-organising of priorities within the team (update provided by Peter Thatcher on 27/10/22)		Peter Thatcher	Corporate Landlord	Resources	4.1 & 4.4		
67									

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Notice of Motion by Councillor Blake – referred from Council on 14 December 2022

That the Committee:-

Notes with concern that notification of strike action has been received from four of the teacher's unions;

Agrees that young people's education has been severely impacted by the pandemic and that teachers are key to successful recovery;

Agrees that hard working teachers across Scotland have gone above and beyond as a result of the pandemic but also as a result of years of mismanagement and neglect by the Scottish Government;

Recognises that this is a national dispute which can only be resolved by SNP Ministers at Holyrood;

Calls for COSLA to press the Cabinet Secretary for Education and Skills urging them to do everything possible to avoid or minimise industrial action and its impact upon our children, young people, parents and guardians; and

Instructs the Chief Executive to formally write to the Cabinet Secretary for Education and Skills noting the Council's concerns for the education of our children and young people if the Scottish Government cannot reach a settlement in this dispute and to urgently produce a fair deal for teachers.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Council Financial Performance – Quarter 3, 2022/23
REPORT NUMBER	RES/23/049
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 3 (31 December 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

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;
- 2.2 Note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3, specifically the £1.1m reduction in cash balances due to investment volatility;
- 2.3 Note that the General Fund full year forecast position has moved positively since the Quarter 2 report was considered by the Committee as detailed in Appendix 2, and is now expected to show a deficit of £2.1m for 2022/23, and that the Chief Officer – Finance has instructed that budget holders act to delay, stop or reduce expenditure wherever possible to mitigate this deficit; and note that any remaining deficit will be mitigated from the use of earmarked reserves;
- 2.4 Note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget;
- 2.5 Note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that the IJB retains reserves to mitigate unplanned additional costs arising during the year;

- 2.6 Note that the forecast for General Fund and Housing capital expenditure is that there will be lower spend than had been budgeted in 2022/23 as described in Appendix 2; and
- 2.7 Note that the Council has introduced new processes in respect of a recruitment freeze, and has recently promoted the Voluntary Severance / Early Retirement scheme, these actions are designed to assist in the management of the pay bill both this year and going forward.

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 31 December 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 3 position and forecasts.
- 3.4 Further financial risks from the war started by the Russian invasion of 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 considered in the financial forecasts. Quarter 2 included some of the most significant financial market turbulence seen for years, with the cost of government borrowing rising and interventions by the Bank of England. The consequence is that these higher rates are increasing the cost of capital investment for the Council which will affect affordability tests for capital projects.
- 3.5 A specific example of the current operating environment is the number for families arriving in the city, either through the Ukrainian resettlement programme or through students (arriving with their families) from outside the UK coming to study at the two universities following a hiatus during Covid. This has pushed pupil numbers up in our schools to new levels. Funding is available through the resettlement schemes from UK and Scottish Governments, and it is encouraging that funding is now being received to pay for our bespoke resettlement activities for Ukrainians, but also to support general service delivery, such as Education, that have experienced significantly increased demand this year. There are no funding streams related to students and their families arriving in the city.

- 3.6 The appendices show that the IJB is forecasting a balanced position as at Quarter 3. 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. It should be noted that on the 16 January 2023 the Director of Health Finance and Governance confirmed to Health and Social Care Partnerships that the Scottish Government is seeking a return of IJB Reserves held at 31 March 2022 of c.£330m, and for Aberdeen City this amounts to £9.7m. This has been identified as funding held that is not forecast to be used in financial year 2022/23, and the IJB will consider this and any implications at their next Risk, Audit and Performance Committee
- 3.7 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
- 3.8 The financial impact of the pay award agreed with two of the four pay bargaining groups, and the offers made to the two remaining groups means that much of the contingencies have been committed to fund pay in 2022/23. However, the pay negotiations for 2022/23 are not yet concluded, with two bargaining groups still to be concluded, Chief Officers and Teachers, which resulted in the first round of teacher strikes taking place in December, and these have continued into January and are next scheduled to place on 1 February 2023 in Aberdeen. Until these negotiations are resolved there remains significant risk of potentially unfunded additional cost to the Council, with the consequential impact of additional financial burden arising in 2023/24 on a recurring basis. The Council would have to rely on its Balance Sheet and usable reserves if Contingencies are fully utilised during the year.
- 3.9 As referenced above, a £2.1m deficit position is currently forecast based on this latest data, and this will be funded from the use of earmarked reserves held on the Council Balance Sheet should the position not improve in the final quarter.
- 3.10 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.
- 3.11 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 again by Council in August 2022 following the unprecedented volatility in the market. That said, progress is being made on key sites that are currently under construction, while others have been paused to retender. 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.

- 3.12 The Capital Programme spend being lower than budget, primarily due to the pausing of some sites/projects but also the delays in timing of expenditure, will reduce the requirement for borrowing during this financial year and will defer the revenue cost until future years. Project progress will now be monitored through this Committee.
- 3.13 The Housing Revenue Account is forecasting to be on budget and the associated Housing Capital Programme is currently expected to be below budget, for similar reasons to the General Fund programme, with paused sites and delayed expenditure due to current market conditions and operating arrangements.
- 3.12 Operationally the Common Good is expected to be slightly ahead of 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 fallen since outset, but this fall has slowed down in Quarter 3. This amounted to a further £3.5m 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 31 December 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 31 December 2022 is positive as the profile of income from Scottish Government supports expenditure levels.

The Balance Sheet figures at 31 December 2022 show an overall increase in net worth of the Council to £1.6 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 £2.1m over budget, with instruction to budget managers to delay, reduce, stop expenditure where possible aiming to mitigate this, the use of earmarked reserves provides the assurance that the General Fund can be balanced for the year. 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 31 December 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 Quarter 3 and in the absence of Quarter 3 information the latest 2022/23 data 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	2,093	2,093
HRA	(500)	(500)	0
Common Good	(319)	(340)	(21)

- 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	240,757	158,648	(82,109)
HRA	182,473	133,452	(49,021)

- 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 31 December 2022 £'000	Movement £'000
General Fund	(72,152)	(184,789)	(112,637)
HRA	(15,215)	(29,733)	(14,518)
Statutory & Other	(20,859)	(21,541)	(682)
Total	(108,226)	(236,063)	(127,837)

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) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Robust financial reporting and monitoring activities, combined with a rigorous financial planning process as 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.	M	Yes
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.	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.	M	Yes
	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.	Quantification and review of indicative projects costs by suitable qualified staff or external body, where appropriate.	M	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	The Council has continued to address priority spending areas,	M	Yes

	reduction of expenditure the Council may be criticised that spending isn't in line with public expectation of service delivery.	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.		
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 31 December 2022

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

Appendix 3 – Common Good Financial Statement for the period ending 31 December 2022

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

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**FINANCIAL STATEMENT
FOR THE PERIOD ENDING
31 DECEMBER 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 9-month period to 31 December 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. 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 change to the UK's rating in October 2020 and remained one notch below the UK Government. Moody's most recently reviewed the UK sovereign rating on 21 October 2022, publishing a rating of 'Aa3 with a negative outlook'. Due to the relationship between UK and the Council ratings it meant that the Council rating was automatically updated to 'A1 with a negative outlook', one notch below UK Government. The Council had its annual reassessment meeting in December and is currently awaiting the publication of the outcome.

The Council's 2021-22 Annual Accounts were audited by KPMG LLP, independent external auditor, and approved at Audit, Risk & Scrutiny Committee on 27 September 2022. 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 been significant 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, a similar response has been required to address the Ukrainian refugee situation with over 1,400 people being supported in the city since June 2022. The rising cost of energy will affect almost all the Council's services during 2022/23 and the influence of increasing inflation that remains close to a 40-year high continues to affect the cost of goods and services to the Council.

The economic conditions in the country were extremely volatile through the second quarter, with a change of Prime Minister in early September, a mini budget presented by the Chancellor on 23 September, that brought in the Energy Price Guarantee amongst many tax cutting initiatives but was followed by a period of extreme financial turmoil. Financial markets reacted such that many of the initiatives announced in the mini budget were subsequently reversed by a new Chancellor. That left a shorter duration for the Energy Price Guarantee scheme but retained the National Insurance Contribution rate reduction that applied from November 2022.

Whilst the rate of inflation and RPI fell slightly in November 2022, the situation remained critical as high inflation impacted on the costs of supplies and services, fuel, and energy.

The result has been an increase in the cost of government borrowing, increasing borrowing rates for individuals, businesses, and the public sector at large, with local authorities seeing significant increases in borrowing rates through the PWLB, and while rates spiked between 23 and 28 September 2022 to rates not seen since 2007, as at 31 December the borrowing rates were similar to those last experienced in September 2011. The cost of new borrowing is rising and with inflation and construction inflation at very high levels also being key factors, the Council should expect the cost of capital investment to rise substantially for both the General Fund and the Housing Revenue Account.

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 charged for 2022/23, which was a deviation from the approved Council fixed term rent policy.

Our Financial Performance: General Fund

• Performance in Quarter 3

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 31 December 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. This is the first presentation of data based on the updated Organisational Structure, following the decisions made by Council in August 2022.

1. Children's and Family Service

At 76% against the full year budget encouragingly the majority of services are on target or under budget, which is providing cover for a number of significant areas that are over budget, such as Out of Authority Placements and Long-Term Absences. The fact the teachers' pay award has not yet been agreed for 2022/23 means that expenditure hasn't yet been incurred against one of the budgets provided to pay for this.

2. Resources

At 87% against the full year budget, the function's net expenditure for the year is above budget. 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 in the final quarter of the year. Corporate energy and utility costs have had an impact since the first quarter and continue to be significantly above budget. The cost of materials and parts in Fleet Services are the subject of inflationary pressures too.

3. Customer

At 69% 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.

4. Commissioning

At 88% 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 being achieved due to pressure on contracts from inflation and prices increase, the risk of these savings not being met are highlighted in Appendix 2 regarding the full year.

5. Operations

At 78.14% of full year budget, net expenditure is in line with expectations.

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

The function's net expenditure is 63.27% for the year to date and is below budget. This relates to the carry forward of income from 2021/22.

7. 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 three 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. One off savings in respect of the teachers strike action for December amounted to £325,000.

8. Other Income and Expenditure

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

Income from Non-Domestic Rates (NDR) is 67% 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 3 income from Council Tax is forecast to be £2.4m 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 113% of budget, and takes account of a high number of residents will have paid all of their Council Tax by January.

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 the redeterminations advised by the Scottish Government, and this is paid in March 2023.

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, this continues to be monitored on an ongoing basis.

Our Financial Performance: Housing Revenue Account

• Performance in Quarter 3

9. 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 the regular source of funding. The HRA is ahead of budget at Quarter 3 because the capital financing charges have yet to be charged through the account. 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 third quarterly financial performance report being presented to the committee for consideration of financial year 2022/23.

While the previous year ended positively with the easing of almost all Covid-19 restrictions and the Council recording a small operational surplus, 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 was hoped that the areas of income such as planning and building fees, car parking and commercial property which were impacted by the pandemic would make a recovery in 2022/23, however this is now unlikely based on the majority of the year having now passed. Council Tax remains the one area now where more income will be received than budget.

The Council at the end of Quarter 3 has cash to support it through the last 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.

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

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, which has led to much lower levels of savings from staff turnover than had been expected.

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 4, which will be prepared for Finance & Resources Committee on 17 May 2023.

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)	(1,299,578)	(1,407,805)
Movement in Reserves during 2022/23							
Total Comprehensive Income & Expenditure	(163,142)	(19,287)	0	0	(182,428)	0	(182,428)
Adjustments between accounting basis & funding basis under regulations	49,822	4,769	0	0	54,591	(54,591)	0
Net (Increase)/Decrease before Transfers to Reserves	(113,320)	(14,517)	0	0	(127,837)	(54,591)	(182,428)
Transfers to/from Reserves	682	0	(682)	0	0	(0)	(0)
(Increase)/Decrease in Year	(112,638)	(14,517)	(682)	0	(127,837)	(54,591)	(182,428)
Balance at 31 December 2022	(184,789)	(29,733)	(20,729)	(812)	(236,064)	(1,354,170)	(1,590,234)

Expenditure and Funding Analysis

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

Services	Quarter 3 2022/23			Notes
	Net Expenditure chargeable to General Fund & Housing Revenue Account	Adjustments between funding & Accounting basis	Net Expenditure in the CIES £'000	
	£'000	£'000	£'000	
Children & Family Services	170,250	0	170,250	1
Operations	118	(12,844)	(12,726)	2
Customer	30,367	0	30,367	3
Commissioning	21,083	0	21,083	4
Resources	51,373	0	51,373	5
Integration Joint Board	73,795	0	73,795	6
Corporate	13,200	(3,505)	9,695	7
Net Cost of General Fund Services	360,186	(16,349)	343,837	
Housing Revenue Account	(14,517)	(3,677)	(18,194)	8
Net Cost of Services	345,669	(20,026)	325,643	
Other Income and Expenditure	(473,506)	(34,566)	(508,072)	9
(Surplus) or Deficit on Provision of Services	(127,837)	(54,591)	(182,428)	
Opening General Fund and HRA Balance at 31 March 2022	(87,367)			
(Surplus) or Deficit on General Fund and HRA Balance in Year	(127,837)			
To/From Other Statutory Reserves	682			
Closing General Fund and HRA Balance at 31 December 2022	(214,522)			

Notes

- 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 £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 £3.505m accounting adjustment relates to CFCR.

8. See page 3 for information relating to Net Expenditure chargeable to the Housing Revenue Account. The £3.677m accounting adjustment relates to CFCR.
9. See page 4 for information relating to Net Expenditure chargeable to the General Fund. The £34.566m 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.
 - (£0.497) m that is the allocation of the Marischal Square finance lease payment.
 - (£42.386) 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 3, 2022/23			Notes
	Gross Expenditure	Gross Income	Net Expenditure	
	£'000	£'000	£'000	
Children & Family Services	199,159	(28,909)	170,250	
Operations	(12,718)	(8)	(12,726)	
Customer	71,571	(41,204)	30,367	
Commissioning	31,086	(10,003)	21,083	
Resources	127,124	(75,751)	51,373	
Integration Joint Board	121,232	(47,436)	73,795	
Corporate	10,989	(1,294)	9,695	
Cost of General Fund Services	548,442	(204,605)	343,837	
Housing Revenue Account	60,576	(78,770)	(18,194)	
Cost of Services	609,019	(283,375)	325,643	
Other Operating Expenditure	0	0	0	1
Financing and Investment Income and Expenditure	58,684	(50,506)	8,177	2
Taxation and Non Specific Grant Income	0	(516,249)	(516,249)	3
(Surplus) or Deficit on Provision of Services	667,702	(850,131)	(182,428)	
(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			(182,428)	

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 audited Annual Accounts 2021/22.

31 March 2022 £'000		31 December 2022 £'000	Note
2,532,912	Property, Plant & Equipment	2,704,491	1
196,272	Heritage Assets	196,272	1
150,617	Investment Property	150,617	1
15,503	Long Term Investments	15,503	2
657	Long Term Debtors	1,427	3
2,895,962	Long Term Assets	3,068,310	
102,593	Cash and Cash Equivalents	58,377	4
20,025	Short Term Investments	11,360	5
113,029	Short Term Debtors	134,540	6
2,906	Inventories	25,673	7
11,993	Assets Held for Sale	11,993	8
250,547	Current Assets	241,943	
(223,359)	Short Term Borrowing	(217,801)	9
(122,608)	Short Term Creditors	(97,436)	10
(3,533)	Short Term Provisions	(300)	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	(48)	14
(31,257)	Grants Receipts in Advance - Capital	(26,146)	14
(393,947)	Current Liabilities	(354,288)	
(1,043,105)	Long Term Borrowing	(1,069,949)	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	(1,365,732)	
1,407,805	Net Assets	1,590,234	
	Usable Reserves:		
(72,152)	General Fund Balance	(184,789)	19
(15,215)	Housing Revenue Account	(29,733)	19
(20,047)	Statutory and Other Reserves	(20,729)	19
(812)	Capital Grants and Receipts Unapplied	(812)	
(1,299,578)	Unusable Reserves	(1,354,170)	20
(1,407,805)	Total Reserves	(1,590,234)	

Balance Sheet Notes

1. Depreciation is calculated annually and therefore no depreciation has been applied in Quarter 3. Capital expenditure to the end of Quarter 3 totalling £171.578m has been applied to Property, Plant & Equipment (this includes £97.689m of general fund expenditure and £73.889m 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 £30.590m (because they can be called up at short notice i.e. 0 to 35 days) and developer's contributions of £26.418m. 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 3.
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 3 2022/23
	£'000
Net Surplus or (Deficit) on the provision of services	182,428
Adjust net surplus or deficit on the provision of services for non cash movements	(63,161)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(27,550)
Net cash flows from Operating Activities	91,717
Net cash flows from Investing Activities	(152,693)
Net cash flows from Financing Activities	16,759
Net increase or decrease in cash and cash equivalents	(44,217)
Cash and cash equivalents at the beginning of the reporting period	102,593
Cash and cash equivalents at the end of the reporting period	58,377
Cash held by the Authority	37
Bank current accounts	58,340
	58,377

Contingent Liabilities

In addition to amounts recognised on the Balance Sheet, the Council is aware of the following contingent liabilities at 31 December 2022:

Guarantees

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 City Growth & Resources Committee on 21 September 2022. This guarantee will remain in force until 31 March 2024.

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.

Aberdeen Heat & Power

The Council has agreed to provide a bank guarantee to Aberdeen Heat and Power up to a maximum of £1 million as approved at City Growth and Resources Committee on 21 September 2022. This guarantee will be in place from 1 November 2022 to 31 March 2024.

The Council has agreed to provide a guarantee for the purchase gas as approved at City Growth and Resources Committee on 21 September 2022. This guarantee will be in place from 1 November 2022 until 31 March 2023.

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 several 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. The financial impact of known implications has been assessed and incorporated into the full year forecast for 2022/23. There will remain contractual matters to be addressed that will take time and the Council continues to work closely with the Contractor and representatives to determine the full extent of those.

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.

Litigation in connection with the above

There are currently several adjudications regarding performance, delivery and delay of the energy from waste project and sums due under the contract as a result. Parties are too far apart at present to put an exact figure on any liability or quantum.

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 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 reported to the City Growth and Resources committee and full Council in August and will continue to be updated through updates to this committee.

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. The financial impact of known implications has been assessed and incorporated into the full year forecast for 2022/23. There will remain contractual matters to be addressed that will take time and the Council continues to work closely with the Contractor and representatives to determine the full extent of those.

Finance and Resources Committee on 7th December 2022, agreed to progress the reinstatement of the Altens East Recycling and Resource Facility.

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.

There are currently a number of adjudications about issues to do with performance, delivery and delay of the energy from waste project and sums due under the contract as a result. Parties are too far apart at present to put an exact figure on any liability or quantum.

Scottish Child Abuse Inquiry

Redress Scotland was set up following an act passed by the Scottish Parliament in 2021. Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021. Although Redress Scotland works with guidance and funding from the Scottish Government, it is not part of any Government department. Survivors, as an alternative to civil litigation, may choose to apply for redress. Local Authorities, as a Local Government sector, 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.

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 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.

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 has prepared it's 2022/23 and 2023/24 budget to include known Covid-19 related implications, however, there remains the possibility that further costs may arise that were not previously identified.

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

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MANAGEMENT COMMENTARY

This is the third 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 virements 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, with inflation during this year rising to a level not seen for decades and there are other factors that are having a major impact on our financial position.

As reported last quarter, further financial turmoil was experienced in Quarter 2 as government borrowing costs rose steeply following the mini budget delivered by the Chancellor on 23 September 2022. The financial support and tax-cutting initiatives announced have been substantially reversed and the rates since then have continued to reduce, however it is clear that future borrowing is costing the Council more and this, combined with the challenges inflation and supply chain issues will make future capital investment more expensive.

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 31 December 2022. The forecast for the year is built on the information that was available at this time.

The General Fund is forecast to exceed budget by £2.1m and it is recommended that, as stated above, managers continue to take action to reduce, stop or delay expenditure that they can, in the remainder of the financial year, and if a balanced budget cannot be achieved then the Council will rely on earmarked reserves to fund the deficit. Housing Revenue Account and Common Good are both 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 £5.2m more than had been budgeted, before being offset in part by the centrally held inflation contingency. (Resources £2.351m, Children's & Family £2.210m, Customer £0.434m, JJB £0.124m and Commissioning £0.099m). These forecasts are included in the table below.

It should also be noted that Council Services are feeling the impact of the increase in inflation on the costs of goods and services that they are purchasing.

As highlighted in Quarter 1, 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 have been updated to take account of the known implications, which relate to contractual relationships between the Council and Suez, and there remains contractual matters that have been reflected as a contingent liability in Appendix 1. The fire has implications for the Council balance sheet in respect of the impairment of asset value, 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.

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

1. The main areas of pressure within Children's and Family Service are:

- Higher than budgeted spend on Out of Authority Placements. However, 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.

For Education the service is managing a substantial increase in children that 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, this is expected to continue through the forthcoming and future admission cycles, and 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 Schools unitary charge due to the inflationary uplift, and long-term absence spend will be over budget for 2022/23, this is being closely monitored.
- In Education there are a relatively small number of teaching vacancies that are mainly in secondary schools in subjects that 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.

2. The main areas of pressure within Resources are:

- 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.
- Car Parking income was severely affected by the pandemic, and whilst it is now recovering it is not expected the budgeted income will be achieved.
- In Building Services there is a risk that with the level of capital works being lower than anticipated, then the budgeted surplus will not be achieved this year, the profile of work for the service has been focused this year on void properties and response repair and maintenance.

3. The main areas of pressure within Customer are:

- There is a risk that the level of rental income from Homeless Flats will be lower than budget due to the levels of activity to the end of the quarter, this is largely offset by increased income levels for hostels.
- Digital & Technology are experiencing a cost pressure whilst transitioning to new contracts and increasing digital services. There is a risk that automation budget savings may not be fully achieved this year as they are not fully aligned to the services to which they relate.

4. The main areas of pressure within Commissioning are:

- Governance is expecting an under recovery of licencing income.
- Commercial services, including the Beach Ballroom and museums and galleries, are continuing to be monitored closely, now that Covid restrictions have been removed it is

expected that a return to pre-pandemic levels of business is possible, but cost increases in utilities and supplies are making this difficult.

- Procurement budget savings will not be allocated across services as the savings will not be achieved due to the market position for most goods and services.
- It is expected that there will be an under recovery of income from planning & building applications due to current market conditions.

5. The Operations budget contains salary costs only. Spend is forecast to be on budget.

6. 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.
- Staff costs will be higher due to a higher than budgeted pay award
- Under-recovery of client receipts

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.

The IJB had a covid reserve of £19.7m as at 31 March 2022. The forecast for the Council side of the IJB is that it will spend £9.75m on Covid in 2022/23. This will be funded from the existing covid reserve. It is protected, but Scottish Government will claw back the remaining reserves which are not forecast to be spent this year, this has been confirmed as £9.7m. They have also confirmed that there will be no covid related funding for 2023/24 onwards.

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.

As highlighted above, and in Appendix 1, the financial turmoil recently has only exacerbated the rising cost of borrowing, which had begun to push upwards this year, the cost of capital investment will rise from previous forecasts due to the current economic environment, with

borrowing rates up at 2011 levels, very high inflation – above Government and Bank of England targets – and supply chain volatility.

The bad debt provision has been updated to take account of latest data. 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 and there has subsequently been a reduction in the level of debt.

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 turnover 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 below budget at this time due specifically to the lack of vacancies in teaching posts, despite a regular turnover of posts.

For most of the non-teaching staff in the Council a pay award was agreed and paid to staff during Quarter 3. This amounted to a pay award based on a 5% increase, with a minimum uplift of £1,925, which means that percentage increases for the lowest paid staff was over 9%. The cost of this was approximately 6.5% of the pay bill, but the Council had only budgeted for a 2% increase this year. Scottish Government has provided some of the funding to meet the total cost however there has been a shortfall and this must be met by the Council.

With teaching and Chief Officer pay negotiations still ongoing at this time the Council has forecast that there will be a cost for 2022/23 similar to the deal accepted by the non-teaching staff. This is based on what has been offered to the two pay negotiating groups.

In total the Scottish Government has provided £9.4m towards the pay increase for 2022/23 however that leaves the Council having to find a further £10.6m, having budgeted to spend £6.1m. The shortfall is being made up through the use of contingencies. In the event that the pay negotiations are not settled in 2022/23, the appropriate accruals will be applied to the current year accounts.

Contingencies also holds the in-year revenue contingency for the General Fund and the forecast includes the use of that contingency in the remainder of the year, however this year the commitment to the pay award and the forecast now of an overall deficit on the budget mean that there is no scope for additional expenditure to be absorbed, as any residual deficit will have to be met from earmarked reserves. That does not stop future unplanned events taking place or from implications arising from the risk registers and, where identified, contingent liabilities becoming more certain (see Appendix 1). It means at this stage that the Council relies on the strength of its balance sheet to address future unknown costs.

9. Council Expenses include the budgets for all councillors’ costs, including salaries and expenses. These are forecast to be on budget.
10. The Joint Boards budget and forecast outturn is based on the amount requisitioned by Grampian Valuation Joint Board. This is currently forecast be on budget.
11. 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.
12. The General Revenue Grant is set by the Scottish Government as part of its funding support package for Local Government. This has been updated to take account of the annual

redeterminations that are paid to local government in March. This includes part (£5.050m) of the funding that has been made available to support the current pay award and outstanding offers.

13. Council Tax income is forecast to be above budget for 2022/23 based on collection levels that were better than expected in 2021/22, along with the 3% increase agreed by the Council in setting the 2022/23 budget.
14. 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. A further £4.350m of Capital Funding was received from Scottish Government to assist with the pay award, and this is being accounted for in line with capital finance flexibilities that have been approved by the Scottish Government to enable the funding to be used for revenue expenditure. The Council expects to draw down this amount in full.

Housing Revenue Account

15. The overall HRA budget is balanced however there are several areas of pressure. These are the increases being experienced 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), and reduced capital financing costs. The increased level of surplus £4.350m reflects the mechanism to allow the funding of the pay award from the Scottish Government this has no overall impact on the HRA.

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 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 support to Council services. It is anticipated that much of this funding will be fully utilised to fund the employment of additional teachers, support staff within Education, support income shortfalls in such areas such as car parking and commercial properties, essentially using the general sums available to balance the budget should a deficit remain at the end of the financial year– and this is subject to action being taken to reduce, stop and delay expenditure in the second half of the year.

Balancing the Budget through Controls and Monitoring Structures

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

- Further instruction to all budget holders to reduce, stop or delay expenditure wherever possible to reduce the outturn position.
- 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. A revised process for the management of vacancies has been put in place from 1 January 2023 that aims to freeze recruitment, which will be done with the oversight of an Establishment Board.
- 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. The scheme has been recently promoted to staff in order to further reduce the ongoing cost of staff and to support the affordability of the Council’s budget going forward. 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 Officer – Data & Insight 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 rise in the number of people in the city through resettlement and refugee schemes and studying in the city from abroad – the UK and Scottish Governments are providing funding towards the Ukrainian refugees resettlement schemes and the Council is relying on this covering the costs incurred. Also the high inflation

level and extremely high increases experienced in the cost of energy supplies remain significant risks 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 an operational deficit of £2.1m, with an instruction to budget holders to minimise where possible and protection to fund any remaining deficit provided by the Council's balance sheet in earmarked reserves. The Housing Revenue Account is in a balanced position, and this is captured in the tables set out below.

General Fund Financial Reporting Summary 2022/2023 - Quarter 3

As at 31 December 2022	Budget 2022/2023	Outturn 2022/2023 Quarter 3	Variance from Budget		Notes
	£'000	£'000	£'000	%	
Children & Family Services	227,071	233,172	6,101	2.7	1
Resources	53,998	61,003	7,005	13.0	2
Customer	45,509	46,192	683	1.5	3
Commissioning	24,080	26,393	2,313	9.6	4
Operations	151	160	9	5.9	5
Integrated Joint Board	116,639	116,639	0	0.0	6
Total Functions Budget	467,448	483,559	16,111	3.4	
Miscellaneous Services	64,628	53,887	(10,741)	(16.6)	7
Contingencies	6,705	4,327	(2,378)	(35.5)	8
Council Expenses	1,518	1,520	2	0.1	9
Joint Boards	1,858	1,858	0	0.0	10
Total Corporate Budgets	74,709	61,593	(13,116)	(17.6)	
Non Domestic Rates	(268,557)	(268,557)	0	0.0	11
General Revenue Grant	(134,344)	(134,344)	0	(0.0)	12
Government Support	(402,902)	(402,901)	0	(0.0)	
Council Tax	(129,387)	(130,288)	(901)	0.7	13
Local Taxation	(129,387)	(130,288)	(901)	0.7	
Contribution from Reserves	(9,869)	(9,869)	0	0.0	14
Contribution from Reserves	(9,869)	(9,869)	0	0.0	
Deficit/(Surplus)	(0)	2,093	2,093	0.0	

Housing Revenue Account Summary 2022/2023 - Quarter 3

Operational Deficit/(Surplus)	(500)	(4,850)	(4,350)	870	
Contribution to Reserves	0	4,350	4,350		
Deficit/Surplus	(500)	(500)	0	870	15

General Fund Capital Programme

The reprofiling of capital project budgets approved at Council on 24 August 2022 has been incorporated into the Capital Programme.

The Capital Programme also now includes £0.897 million funding from the Scottish Government towards further Expansion of Free School Meals to Primary 6 & 7.

Officers are still awaiting the outcome of several funding bids, receiving confirmation on 20 January 2023 that the Council has been unsuccessful in its bid for Levelling Up Funding in relation to the Beach Masterplan.

As at Period 9 2022/23	2022/23			
	Revised Budget for Year	Actual Expenditure for Year	Forecast Outturn	Outturn Variance from Revised Budget
	£'000	£'000	£'000	£'000
AECC Programme Board	4,108	2,658	4,108	0
Asset Management Programme Board	64,383	35,712	49,496	(14,887)
Asset Management Programme Board Rolling Programmes	33,020	13,551	26,666	(6,354)
City Centre Programme Board	40,353	16,057	19,313	(21,040)
Energy Programme Board	57,126	19,787	29,332	(27,794)
Housing and Communities Programme Board	1,244	82	1,020	(224)
Housing and Communities Programme Board Rolling Programmes	998	605	998	0
Transportation Programme Board	23,704	4,855	13,469	(10,235)
Transportation Programme Board Rolling Programmes	1,874	684	1,874	0
Strategic Asset & Capital Plan Board	12,067	880	8,639	(3,428)
Strategic Asset & Capital Plan Board Rolling Programmes	1,881	2,490	3,500	1,619
Developer Obligation Projects & Asset Disposals	0	326	233	233
Total Expenditure	240,757	97,685	158,648	(82,109)
Capital Funding:				
Income for Specific Projects	(64,115)	(18,183)	(41,062)	23,053
Developer Contributions	0	(195)	(233)	(233)
Capital Grant	(24,020)	(15,653)	(24,020)	0
Other Income e.g. Borrowing	(152,622)	(63,655)	(93,333)	59,289
Total Income	(240,757)	(97,685)	(158,648)	82,109

Profiling of project budgets and forecasting of outturns remains challenging given the wide range of factors still affecting construction supply chains. As such the forecast outturns quoted above represent a point in time and there is a strong probability 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.

Expenditure for Quarter 3 2022/23 includes continued progress on the New Schools programme, particularly Countesswells Primary and Torry Primary and Community Hub. Updated tenders for Tillydrone Primary are expected to be received and evaluated next Quarter. Works on extending the Torry Heat Network are also advancing, along with design development for the City Centre and Beach Masterplans. The works to dual South College Street, through the Bus Prioritisation Fund, are also progressing well. Although the progress on the rolling programmes for investment

in Roads and Council buildings continued into the autumn, the Fleet Replacement programme is still suffering from long delivery times from most orders to new vehicle suppliers.

The Union Terrace Gardens project achieved practical completion and was re-opened to the public on Thursday 22 December 2022. Design works on road improvements to the new South Harbour are also progressing, funded by City Region Deal. The construction contract for the new North East Scotland and Northern Isles Integrated Mortuary was signed early in Quarter 3 2022/23 and the contractor has started on site.

Housing Capital Programme

The pause of the four Housing Capital Council-led new build projects as agreed at City Growth & Resources on 3 August 2022 has now been included within the updated Housing Programme out-turn.

Spend remains low in the rolling programme in areas such as kitchen, bathroom, structural repairs, lift and window replacements. Like the General Fund Capital, profiling of budgets and forecasting of outturns remains challenging given the wide range of factors still affecting construction supply chains.

Spend has begun to slow down on the Heating Replacement programmes from Quarter 2 however this can be a very unpredictable therefore maybe subject to change.

Income out-turns have been updated to reflect the reduced level of spend on eligible grant projects, CFCR has reduced to the continuing level of overspend within the revenue account and the mechanism to pay the pay award however this has a nil impact on the Housing Account.

Housing Capital Programmes	Approved Budget	Expenditure to date	Forecast Expenditure
As at 31 December 2022	£'000	£'000	£'000
Compliant with the tolerable standard	1,590	126	1,000
Free from Serious Disrepair	12,859	2,945	8,657
Energy Efficient	9,655	4,953	11,156
Modern Facilities & Services	5,277	1,436	2,000
Healthy, Safe and Secure	8,796	2,963	8,796
<i>Non Scottish Housing Quality Standards</i>			
Community Plan and Local Outcome Improvement Plan	6,225	3,422	6,225
Service Expenditure	4,783	458	4,783
2000 New Homes Programme	138,698	57,588	90,835
less 11% slippage	(5,410)		
Net Programme	182,473	73,890	133,452

Capital Funding			
Borrowing	(131,425)	(57,963)	(111,776)
Other Income - Grants Affordable Homes etc	(35,074)	(12,251)	(18,000)
Capital Funded from Current Revenue	(15,974)	(3,676)	(3,676)
Total	(182,473)	(73,890)	(133,452)

Common Good

As at 31 December 2022	Full Year Budget 2022/23 £'000	Forecast Actual Expenditure £'000	Variance from Budget £'000
Recurring Expenditure	3,336	3,315	(21)
Recurring Income	(4,431)	(4,431)	0
Budget after Recurring Items	(1,095)	(1,116)	(21)
Non Recurring Expenditure	776	776	0
Non Recurring Income	0	0	0
Net (Income)/Expenditure	(319)	(340)	(21)
Cash balances as at 1 April 2022	(38,633)	(38,633)	
Net Expenditure from Income & Expenditure	(319)	(340)	(21)
Investment Revaluation (Increase)/Decrease	0	3,508	3,508
Net Capital Receipt	0	(2,335)	(2,335)
Cash Balances as at 31 March 2023	(38,952)	(37,800)	1,152

Notes

- Operationally the Common Good is forecast to be slightly above budget as at 31 December 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 31 December 2022 the value of the investments was £24.272m, an increase on the quarter of £0.230m. 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 reflect the adjustments approved at City Growth & Resources Committee on 21 September 2022, with funding being directed to support winter clothing for children that are eligible for school clothing grants.



**COMMON GOOD
FINANCIAL STATEMENT
FOR THE PERIOD ENDING
31 DECEMBER 2022**

Contents

Movement in Reserves Statement	2
Comprehensive Income and Expenditure Statement	2
Balance Sheet	3

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	(127,705)	(68)	(127,773)
Movement in Reserves during 2022/23			0
(Surplus) or Deficit on provision of services	(815)	0	(815)
(Surplus) or Deficit on revaluation of investment property	3,508	0	3,508
Total Comprehensive Expenditure and Income	2,693	0	2,693
Balance at 31 December 2022	(125,012)	(68)	(125,080)

Comprehensive Income and Expenditure Statement

	<u>Quarter 3, 2022/23</u>			Notes
	Gross	Gross	Net (Income)	
	Expenditure £'000	Income £'000	Expenditure £'000	
Grants & Contributions to External Organisations	396		396	
External Organisations Rents	83		83	
Promoting Aberdeen	125		125	
Grants/Services Provided by Aberdeen City Council	51		51	
Civic Service Funding	672		672	
Duthie Park HLF	0		0	
Specific Projects	536	(2)	534	
Earmarked Reserves	60		60	
Cost Of Services	1,923	(2)	1,921	1
Other Operating Expenditure			0	2
Financing and Investment Income and Expenditure			(2,736)	3
(Surplus) or Deficit on Provision of Services			(815)	
(Surplus) or Deficit on revaluation of investment property			3,508	4
Total Comprehensive Income and Expenditure			2,693	

Notes

1. This includes project expenditure to 31 December 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		31 December 2022 £'000	Notes
27,780	Long Term Investments	24,272	1
89,139	Investment Property	89,139	1
116,919	Long Term Assets	113,411	
10,836	Investments in Aberdeen City Council Loans Fund	14,646	2
0	Investment Property Held for Sale	0	3
482	Short Term Debtors	(2,217)	4
11,318	Current Assets	12,429	
(464)	Short Term Creditors	(760)	5
(464)	Current Liabilities	(760)	
127,773	Net Assets	125,080	
(127,705)	Common Good Fund	(125,012)	6
(68)	Reserve Fund	(68)	6
(127,773)	Total Reserves	(125,080)	

Notes

1. This represents the long term investments as at 31 December 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 31 December 2022.
3. Will be reviewed and updated accordingly in Quarter 4.
4. Based on transactions to 31 December 2022.
5. Based on transactions to 31 December 2022.
6. Reflects the accounting value of the funds, based on transactions to 31 December 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	31.12.22	815	(1,152)	
Trust Funds	31.03.22	(18)	-	
Sport Aberdeen Limited	30.11.22	(77)	-	Break even forecasted at Q3
Bon Accord Care Limited and Bon Accord Support Services Ltd	31.12.22	(804)	(1,181)	
Joint Ventures				
Aberdeen Sports Village Limited	30.11.22	(239)	-	Full year forecast not yet internally reported at Q3
Aberdeen City Integration Joint Board	31.12.22	0	0	Break even forecasted at Q3
Associates				
Grampian Valuation Joint Board	31.12.22	158	-	Full year forecast not yet internally reported at Q3

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, with £30m of accumulated cash invested in a multi-asset income fund managed by Fidelity.

The Common Good is currently forecasting an operational surplus of £21k, however an overall deficit of £1,152k for 2022/23 after taking account of capital investment transactions. This is mainly due to projected reduction in the value of long-term investments as a result of revaluations - 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, and the upkeep of public works. The money earned from the investments of the Trusts is used to provide grants and awards to trust beneficiaries, 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 30th November 2022 show net deficit of £77k.

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 deficit of £804k against budget for the period ended 31st December 2022. This is mainly due to the impact of the recent pay award. The forecast for the financial year shows a deficit of £1,181k.

Joint Ventures

Aberdeen Sports Village Limited (ASV Ltd)

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 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 account for the period ended 30th November 2022 showed that ASV Ltd reported a deficit of £478k. The share of the deficit being attributed to the Council is £239k, although ASV Ltd continue to rely on reserves to support operations rather than asking for additional funding in the current year.

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 31 December 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 £303k during the period ended 31st December 2022 mainly due to continued underspends in staffing and other supplies and services.

This is a favourable variance of £405k compared to the budgeted deficit of £102K.

The portion of the underspend attributable to ACC is £158k.

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 Annual Accounts for 2021/22.

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	01 February 2023
EXEMPT	This report is not exempt, but Appendices 2,4 & 5 are (paragraph 8)
CONFIDENTIAL	No
REPORT TITLE	Work Plan & Business Cases
REPORT NUMBER	COM/23/039
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	1.1.5 & 1.1.6

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement work plans where expenditure is included for the Customer and Operations Functions to Committee for review and to seek approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

2. RECOMMENDATIONS

That the Committee: -

- 2.1 reviews the workplan as detailed in the Appendices for the Customer and Operations Functions;
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contract; and
- 2.3 notes the content of Appendix 3 - 3.10 Memos (Exemption Urgency).

3. CURRENT SITUATION

- 3.1 The ACC Procurement Regulations 2022 require that authority to incur expenditure must be sought prior to any invitation to tender or contract entered into. The method of authorising depends upon the contract value, with contracts above £50,000 (supplies/services) or £250,000 (works) to be listed on a workplan with an associated Procurement Business Case and submitted by the relevant Chief Officer to the Finance and Resources Committee (approval of contracts with a value under £1,000,000) and to Council (approval of contracts with a value over £1,000,000). The approval of the applicable Committee is required prior to the procurement being undertaken.

3.2 Committee is asked to review the Customer and Operations Functions work plans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.

4. FINANCIAL IMPLICATIONS

4.1 The indicative value of the proposed contract is shown within the workplan and in the Appendices. The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach. The robust approach to governance ensures that all contracts are aligned to the approved budget provision for each financial year with controls in place for flexibility if required. This also assists the Council in meetings its statutory duty to keep a Contracts Register.

5. LEGAL IMPLICATIONS

5.1 The contracts shall be procured in accordance with procurement legislation and the Commercial Legal Team within C&PS shall provide legal advice where necessary, legal commentary has been sought and is included within each Procurement Business Case.

6. ENVIRONMENTAL IMPLICATIONS

6.1 Consideration is included within each Procurement Business Case as to how the proposed contract will support the Council's climate commitments. If these are not to be included, officers are asked to confirm why this is the case. Standard wording is included in procurement templates to ensure this is captured at tender stage through to awarded contract.

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	Contract expectations not being monitored or managed.	Contract Management consideration in business cases, guidance and training available for officers	M	Yes

Compliance	Failure to comply with internal procurement regulations and procurement legislation	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes
Operational	Unable to control demand	Robust process and focus on demand reduction strategies, contract terms developed to be more flexible.	L	Yes
Financial	Escalation of costs Differing market conditions depending on commodity or service	A strong focus on value for money in all commissioning activities and market engagement or use of Business Intelligence to engage with market / ascertain changes/trends.	M	Yes
Reputational	Insufficient information provided by officers, lack of transparency.	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes
Environment/ Climate	Failure to consider sustainable options.	Environmental consideration within business cases and environmental clauses within tender documents.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits, Fair Work and Climate requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase.
Regional and City Strategies	Details of anticipated outcomes and how they support key strategies are contained within the business case attached.
UK and Scottish Legislative and Policy Programmes	Details of the legislative and policy programmes to be complied with is contained within the business case attached.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Public

Appendix 1- Final Revenue Work Plans- PUBLIC_FR_010223

Appendix 3 - 3.10 Memo's (Exemption Urgency) -FR_010223

Private

Appendix 2 - Final Revenue Work Plans PRIVATE_FR_010223

Appendix 4 - Business Case Travel Purchase Solutions

Appendix 5 – Business Case Roads Framework (Capital Infrastructure Works)

11. REPORT AUTHOR CONTACT DETAILS

Name	Melanie Mackenzie
Title	Strategic Commercial Manager
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Customer Work Plan	Committee: Finance and Resources	Date of Committee: 01 February 2023
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-CJHP7749	Customer	Customer Experience	Travel Purchase Solutions	Revenue	01/03/2023	28/02/2026	12	28/02/2027	This contract provides for the Council with a comprehensive Travel solution for essential work travel for employees, seeking to get the best possible rates and offer the traveller a 24 hour assistance helpline whilst travelling.

Operations Work Plan	Committee: Finance and Resources	Date of Committee: 01 February 2023
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-GERU7185	Operations	Operations & Protective Services	ACC Roads specific Framework- for capital infrastructure works across Aberdeen city.	Capital	01/04/2023	31/03/2025	24	31/03/2027	The ACC Roads specific framework will allow the streamlining of the procurement process for roads and drainage specific contracts, assisting with improved efficiencies in procuring these works.

Appendix 3 - 3.10 Memo's (Exemption Urgency)

Function	Cluster	Description of Contract	Estimated Start date of Contract or	Estimated End date of Contract	Total Estimated Contract Value £	Summary of explanation of why the contract was urgently required and justification for suspension of procurement regulations, in whole or in part:
Resources	Capital	Appointment of Cameron Chisholm Dawson Partnership to provide M&E Engineering Consultancy Services: Mechanical and Electrical Engineering Consultancy Service to support Aberdeen City Council Approved Capital Plan	31/10/2022	31/03/2023	200,000	<p>Over the last months the level of service provide by the M&E consultants contracted via an external Framework has been impacting on the delivery of projects, particularly around timescales and costs. Individual Contract Administrators have reported service and capacity concerns to senior management, who have then discussed these concerns regularly with various consultants.</p> <p>Due to the continued concern with the level of service and capacity, following discussions with the appropriate consultants, Capital explored other options and the availability of alternative frameworks that could provide M&E Engineering Consultancy Services. In consultation with Procurement the another external framework agreement was identified as an option that could be used, this was then used to supplement capacity available within the market.</p> <p>Two of the consultants who have carried out work have advised that they do not have capacity to take on more work at present and one M&E Consultant has informed Capital that they can no longer support project delivery in the North East of Scotland and will be withdrawing their services (They are currently working on approximately 17 Project)</p> <p>Most of the M&E consultants on both frameworks are based in the South of Scotland or further afield, there is only consultant with a design office based locally, a direct award was proposed to urgently supplement available capacity whilst a longer term solution is</p>

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 st February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Place Based Investment Programme and UK Shared Prosperity Fund
REPORT NUMBER	COM/23/042
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Stuart Bews
TERMS OF REFERENCE	1.1.8, 1.1.11 & 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to secure the Committee’s approval for the proposed allocation of grant funding from the Place Based Investment Programme (PBIP) Fund 2022/23 and 2023/24 and bids to the UK Shared Prosperity Fund 2022/25.

2. RECOMMENDATION(S)

That the Committee approves:-

- Place Based Investment Programme 2022/23
- 2.1 The award of up to £75,000 to Camphill School Aberdeen for the Murtle Market project subject to previously allocated funds becoming available within the programme;
- Place Based Investment Programme 2023/24
- 2.2 The award of up to £10,987 for Fersands and Fountain Community for the Nursery Garden Improvement Project, subject to confirmation from the Scottish Government of the Place Based Investment Programme grant for 2023/24;
- 2.3 The award of up to £75,000 to Camphill School Aberdeen for the Murtle Market project, if no prior allocated funds become available within the 2022/23 Place Based Investment Programme and subject to confirmation from the Scottish Government of the Place Based Investment Programme grant for 2023/24;
- UK Shared Prosperity Fund
- 2.4 The award of up to £167,112 to Tillydrone Community Development Trust for the Benholms Tower Project, following the establishment of an appropriate Subsidy Control Scheme by Aberdeen City Council; and
- 2.5 The award of up to £79,506 to Greyhope Bay for the Phase 2 Feasibility Project.

3. CURRENT SITUATION

- 3.1 The 2020-21 Programme for the Scottish Government announced the creation of a Place Based Investment Programme Fund with £275million of capital funding to support community led regeneration, town centre revitalisation, community wealth building and 20 minute neighbourhoods (neighbourhood location where people can access most of their basic needs within a 20-minute walk.) It is a multi-annual capital fund with the Scottish Government distributing £38 million this financial year to local government, of which £847,000 was allocated to Aberdeen City Council to be administered locally.
- 3.2 The main objectives of the Place Based Investment Programme Fund are:
- to link and align place-based initiatives and establish a coherent local framework to implement the Place Principle;
 - to support place policy ambitions such as town centre revitalisation, community led regeneration, 20-minute neighbourhoods and Community Wealth Building;
 - to ensure that all place-based investments are shaped by the needs and aspirations of local communities;
 - to accelerate ambitions for net zero, wellbeing and inclusive economic development, tackling inequality and disadvantage, community involvement and ownership.
- 3.3 The Place Based Investment Programme has been launched following the closure of the Scottish Government Town Centre Fund, however the focus within The Place Based Investment Programme fund is targeted at the Place Principle. The Place Principle was adopted by Scottish Government and COSLA as a basis for collaborative working to ensure that future local investment is relevant to local communities and for the benefit of local people. Bringing relevant services, enterprise, and communities together to make our towns and neighbourhoods more viable. The Place Based Investment Programme, alongside the developing Place Framework, aim to embed the Place Principle.
- 3.4 Under the five-year Programme Councils will receive an annual share of the fund of the following values: £38m in 2021/22, £33m in 2022/23, £23m in 2023/24, £23m in 2024/25 and £23m in 2025/26. For 2022/23 Aberdeen City Council received an allocation of £847,000. This has been fully allocated following the Finance and Resources Committee meeting on 7th December 2022.
- 3.5 One new application from Camphill School Aberdeen was received prior to the closing date for this committee meeting and is summarised within the table below. The project, from Fersand and Fountain Community is recommended to be allocated funds from next year's Place Based Investment Fund allocation. The project was partially successful in 2022/23 where it was allocated the remaining £22,013 from the 2022/23 programme. The recommendation within this report is to allocate up to a further £10,987 from 2023/24 Programme to complete their funding request of £33,000. Further detail on each project is also provided within Appendix 1 to this report. All applications have been

assessed by officers against the fund criteria and key points summarised within the Officer Review Outcome column of table 1 below.

Table 1: Place Based Investment Fund.

Applicant	Project	Total Project Cost	Grant Requested	Officer Review Outcome	Grant Proposed to award from PBIP
Fersands and Fountain Community	Nursery Garden Improvement Project	£93,000	£10,987	Recommended for approval – This project shows great fit with PBIP objectives tackling inequality and disadvantage, net zero and community involvement.	Up to £22,013 was allocated in December 2022 by Committee of the £33,000 requested due to the limited remaining funds. Propose to award up to £10,987 from the 2023/24 Programme
Camphill School Aberdeen	Murtle Market	£570,154	£75,000	The project demonstrates a strong fit with the fund criteria, has secured additional sources of match funding and positioned to begin works imminently following an award of grant	Up to £75,000. This will come from the 2022/23 Programme should funds become available (the fund is currently fully committed) otherwise the 2023/24 Programme
	Total	£663,154	£85,987		

- 3.6 The UK Government published the UK Shared Prosperity Fund prospectus on 13th April 2022 alongside indicative funding allocations for each Local Authority within the United Kingdom based upon a methodology calculation. Based on this methodology Aberdeen City shall receive an indicative allocation of up to £7,156,832 covering an initial three-year period covering 2022/23, 2023/24 and 2024/25. This is made up of £1,235,919 for “Multiply” and £5,920,913 for the core UK Shared Prosperity Fund. The “Multiply” element of funding is ringfenced for activity to enhance adult numeracy skills provision.
- 3.7 The core UK Shared Prosperity Fund element can be used across three priority areas: Community and Place; Supporting Local business; People and Skills.
- 3.8 In order to access the funding, Aberdeen City Council developed and submitted Investment Plan on 1st August 2022 following instruction from City Growth and Resources Committee in June 2022. The Investment Plan outlined the key priority areas for investment of the fund. The UK Government have since approved the Investment Plan in December 2022.

- 3.9 Upon approval of the Investment Plan there are three routes to spending the fund: 'Challenge Funds', 'Procurement' or 'in-house'. All spend will require Committee approval prior to commencement.
- 3.10 At this time applications are being sought under the Communities and Place priority only through a challenge fund route. Officers promoted the challenge fund on the Aberdeen City Council website including an application form and supporting guidance documents. Two fully completed applications have been received in this round, with a further six having been returned due to either being incomplete, or requiring additional information to be considered for allocation of funding. Where applications have been returned, the applicant has been provided with detailed feedback around the additional information required and offered a meeting with the external funding team to discuss the feedback further.
- 3.11 It should be noted that this fund covers multiple years and therefore funding can be allocated over more than just a single year, as outlined in the table below.

Table 2: Shared Prosperity Fund

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
Tillydrone Community Development Trust	Benholms Tower	£557,099	£0	£167,112	£0	To award up to £167,112 to the project. Demonstrated a strong link the objectives of the relevant fund interventions along with evidence of strong community engagement.
Greyhope Bay	Phase 2 Feasibility Project	£79,506	£0	£79,506	£0	To award up to £79,506. The proposal will see Greyhope Bay look to demonstrate the viability of their future plans and how they can be realised. The Feasibility shows a strong fit to the relevant fund interventions and will ensure close engagement with the community in designing future plans for the area.

Applicant	Project	Total Project Cost	Grant Request 2022/23	Grant Request 2023/24	Grant Request 2024/25	Officer Review Outcome and Proposed Award
	Total	£636,605	£0	£246,618	£0	

4. FINANCIAL IMPLICATIONS

- 4.1 The Council has been allocated £847,000 of Place Based Investment Programme in 2022/23 from the Scottish Government. Aberdeen City Council has an in-principle allocation of £590,000 for 2023/24. The full £847,000 for 2022/23 has now been allocated following the December Committee of Finance and Resources. Further options are presented in this report which would allow for a swift allocation of funds in the event any projects were to withdraw or have an underspend, rather than having to return the funds unspent to the Scottish Government.
- 4.2 The full £847,000 must be committed by 31st March 2023 and this is considered to be a commitment of expenditure which can be evidenced by a fully awarded contract or commencement of works. The eligible costs for which the grant can be used are capital costs incurred by the local authority or third parties which are in line with the main objectives of the fund. These costs must be additional to that which is already or would otherwise be allocated to the 2022/23 budget. The Place Based Investment Programme is therefore not a substitute for existing or committed spend. All projects recommended to receive funds have demonstrated that they can achieve this.
- 4.3 The Council has provisionally been allocated £7.1m of UK Shared Prosperity Funds (UKSPF) by UK Government over the next two and a half years. The Core UKSPF allocations are: £718,557 in 2022/23, £1,437,115 in 2023/24, £3,765,241 in 2024/25. The “Multiply” priority, to improve people’s numeracy skills, has been allocated £1,235,919 over two and a half years.
- 4.4 The eligible costs for which the grant can be used are capital or revenue costs incurred by the local authority or third parties which are in line with the main objectives of the fund. Officers assess all bids in line with the published criteria and guidance on the Aberdeen City Council website. Applications which are incomplete or require further information will be returned to the applicant with feedback on the areas which require attention before being resubmitted.
- 4.5 It is essential that the projects from both programmes comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the Scottish Government or UK Government if conditions are not complied with.

5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those organisations which are awarded grant funding.

5.2 Officers will undertake Subsidy Control risk assessments for all external applications.

5.3 To ensure compliance with the Subsidy Control Act 2022, officers are in the process of establishing a subsidy control scheme for both the Place Based Investment Fund and the UK Shared Prosperity Fund Communities and Place programme. Upon establishment of these schemes, all awards will then be uploaded to the UK Government's Subsidy control database and where required the transparency register. These records and the audit trails generated can be set out as internal guidance for future funding schemes, to ensure the Council is complying with the new Act.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risk	Primary Controls/Control Actions to achieve Target Risk level	Target Risks Level Low (L) Medium (M) High (H)	Does target Risk Level Match Appetite Set?
Strategic Risk	No risks identified	None	L	Yes
Compliance	Non-compliance with grant conditions will require return of grant	External Funding team are familiar with the compliance requirements and will advise and monitor projects as required to ensure compliance	L	Yes
	Subsidy Control	To ensure all external grants awarded are compliant	L	Yes
Operational	No risks identified	None	L	Yes
Financial	Any unspent, or unallocated funds will require to be returned to Scottish Government/UK Government	Close project monitoring will take place throughout to ensure these timescales will be met.	L	Yes

Reputational	Risk of reputational damage if funds are not spent in accordance with the grant conditions	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes
Environment / Climate	No risks identified	None	L	Yes

8. OUTCOMES

COUNCIL DELIVERY PLAN	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<p>All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies.</p> <p>Work constructively with the Scottish Government to seek additional funding for Aberdeen.</p> <p>Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.</p> <p>Seek to gain the maximum benefits for Aberdeen's people and businesses from the Scottish Government's £500 million Just Transition Fund and their £100 million Green Jobs Fund</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous People Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous Place Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.

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

- 10.1 COM/21/176 External Funding report to City Growth And Resources Committee on 21st June 2022.
- 10.2 COM/22/205 Place Based Investment Programme report to City Growth and Resources Committee on 21st September 2022
- 10.3 COM/22/277 Place Based Investment Programme and UK Shared Prosperity Fund on 7th December 2022

11. APPENDICES

- 11.1 Appendix 1 – Place Based Investment Programme – Summary of applications received
- 11.2 Appendix 2 – UK Shared Prosperity Fund – Summary of applications received
- 11.3 Appendix 3 – Place Based Investment Programme and UK shared Prosperity Fund – Funds awarded to date

12. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 – Place Based Investment Programme – Application Summary

Camphill School Aberdeen – Murtle Market

Camphill School Aberdeen (CSA) will retrofit a disused building on the North Deeside Road (on Murtle Estate) using a sustainable approach and transform this into new sustainable social enterprise Murtle Market - a zero-waste organic produce and refillery store, takeaway café, and heritage hub – open to the public 5 days a week (targeting the 20-minute neighbourhood of Cults Bieldside and Milltimber - 18,000 residents).

In addition to the above it will also create meaningful training, work experience and skills development for an additional 40 young people (aged 16 to 25) with learning disabilities and very complex additional support needs who are not currently accessing services (increasing access to our vocational workshops to over 100, including those from priority neighbourhoods.) By creating the right access to opportunities as young people transition to adulthood, we want to reverse the statistic that only 4.1% of adults with a learning disability are in employment – delivering a truly inclusive approach to the development of the wellbeing economy. Not only will this project be transformational for the young people, but it will have a lasting impact on their families (by supporting parents back into work and reducing poverty risk), the local 20-minute neighbourhood (by providing sustainable circular economy goods and services and promoting behaviour change towards net zero) and the environment (by reducing the communities carbon footprint and promoting active travel and the circular economy).

We have attached a robust business plan for Murtle Market (giving further details on its operations and long-term financial viability)

The young people will be central in all operational aspects including working in the store (serving customers, stock checks, handling cash, etc) and in the supply chain (growing fruits and vegetables, making craft products, baking breads and home bakes, packing and labelling goods, placing/collecting orders, and delivering supplies).

Murtle Market will offer:

- Zero-waste organic fruit, vegetables and meat grown/reared at CSA and locally
- A Refillery for dry goods and environmentally friendly household products (e.g. pasta, pulses, detergent)
- Organic preserves, bakes and other secondary produced goods (mostly made by young people in our workshops and some partnerships with like-minded, zero-waste, local producers).
- Takeaway coffee and tray bakes (made by young people in the Kitchen Workshop).
- A community heritage hub for CSA, promoting our vibrant 80-year history, values, services and ethos, whilst showcasing the traditional arts and crafts made by young people.
- Bike maintenance and upcycling with the potential for bike hire. Deliver local produce to businesses/public using electric bicycles.

Refurbishment of Murtle Lodge - Construction and Design

With planning permission granted from Aberdeen City Council Planning Department (Application Reference: 220533/DPP) and Building Warrant submitted, we will have contracts signed for the building construction March 2023, the construction programme will last six months. The appointed architectural team specialise in creating healthy, integrated environments and inclusive design for people with additional support needs. The retrofit will complement the building's limewashed façade, incorporating a sympathetic marriage of heritage design and modern construction. It will not alter the external walls of the original cottage nor disrupt the current mature trees; all in line with Historic Environment Scotland case studies. We plan to remove the currently dilapidated extension and replace it with a well-insulated fit-for-purpose Scottish larch timber construction reusing the current foundations. The design incorporates a large outdoor south facing meeting area which is sheltered from the road by the new building. The space will be fully accessible under the DDA standards with wheelchair access and toilet facility. The design also includes disability parking and excellent public access on foot along with bike storage. The key focus of the build will be to couple sustainability with accessibility; designing a space that will continue to deliver now and into the future. Heat demand for the building will be sustainably delivered by an air source heat pump into a well-insulated, triple glazed building envelope. A 'fabric first' approach has been adopted, carefully considering the future of the building by including flexible use/longevity of materials (long life / loose fit) if there is ever a requirement for deconstruction, expansion or repurpose. The design utilises low carbon materials throughout including limecrete, recycled geotextiles and hemp insulation; offsetting some carbon from the construction work (please see attached plans).

Community Involvement

This project was developed as a result of participation and engagement exercises conducted with beneficiaries, the wider community and local stakeholders between 2020 and 2022. The people involved in shaping this project came from our community of purpose (children and young people with learning disabilities, Gap Year volunteers and staff) and our 20-minute neighbourhood (places that are designed so residents can meet their day to day needs within a 20-minute walk/cycle or public transport commute from their home). This concept is a flagship policy for the 2020 Programme for Government (Scottish) to deliver the net-zero targets and deliver a wellbeing economy of inclusive growth).

About CSA

Established in 1940 we were the first shared living community in the UK for children with learning disabilities and we are proud to have started the Worldwide Camphill movement that now consists of over 120 independent charities globally. This is something the citizens of Aberdeen can be very proud of. We are a community of purpose based in Lower Deeside which is made up of children with profound learning disabilities, long term volunteers and staff (circa 450)

The mission of our social care charity is to transform the lives of children and young people with learning disabilities and very complex additional support needs, 83% from Aberdeen and Aberdeenshire. Our unique approach integrates education, lifelong learning, expert care, and therapies as part of a sustainable shared living community. We currently empower over 100 young people aged 3 to 25 years to grow in confidence, skills, and independence – helping to reach their fullest potential. Many staff and volunteers live on-site, creating a vibrant family environment, generating positive mutual relationships which enhance the quality of our education and care. Our services include: integrated nursery, primary and secondary school (extending the formal curriculum with a therapeutic approach to education), 10 residential homes, 15 vocational workshops (Learning for Life Services and STARS Awards 16-25 years), therapies, leisure and recreational facilities alongside onsite medical care. Our workshops include an organic farm and walled garden, heritage arts and crafts, kitchen, bike mechanics and a zero waste refillery and organic farm shop (Fruver) which distributes to all our services.

Set over 50 hectares of open space and peaceful woodlands, our unique model delivers unparalleled outcomes for our young people in a safe and nurturing setting. An integral part of our shared living community is mutual care and respect for each other and the environment enabling healthy sustainable lifestyles. This includes growing our own organic produce, reducing waste, decreasing carbon emissions and practising principles of the circular economy. Our skilled and diverse board leads an experienced Management Team, supported by 250 staff and 60 gap year volunteers. We are consistently recognised for our high standards of care through the Care Inspectorate and have been accredited with the National Autistic Society since 2005 as well as holding the Eco-School Status for over 10 years. We were also shortlisted for the National SCVO Awards (2022) in the “Pioneering Project Category” for our pop-up COVID-19 vaccination centre -a testament to our quality and innovative approaches



North Deeside Road (North Facing) Elevation



View from North Deeside Road
Camphill Schools Aberdeen Design Statement for Social Enterprise project

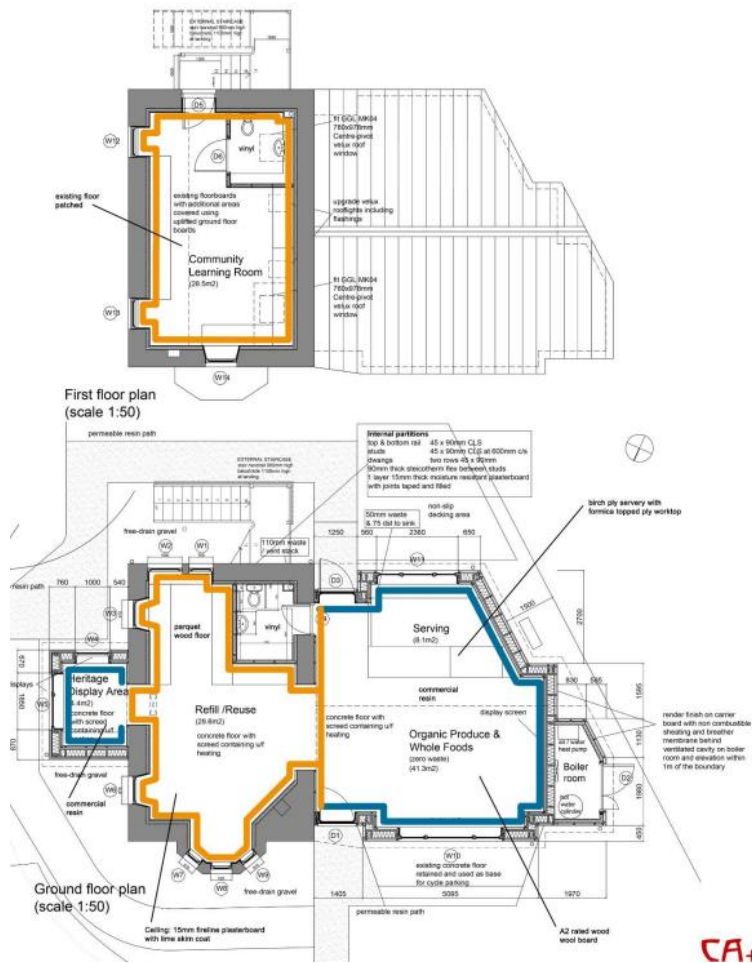


Rear (South Facing) Elevation

SITE IMAGES



Rear view of Store & seating area
Camphill Schools Aberdeen Design Statement for Social Enterprise project



CA+

Fersands Fountain Community Project – Nursery Garden Improvement Project

We are seeking to turn a disused concrete car park into a garden area for nursery Children from a disadvantaged area.

The Woodside Fountain Centre is home to Fersands Family Centre which offers Pre School Education to up to forty-six families each day, fifty weeks per year. All of the Families live in a regeneration area or are from families deemed as vulnerable. The families all live in tenement accommodation with little garden space.

The Family Centre moved to the accommodation thirteen years ago but has since increased services considerably and has outgrown the existing garden space. When they arrived at the centre they looked after far less children and for shorter periods of time.

Our existing space was not designed to accommodate so many children for so long periods. The Nursery is now encouraged to offer a “Free Flow” play system where children choose to play in or outside. Recently more and more value is given to outdoor learning and physical exercise for the wellbeing of small children.

We intend to erect a new boundary fence around part of the existing car park, resurface grounds with a range of materials; soft play surface, composite decking, bark etc.

Remove existing windows and install into Woodside Fountain Centre New Patio Doors in Nursery facing Marquis to form a new direct opening on to the new garden area. Above the new [patio doors we intend to erect a shelter to protect this new entrance with Canope .

(Full detailed drawings are available)

Application was submitted for planning permission in September 2022 and has recently been approved on 16th November 2022.

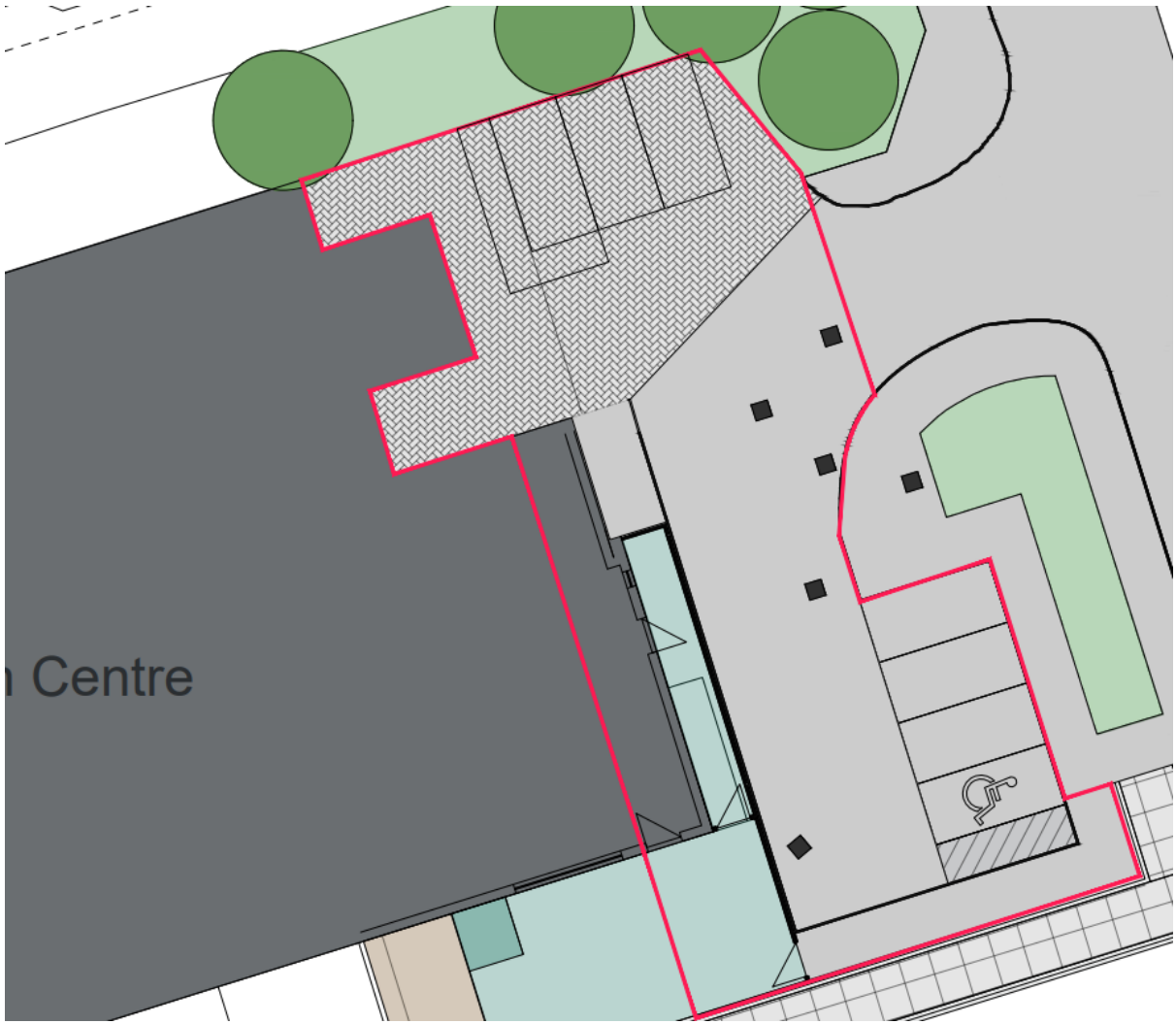
<https://publicaccess.aberdeencity.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=RHHAPGBZJ9D00>

Partners include; Tinto Architects,

Sangsters (Structural Engineers & Quantity Surveying) Fairhurst (Building Warranty). Approval has been gained from

Aberdeen City Early Years Pre School advisors, Woodside Neighbourhood Network, Woodside Community Council.





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Appendix 2 - UK Shared Prosperity Fund – Application Summary

1. Greyhope Bay Phase 2 Feasibility Project - £79, 506 request

Greyhope Bay exists to connect and engage communities with the marine world – they have successfully built a café and community centre on the historic site of Torry Battery offering panoramic views of Aberdeen’s coast, community-led programming, and the best place in the UK to spot bottlenose dolphins.

They are making a request to fund a 9-month strategic master planning and feasibility project for phase 2 of the Greyhope Bay project: co-designing a sustainable future for Greyhope Bay and the monument of Torry Battery that meets the need of the community of Torry and Aberdeen.

Greyhope Bay in its current form includes the operation of the Greyhope Bay Centre which opened in April of 2022 and has since received over 40,000 visitors to the café and community space. This phase has been granted 5 years planning permission (Aberdeen City Council) and scheduled Monument Consent (Historic Environment Scotland) for the purpose and opportunity to establish the monument of Torry Battery as a destination for connecting communities with our coastal and built heritage and to demonstrate the viability of a permanent facility at this location. With the 5-year time limit the project now has two significant programmes of work:

1. Operations of the centre, including café management, community events, workshops and education programme delivery and building revenue models and capacity to take advantage of growing opportunity
2. Strategy and master planning/feasibility design work of what a permanent solution for the monument could be post 5 years, informed by operations, and continued identified opportunities and needs of the community. This would also include the establishment of partnerships for delivery of phase two.

The small team at Greyhope Bay do not currently have the capacity to run both programmes of work and are focused on operating the centre. Funding from the UK Shared Prosperity fund will allow Greyhope Bay to resources the second programme of work to ensure there is an informed, strategic and progressed plan for the growth of the project and its role in placemaking and designing a sustainable future for Torry Battery.

To do this they want to:

- Fund a strategic growth and partnership manager withing the Greyhope Bay team with remit to lead a 9-month project that will deliver a strategic growth plan and feasibility and study for phase 2. This role would work closely with the Operations Manager to inform development and strategy work based on response to and requirements of programmes and operations on the ground
- Fund the development of a concept design and associated feasibility for phase 2

- Deliver a dedicated open participatory process and engagement events where conversations and responses will shape the plans for phase two of the development

Outcomes

- Developed conceptual design and masterplan for phase 2 informed by programming and operations and direct engagement with their community
- Established Partnerships and Development Group for phase 2
- A cost estimate to deliver on the concept designs
- Identified Funding/Funders to progress phase 2 development
- A developed revenue model for operations

2. Benholms Tower - £167,112 request

The overall project vision is to revitalise the derelict Benholm's Tower by community ownership and developing it into a facility with a community café on the ground floor, a multipurpose meeting/exhibition hall on the first floor and flexible workshop/office space on the upper floor. The hall will be available for hires, community groups, events etc and the office space is intended for small business start-ups or artists to be able to have affordable workspaces within the community, helping to develop the local economy.

The area around the tower will be developed to include a sensory, all-inclusive play trail – the first of its kind in the North of Scotland. By opening the Tower and providing facilities within Seaton Park this also allows the community and visitors to remain in the park area for longer and to make use of the greenspace and the proposed sensory play trail equipment.

At this point funding is sought for the development of the Great Hall, this middle floor restoration will create a meeting and event space within the tower which will be bookable and available to the community as desired. This flexible space will allow events such as exhibitions, celebrations or meeting to take place within the community and taking advantage of the catering in the café downstairs. Meeting rooms within the Tillydrone area are currently heavily oversubscribed so the addition will compliment other facilities in the area while providing a unique venue. Works to develop the rest of the plans will require separate funding but the trust have already successfully achieved funding for the ground floor café facility. This proposal has been developed by Tillydrone Community Development Trust over several years and has attracted significant media and community interest resulting in letters of support from Tillydrone and Old Aberdeen Community Councils, Donside Village, Friends of Seaton Park, The University of Aberdeen and St Machar's Cathedral. A community Asset Transfer application has been submitted and while it has been significantly delayed, a positive outcome is expected this year.

The Tower is now on a main arterial route since the opening of the Diamond Bridge and given the high traffic past the site this is very much a Place-making opportunity with the intent to help Benholms Tower identify the community of Tillydrone, help in economic regeneration and define the area as a destination, not just a transit corridor.

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Place Based Investment Programme 2022/23 allocations and awards

The Scottish Government awarded Aberdeen City Council £847,000 of Place Based Investment Programme funding for 2022/23. Please see table below highlighting projects the fund has supported in round 2. All funds have been fully allocated, in the case of any underspend funds will be redistributed to reserve projects.

Organisation	Project	Total Awarded
ACC	Quary centre	£50,000.00
ACC	Huberdeen	£40,500.00
ACC	The Street Design Project - Woodside Gateway	£100,000.00
Castlegate Arts	2022 Access Improvements	£75,000.00
Donside Village Community SCIO	Tillydrone Gateway Feature Sculpture Trail	£69,400.00
Greyhope Bay	Greyhope Bay Renewable Power	£44,132.00
Scottish Women's Institute	Hub Upgrade	£11,474.00
Kings Community Foundation	The Bridge Centre - Torry	£76,500.00
Tillydrone Community Development Trust SCIO	Benholm Tower and Gateway	£253,981.00
ACCAAGM	Aberdeen Art Gallery Auto Opening Doors	£43,000.00
St Marys Church	West End Peace Garden Project	£11,000.00
Ferryhill Railway Heritage Trust Incorporating Men's Shed	Restoration of Historic Office Building and Water Tower	£50,000.00
Fersands Fountain Community	Nursery Garden Improvements	£22,013.00
Total		£847,000.00

UK Shared Prosperity Communities and Place Fund allocations and awards

The UK Government has awarded Aberdeen City Council £7.1m to spend over the next two and a half financial years. Please see table below highlighting successful projects awarded funds at committee on 7th December 2022.

Applicant	Project	Total Project Cost	Grant awarded 2022/23	Grant awarded 2023/24	Grant awarded 2024/25
Aberdeen City Council	Community Buildings Feasibility Study	£70,000	£70,000	£0	£0

Aberdeen City Council	ClimateOS software	£101,000	£101,000	£0	£0
Aberdeen City Council	SPECTRA Scotland's Festival of Light	£990,000	£70,000	£85,000	£85,000
Aberdeen City Council	Tolbooth Museum Improvements and Structural Repairs	£1,200,000	£100,000	£600,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Reimaging The Cowdray Hall - Feasibility Study	£40,000	£10,000	£30,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Aberdeen Archives Centre - Feasibility Study	£90,000	£10,000	£80,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Audience Evaluation & Acquisition Feasibility Study	£150,000	£10,000	£70,000	£70,000
Tillydrone Community Development Trust	Benholms Tower				

	Total	£2,641,000	£371,000	£865,000	£155,000
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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Capital Programme Delivery: Projects Update
REPORT NUMBER	RES/23/043
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	John Wilson
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts.
- 1.2 In addition, the report highlights those issues considered worthy of particular note which are specific to individual programmes/projects.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme; and
- 2.2 Instruct the Chief Officer-Capital to report to the next appropriate Finance and Resources Committee his findings following a review of next steps options for the delivery of the new housing sites at Craighill and Kincorth.

3. CURRENT SITUATION

Background

- 3.1 At the Council meeting on Wednesday 24 August 2022 the Committee considered the report Council Financial Performance – Quarter 1, 2022/23 RES/22/131, which contained within it an Appendix 5 – Reprofitting of Capital Programmes.
- 3.2 The first update on the delivery of the Capital Programmes following the change to the Council's committee structures was submitted to the Finance and Resources Committee on Wednesday 7 December 2022. There was an action from that committee to note that a meeting would be arranged with elected

members from opposition parties, the Partnership and relevant officers, in order to investigate if a more robust reporting style in relation to capital projects could be utilised for this Committee.

3.3 This meeting was convened on 13 January 2023 and the agreed report content/style is contained within this report which incorporates a supporting Annex for relevant projects mentioned within the report.

3.4 This report continues to review the approved General Fund and Housing Capital Programmes/projects in terms of timeline delivery and financial viability.

General Fund Capital Programme (GFCP)

3.5 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

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.

3.6 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. Projects within this section continue to be closed out.

3.7 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. To date these programmes of work continue to be delivered as planned however as noted at the last update report in December 2022, officers continue to monitor the tender offers as individual projects are brought forward. There is still fluctuation in the prices of commodities, materials and labour supply.

What this means in practice is, given current market conditions and cost inflation pressures, with the approved budgets being retained unchanged, it is likely the volume of work delivered under each project line is likely to be reduced.

3.8 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.

The key significant project within this section is delivery of the new External Transportation Link to the new Aberdeen South Harbour with an approved budget of £25m.

Delivery and governance of this project is being reported to the City Region Deal Joint Committee.

- 3.9 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.
- 3.10 The current 5-year total of this section of the GFCP approved in March 2022 is just under £100m. Having reviewed this section the projects which merit an update are as follows;

Union Terrace Gardens

- 3.11 The project achieved Practical Completion on Thursday 22 December 2022. As noted previously the central lawn area is not grass turfed.
- 3.12 A new turf will be placed after the forthcoming Spectra lightshow event in February 2023 as soon as the weather conditions are considered favourable. The public will be advised to stay off the new turfed lawn for a number of weeks to enable the new turf to become established.
- 3.13 A snagging list of internal and external works has been agreed with the Principal Contractor and these works will be carried out over the coming weeks and months. The snagging is minor in nature and includes, but is not limited to such items as, ironwork adjustment, pointing, kerbing and drainage. In addition, circa 12 months post completion a Project Evaluation Report will be prepared.

Countesswells Primary School

- 3.14 Good progress continues with the construction works and the expectation is still for the new school to be open in Spring/Summer 2023, as planned. Members should note that the delivery of the new school will be completed before there is any further significant progress relating to Developer Obligation funding.
- 3.15 As reported previously, there are existing developer obligations in accordance with an agreed Section 75 agreement, however members will be aware the developer Countesswells Development Limited went into administration. Officers are still seeking clarification on what this means in relation to funding and other related commitments.

Torry Primary School and Hub

- 3.16 The works are progressing with the construction circa 60% complete. The expectation is the school will be complete by Autumn 2023, as planned.

Tillydrone Primary School

- 3.17 As provided in a verbal update to the last committee in December 2022, following a number of requests from tendering parties, the tender return date was extended to 23 January 2023. The Capital Cluster are currently assessing/evaluating the submitted tenders.
- 3.18 The target date for completion within the tender documentation is Summer 2024. We have to wait until the tender assessment has been completed before strong assurances can be provided in meeting the aspired completion date. However it should be noted that there weren't any significant issues raised during the tender period which would suggest the timeline needs to be extended. To date the view held is that the Summer 2024 target date will still be achievable.

B999 Shielhill Road Junction

- 3.19 As reported previously, the project's delivery timeline will be determined by the time taken to obtain the necessary land to build the scheme.
- 3.20 Since May 2022 alignment and junction design work has continued. Finalisation of the land footprint has been delayed due to complications arising from the existing culvert and SSE transmission apparatus. Issues should be resolved soon allowing the land footprint to be finalised and landowner negotiations to commence later this financial year.

South College Street Junction Improvements (Phase 1) Construction

- 3.21 Local company W M Donald has been appointed as the main contractor for the project. The main project works commenced on site in June 2022. Works are progressing and the completion date is still expected to be Spring 2023.
- 3.22 Significant progress has been made on carriageway widening activities on Palmerston Place and South College Street between its junctions with Wellington Place and Millburn Street. The creation of the new junction on North Esplanade West with Palmerston Place is also taking shape.
- 3.23 The project requires a significant number of utility apparatus diversions, a number of which lie on the work programmes critical path. The performance of some public utility contractors has been a cause for concern, however, issues have been escalated within the organisations and the project has witnessed an improvement.

Energy from Waste (EfW) Construction

- 3.24 Works are progressing and the completion date is still expected to be Summer 2023. As noted previously the delivery of the project to date has been hampered by several issues, both internally and externally. There is still a significant risk that external impacts may continue to affect the anticipated delivery timeline and budget.
- 3.25 The Principal Contractor continues to receive and manage the three councils' waste. Once hot commissioning starts at the NESS Energy facility, the Councils will begin to deliver waste to the site according to the needs of the commissioning programme.
- 3.26 The Contractor's current expectation is the hot commissioning will commence in February 2023. The Capital Cluster Project Management Team are maintaining close liaison with their Waste Operations and Protective Services colleagues to ensure a smooth transition for depositing residual waste to the new facility.
- 3.27 With reference to paragraph 3.24 above, the Contractor is seeking recompense through the Contract.
- 3.28 The Contractor has sought adjudications to consider several contractual matters. These are in the form of claims for both time and money. To date these claims have been successfully defended and dialogue has been opened to seek resolution of matters outwith the adjudication/arbitration mechanisms. As claims are submitted, they are being considered in accordance with the contract between the parties and as such additional expenditure will be incurred in protecting the Councils' position. At this stage these costs can be accommodated within the approved project budget.

New Mortuary at Aberdeen Royal Infirmary (ARI)

- 3.29 As noted previously work commenced on the new Mortuary at Aberdeen Royal Infirmary (ARI) on Monday 10 October 2022
- 3.30 The project is still at an early stage with the Principal Contractor advancing his design work packages. He has also placed some, but not all, advance orders for materials and commodities, such as but not limited to, structural steelwork, timber trusses, roof cladding, windows and doors.
- 3.31 Vegetation strip with following Ground Penetration Survey (GPS) is now complete which enabled the site establishment. Sub structure and retaining wall works (where necessary) and drainage works are now being taken forward.
- 3.32 The project is planned to be complete in Spring 2024.

Housing Revenue Account (HRA)

- 3.33 As reported to the last committee an assessment was made of indicative tender costs for all four new Council-Led housing sites at Kaimhill, Tillydrone, Craighill and Kincorth. It was accepted that in light of the inflationary pressures and increased costs in the housing sector, following consultation with the Chief Officer - Finance, that the Kaimhill and Tillydrone projects should be completed but to suspend all works at Craighill and Kincorth.
- 3.34 The outstanding contract negotiations for the Tillydrone project have now been concluded and an award letter has been issued with final contract details being concluded. The final packages for Kaimhill are being agreed which will allow the final contract documentation to be agreed and signed. To date the contractor has been awarded the majority of the works packages and works are ongoing on site.
- 3.35 The two remaining projects at Craighill and Kincorth are at a stage where the enabling works for both projects are complete. Consideration is underway for the next steps for both projects. This entails the following;
- i) Works to make the sites safe and secure such as boundary fencing and monitoring of both sites going forward.
 - ii) Consideration of progressing value engineering savings for both projects to reduce their cost.
 - iii) Consideration of an alternative phasing strategy for both sites, effectively extending the construction period and spreading the costs over a longer period.
- 3.36 With reference to 3.35 (ii) and (iii) above, whilst initial consultations have demonstrated a shared willingness to work constructively in the optimisation of the schemes, further consultation with housing and planning and building control colleagues will be required to determine what changes/options will be considered acceptable but also to understand what the programming implications would be, should options/changes be accepted as a way forward.
- 3.37 It should also be noted that there are ambitions within the Scottish Government to move to ensure all new housing in Scotland is built to Passivhaus standard. This move has the potential to increase construction costs of new housing to a level beyond our current build specification and works will be advanced to identify anticipated cost differentials and revised consenting strategies reviewed to optimise capital cost.
- 3.38 As part of this work it is recommended that consideration is given to updating the “gold standard” specification to focus upon the Council’s aim of meeting net zero targets as it applies to each of the housing units. There will be a focus on

enhancing the overall building fabric to increase the insulation qualities which in turn will look to continue to improve the heat efficiency of the properties. There will also be a review to confirm that the individual properties are constructed to the optimum size, to ensure high quality accommodation for the tenants, whilst minimising challenges around the cost of living crisis and fuel poverty. This approach will inform specific project cost savings to each project but maintain the high quality provision of new social housing that the Council has already established across the other schemes built in the city.

- 3.39 Following initial constructive discussions with colleagues in ACC planning regarding potential design changes to the consented schemes at Kincorth and Craighill it is recommended that the re-design process is undertaken now to ensure that we are able to have “shovel ready” projects, designed at a more cost effective level with all the necessary consents to allow us to take advantage of any future funding streams should the financial situation improve. This will also allow us to be ahead of any potential future building regulation changes that may add additional costs to the projects. Part of this work will review the options to phase the developments to allow cashflow management in line with our own requirements.
- 3.40 When the work outlined above is concluded a proposal will be brought back to committee for consideration and approval. Part of this recommendation will be whether to instruct further design work to have elements ‘shovel ready’ for tendering purpose should the financial situation improve.
- 3.41 As reported previously the Chief Officer – Capital along with external consultants continue to monitor cost trends within the housing construction market. At this point in time across the housing construction industry we are seeing a slowing of the market but it is still too early to tell how this will be borne out in tenders. We are expecting to see more stable prices being received without the inflationary pressures witnessed in the last year and more.

Summerhill New Build Housing

- 3.42 The first phase handover of 128 units was completed in December 2022. Further phased handovers will then follow with another 128 units in Spring 2023 and the remaining 113 units complete in Autumn 2023.

Cloverhill New Build Housing

- 3.43 The new housing developer led project for 536 units has been under construction for almost a year now and good progress is being made. The units will be delivered over a number of phases between 2023 – 2026, with the first phase expected in Summer 2023.

Clinterty Travellers Site

- 3.44 Works commenced in October 2022 to upgrade the Gypsy Traveller site at Clinterty with a budget of £6.5m, which is circa 50% funded by the Scottish Government. The Contractor for the works is the Council's Building Services.
- 3.45 The works are progressing with the construction circa 25% complete. The expectation is the works will be complete by Summer 2023 as planned.

Unable to be Relet (UTBR)

- 3.46 As reported previously, following a period of discussion and negotiation throughout Summer/Autumn 2022, Council Officers secured funding support grant of circa £6.15m from the Scottish Government Ukraine long term resettlement fund.
- 3.47 Officers have completed the initial tender process and three external contractors have been successful in progressing onto a framework to carry out the works. The next steps will consider apportioning works to them that aligns with their capability and current availability of resources. Upon appointment of contractors we expect the extent of this work will ramp up as the weeks progress.
- 3.48 Approximately 129 units have now had refurbishment / repair works carried out with the orders for furnishings/white goods following where necessary. Work is ongoing with housing colleagues to allocate the completed units to Ukrainian households as they become available. A small number of households were settled in their new home before Christmas 2022.

4. FINANCIAL IMPLICATIONS

- 4.1 Notwithstanding all of the above, the Chief Officer – Capital continues to review the approved Capital Programme in light of external pressures, such as, but not limited to;
- Inflation
 - Energy supply and cost
 - Covid 19 impacts
 - War in Ukraine
 - Brexit, and
 - forthcoming winter weather.
- 4.2 Cognisance of all of the above external factors is being considered for the forthcoming March 2023 Council Budget meeting.
- 4.3 As part of this, in light of the current forecast of costs and increases in inflation, projects which are not fully committed (construction award) are being reprofiled.
- 4.4 It should also be noted that there is still a significant risk that costs will increase for those projects under construction.

5. LEGAL IMPLICATIONS

- 5.1 The approved Capital Programme review, referred to in Section 4 will incorporate a review by legal colleagues to assess whether there are any legal implications as part of any programme/project consideration.
- 5.2 If there are any legal implications arising from the exercise undertaken officers will seek to mitigate these where possible. This will be taken forward in consultation with officers within the Capital and Finance Clusters who will work closely with the Commercial and Procurement Services legal team to consider the best way forward.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report. However, there may be implications as part of the wider Capital Programme review as noted in section 4. Any environmental implications, should they apply, will be considered as part of that review.

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	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Regular financial reporting and monitoring activities, to incorporate financial resilience to address financial pressures arising in year is maintained and monitored.	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	M	Yes

		hosts, Suppliers, Procurement & Services re alternative 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

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	

Prosperous Economy Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous People Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous Place Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Regional and City Strategies	
	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects to align with its regional and city strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

- 10.1 City Growth and Resources Committee 21 June 2022: Supply Chain Volatility: report no RES/22/131.
- 10.2 Council 24 August 2022: Council Financial Performance - Quarter 1, 2022/23: report no RES/22/152
- 10.3 Finance and Resources Committee 2 November 2022: Council Financial Performance – Quarter 2, 2022/23:report no RES/22/247.
- 10.4 Finance and Resources Committee 7 December 2022: Council Financial Performance – Quarter 2, 2022/23:report no RES/22/281.

11. APPENDICES

11.1 Appendix A – Supporting Project Annex Information

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A – Supporting Project Annex Information

Union Terrace Gardens

Reference is made to report RES/22/196 submitted to the Capital Programme Committee September 2022, which considered the progress of the project's delivery at that time.

Practical completion was issued in December 2022. The Union Terrace Gardens project has seen the development of three new buildings and walkway structures, path network, improved events space and landscaping and restoration of Union Terrace arches and Victorian toilets.

The main contractors project e-newsletter has been updated regularly throughout the construction period to include community updates for UTG – to view online please visit:

<https://spark.adobe.com/page/2d616dac-6ab8-4d25-884b-f52386322fe0>

1. Update since last report provided at December 2022

Practical completion has been achieved. Snagging works are currently underway

2. Planned progress in next reporting period

Snagging works will be drawing to a conclusion with project close underway. Post Spectra event, conditions will be assessed prior to laying the new central turf in the lower gardens.

3. Spend to date;

<u>Gross Budget</u>	<u>Spend to Date</u>
<u>£29.8m</u>	<u>£29.4m</u>

4. Interdependencies

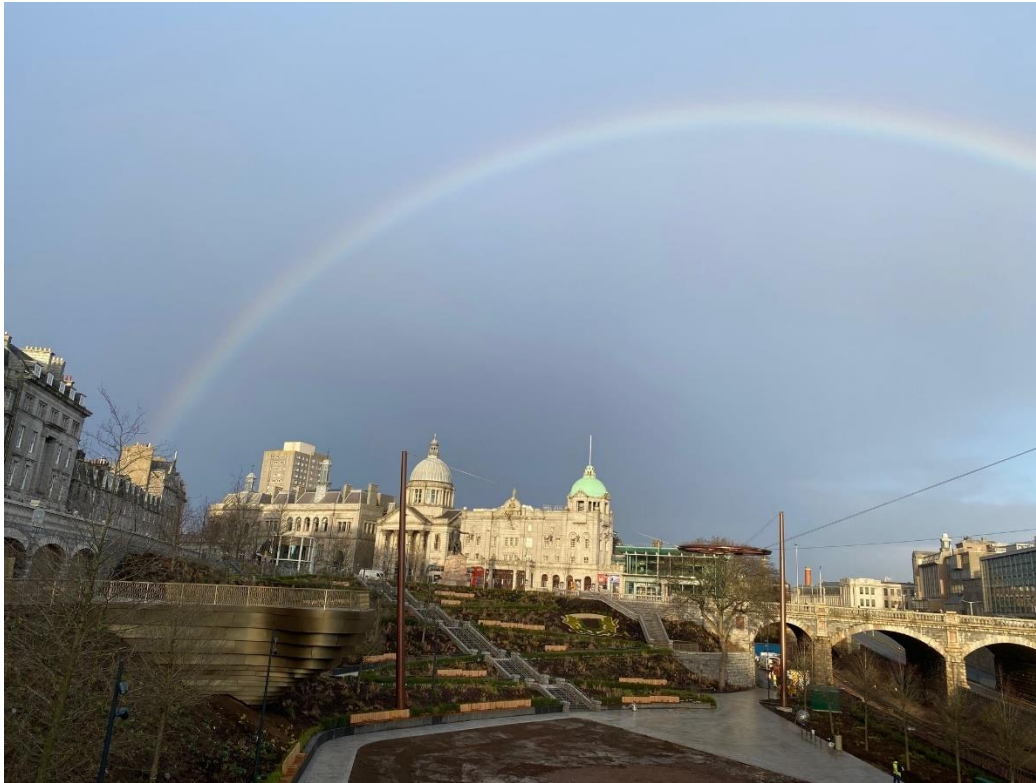
None

5. Progress Photographs

View from new ramp off Union Street



Planted Crest



Looking towards Aberdeen Theatre

Countesswells Primary School

This two-stream primary school, with early years provision, is being delivered in accordance with a Section 75 legal agreement dated 20 March 2016. The Council was granted ownership of the allocated site on 14 May 2021.

The Council achieved commercial close, with its delivery partner Hub North Scotland, on 1 October 2021. Hub North Scotland have appointed Morrison Construction as its design-and-build contractor. The construction programme commenced on 15 November 2021 and is due to be completed by Summer 2023.

1. Update since last report provided at December 2022.

Ceiling, decoration, car parking and pitch works are now practically complete. The furniture and equipment installations, and the commissioning of the services are also substantially complete. The Council's ICT installations have also commenced.

2. Planned progress in next reporting period (consider 3 months)

The snagging, landscaping works, furniture and equipment installations, and ICT installations are to be finalised. The Contractor is also to undertake demonstrations of the new building's systems to the Council's facility management team and teaching staff.

It is now anticipated that this new building may be completed ahead of programme. If all goes to plan, this may allow this new building to become operational soon after the Easter holidays.

3. Spend to date;

Gross Budget	Spend to Date
£20.5m	£19.9m

4. Interdependencies

This project is being provided in accordance with the Section 75 legal agreement dated 20 March 2016.

5. Progress Photographs



Main entrance



Primary 1 and 2 classrooms, over-looking pitch



Classroom, over-looking pitch



Upper floor activity space

Torry Community Hub and Primary School

This community hub and two-stream primary school, with early years provision, was instructed by the Education & Children's Services Committee, on 1 March 2017, on the site of the previous Torry Academy.

The Council achieved commercial close, with its delivery partner Hub North Scotland, on 18 March 2022. Hub North Scotland have appointed Morrison Construction as its design-and-build contractor. The construction programme commenced on 25 April 2022 and is due to be completed in Autumn 2023.

1. Update since last report provided at December 2022.

The construction works are an estimated 60% completed. The structure and floor slabs are complete. The roof works are substantially complete. There has been substantial progress with the works to the external walls, windows, internal partitions, and first-fix services installations. In addition, district heating pipes have been installed from the boiler room to the site boundary.

2. Planned progress in next reporting period (consider 3 months).

In the next period it is anticipated that there will be further substantial progress with the works to the external walls, internal partitions, and services installations. In addition, a district heating heat exchanger is due to be installed within the boiler room.

The construction works are anticipated to be 70% completed.

3. Spend to date.

Gross Budget	Spend to Date
£28.1m	£15.7m

4. Interdependencies

The cost of the asbestos removal and demolition of the previous Torry Academy building have been factored into the overall capital development cost of the project.

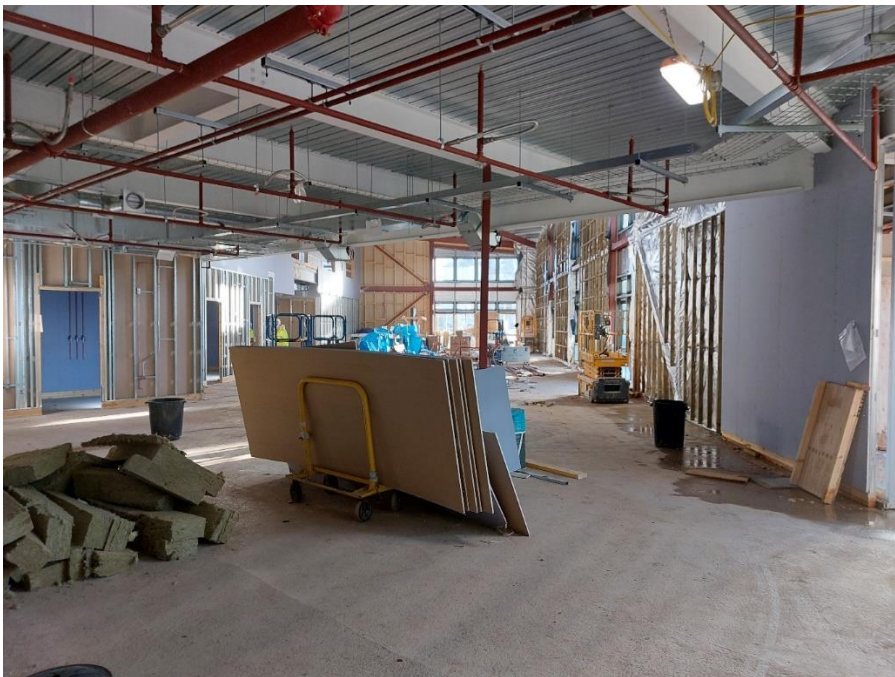
This project has met the requirements of the Regeneration Capital Grant Fund and, as a result, £2m was claimed towards the cost of this project on 31 October 2019. This grant was awarded so as to allow the development of a Community Hub which is tailored to meet the needs of the community.

Developer obligation funding of £283K has also contributed towards this project.

5. Progress Photographs



East elevation under construction



View from entrance towards new community café and library

Tillydrone Primary School Project Update

Following a special Committee meeting of Education & Children's Services on 1 March 2017, a decision to implement the proposal for a new 3 stream non-denominational school building with early learning and childcare provision and to relocate Riverbank School to this new building was ratified by Members.

Decisions were made by the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 to progress with the design, development, and procurement of a new school to replace the existing Riverbank School.

The proposed building will take advantage of the change in level on the site, the main public entrance and reception area will be at upper ground floor level and will be accessed from Coningham Gardens. Also located on this floor is the Early Years provision and the multipurpose hall and dining facilities. All the teaching accommodation is located on the lower ground floor with all class bases afforded direct access to external space.

1. Update since last report provided at December 2022.

The tender period was extended following a number of requests from tendering parties.

2. Planned progress in next reporting period (consider 3 months)

Completion of tender evaluation & reporting with anticipated contract award in late Winter 2022/23.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£41m	£7.45m

4. Interdependencies

Decant of existing Riverbank School thus allowing redevelopment of the existing building to relocate St Peters (RC) School.

5. Progress Photographs

None

South College Street Junction Improvements (Phase 1)

When complete the project will support the City Centre Masterplan's infrastructure strategy for bus priority measures aimed at removing the impact of congestion on bus journey times through the city centre. The project is jointly funded by Aberdeen City Council and a grant from the Scottish Government's Bus Partnership Fund.

1. Update since last report provided at February 2022 (Capital Programme Committee):

Having been unable to reach agreeable terms with the landowner the project works will not include the formation of a public off street car park adjacent to South College Street south of Bank Street.

Main works procurement concluded with local company W M Donald appointed as the main contractor for the project. The main project works commenced on site in June 2022.

Significant progress has been made on carriageway widening activities on Palmerston Place and South College Street between its junctions with Wellington Place and Millburn Street. The creation of the new junction on North Esplanade West with Palmerston Place is also taking shape.

2. Planned progress in next reporting period (consider 3 months):

The temporary reopening of South College Street between its junctions with Wellington Place and Millburn Street. Commencement of work to reconfigure South College Street south of Millburn Street.

3. Spend to the end of Q3 2022/23 financial is as follows

Gross Budget	Spend to Date
£10.7m	£3.9m

4. Interdependencies

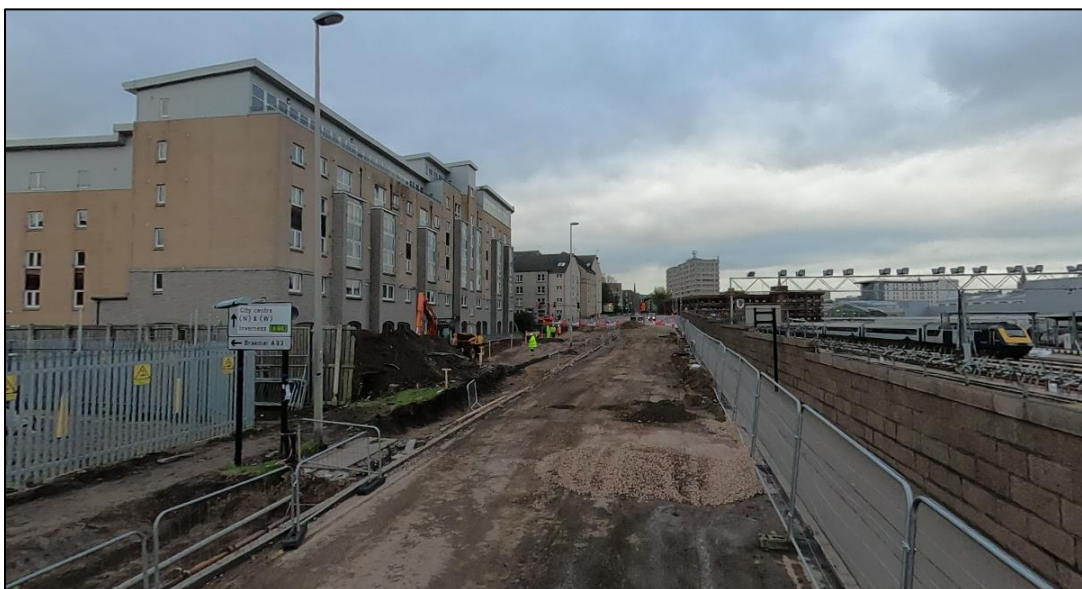
The project will support the City Centre Masterplan's infrastructure strategy for bus priority measures enabling the implementation of public realm enhancements along Guild Street and Union Street, providing alternative options to accommodate the rerouting of vehicular traffic.

The corridor's improved capacity and operation will also complement its position in the new roads hierarchy. In tandem the Project will enhance infrastructure for walking and cycling along its length.

5. Progress Photographs



South College Street looking towards Wellington Place prior to works start



South College Street looking towards Wellington Place October 2022



South College Street looking towards Wellington Place January 2023



Palmerston Place looking toward North Esplanade West prior to works start



Palmerston Place looking toward North Esplanade West August 2022



Palmerston Place looking toward North Esplanade West November 2022

NESS Energy Project Update

On 4 March 2019, the Council approved the award of the Ness Energy Project Residual Waste Treatment contract for the implementation of the Project to EFW Ness Limited, a wholly owned subsidiary of Acciona Industrial UK limited and an Inter-Authority Agreement, IAA3. Similar approvals were given by Moray Council and Aberdeenshire Council on 4 March 2019 and 7 March 2019 respectively. The contract was signed on 8 August 2019 and construction commenced shortly after.

The contract requires that EFW Ness Limited design, build and operate an energy from waste facility capable of treating 150,000 tonnes of non-recyclable waste per year and produce approximately 12MW of electricity for export to the National Grid and supply up 10MW of heat in the form of hot water to a district heating scheme to be developed separately by Aberdeen City Council.

The contract foresees a construction period of three years and an operations period of 20 years. The construction works have been delayed in part by the Covid pandemic but also as a result of other factors.

1. Update since last report provided at December 2022.

Construction works have continued albeit hampered by unsuitable weather conditions. The mechanical and process plant is approaching substantive completion, as are civils works. Electrical works are progressing as is the construction of the administration building and vertical cladding. Progress on installation of the upper enclosure (roof) has been behind schedule. Cold commissioning have accelerated in the period with a substantial number of key work packages entering cold commissioning.

2. Planned progress in next reporting period (consider 3 months)

Construction works will be substantially complete with the exception of the upper enclosure, work on which will continue during the hot commissioning period. Essential cold commissioning packages required before hot commissioning can commence will be completed and a key project milestone will be passed with the issue of the Readiness Certificate. This will mean that the contractor will progress to the hot commissioning phase. Initial activity will prepare the facility for waste acceptance and will include the cleaning of the boiler prior to full pressurisation. This activity is likely to result in some noise impact in the local community for a short period. Community engagement will be undertaken to forewarn and explain the reasons for the one-off amenity impact. It is anticipated that the first deliveries of waste to the facility will occur in the latter part of February or March 2023.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£70m	£ 53.2m

4. Interdependencies

The three councils' waste services will begin to migrate their waste deliveries to the NESS Energy facility within the next three months. The Project Team are maintaining close contact with colleagues to ensure a smooth transition.

5. Progress Photographs

View from Site Entrance October 2022



View from Site Entrance December 2022



Aerial Photos





North East Scotland Joint Mortuary Project

In March 2020 the appointment of Kier Construction (PSCP) & AECOM (CA & PM), following a competitive tender process, for the development of a new facility to replace the two existing Aberdeen based mortuaries with a purpose-built facility. This new facility will be operated as a single integrated multi-partner, multi-purpose mortuary serving all providers including NHS Grampian, Aberdeen City Council, Aberdeenshire Council, Moray Council, Orkney and Shetland Island Councils, the University of Aberdeen, Crown Office Procurator Fiscal Service and Police Scotland.

The contractor started with the ground works on 10/10/22, which are due for completion in Spring 2023 and this will be the focus for the next reporting period. The overall construction completion is targeted for Spring 2024.

1. Update since last report provided at December 2022.

The project commenced on 10/10/22 as programmed. Progress was good during the initial period with progress to date:

- topsoil strip completed ahead of programme
- Completion of culvert diversion.
- Commencement of bulk earthworks and reduction to reduced platform complete.
- Temporary Drainage system install to drain the site.
- Started the works on grid line 1 retaining wall.

2. Planned progress in next reporting period (consider 3 months):

- Completion of bulk earthworks.
- Complete site compound setup.
- Grid line 1 retaining wall
- Commence east elevation retaining wall adjacent to stores building.

3. Spend to the end of Q3 2022/23 financial is as follows

Construction Budget	Spend to Date
£31m	£0.48m

4. Interdependencies

The delivery of this project will facilitate closure of the existing Council managed mortuary at Queen Street.

5. Progress Photographs



Cleared site

ACC Tillydrone

The Tillydrone housing project is part of the wider Aberdeen City Council Housing Programme 2022. The purpose of the wider housing programme is to address a long-term shortage of affordable social rented housing in the city. The supply of affordable private rented sector housing has increased significantly within the city since 2014 and efforts now need to concentrate on addressing the continuing shortage of affordable social rented housing. Therefore, Aberdeen City Council (ACC) is undertaking a new build housing programme which presents an opportunity to create 21st century housing that is high quality, economic, sustainable, energy efficient and incorporates a degree of flexibility to meet the future needs of tenants. The proposed new development is located on the former St Machar Primary School in the Tillydrone area of Aberdeen. The site is bound on the North by Aberdon Court, the East by Tillydrone Avenue, the South by Harris Drive and the West by West by Conningham Terrace and the boundary with the new Riverbank Primary School site. CHAP Construction have been appointed as the Principal Contractor responsible for construction, with works commencing on 22/11/2021.

1. Update since last report provided at December 2022

Construction works have progressed significantly within the period, however masonry works have been hampered due to the adverse weather conditions. Within the North site, masonry works are complete to Block 6 and 9 with envelope and internal works progressing. Superstructure and masonry works are currently ongoing to Blocks 7 and 8. Within the South site, superstructure and masonry works are ongoing to Blocks 1,2,3,4. Block 5 has not progressed within the period; however, this is in line with the current programme.

In agreement with ACC, CHAP have taken possession of the vacant Riverside site to store various materials which has allowed for progression to the Blocks on the North site.

2. Planned progress in next reporting period (consider 3 months)

Within the South Site, envelope and masonry works will be substantially complete to Blocks 6,7,8 & 9. Within Blocks 6 and 9, internal fit out and MEP works will be well underway, with works within 8 and 9 commencing. External works will have also commenced within the South site.

Within the North site, masonry works will be complete to Blocks 4 and 3 with envelope works progressing. The masonry works to Block 2 will have progressed significantly, with the floor slabs installed up to level 3 alongside the support steelwork and pre-cast stairs. The masonry works to Block 1 will be nearing completion. Block 5 will not have progressed, however this is in line with the current programme.

3. Spend to date

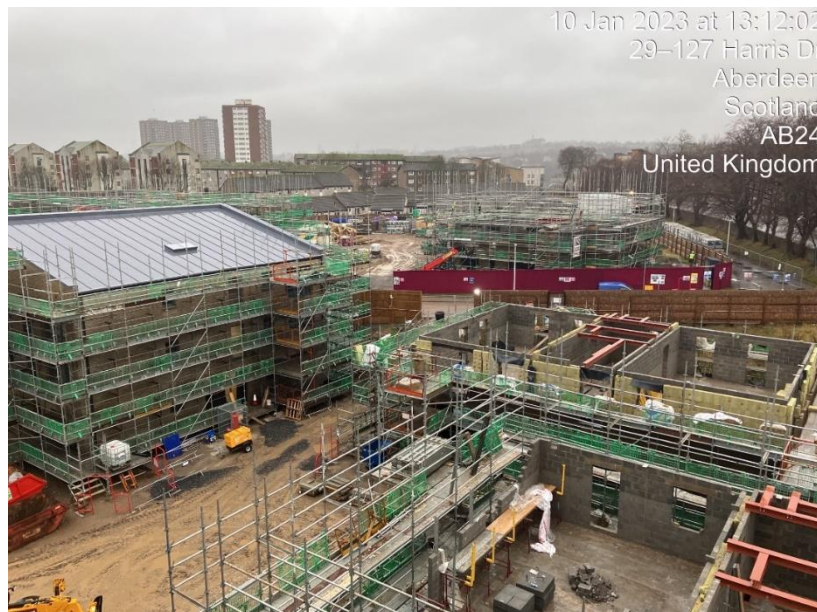
Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£24.7m	£8.3m

4. Interdependencies

The project requires Aberdeen Heat and Power to extend the supply network to the boundary of the site, which will allow connection to the site distribution network.

5. Progress Photographs







ACC Kaimhill Project Update

The project is to construct a mix of 35 no. bungalow's/housing units to Gold Standard, this will be across 9 blocks and also include a new community play park and community green space. The site is greenfield albeit a bowling green and tennis court habiting the plot prior to construction.

On 9 May 2022, Bancon were given access to the site to commence the works. All planning pre-commencement conditions have been approved, discharging Condition 1 from planning. Works have been progressing well on site with main drainage line works and Ground Source Heat Pump (GSHP) works ongoing, approximately 9 boreholes have been completed so far. The majority of substructure is complete across the site and circa 5 blocks timber kit are fully or partially erected and fit out commenced. Internal joiner works and MEP 1st fix have commenced along with roofing works on these blocks. Current programme has a practical completion date of Autumn 2023.

1. Update since last report provided at November 2022

A Value Engineering (VE) exercise was undertaken to bring savings to the project whilst maintaining Gold Standards and the High-Level Requirements. The VE focussed on timber kit, groundworks and hard landscaping. Items subject to VE have been included in a non-material variation (NVM) on the existing planning approval. The building warrant strategy is a three-stage application of 1. Substructure and Drainage (approved), 2. Superstructure (approved) and 3. Architecture/Fire/Environment (target approval early 2023).

On 9 December 2022, ACC approved a variation to amend the tendered offsite surface water sewer extension design due to H&S and environmental concerns given deep excavations in a narrow roadway and the impact to adjacent housing. A solution to have a pumped rising main scheme housed within the boundary of the site was proposed and approved to mitigate these risks.

The contract award date is target end-January 2023. The contract documents are being drafted and ancillary documents prepared along with final contract sum.

2. Planned progress in next reporting period (consider 3 months)

On site substructure and superstructure masonry works to continue to completion on majority of blocks. Internal drainage and ducting works to plots followed by backfill and concrete slab.

The GSHP drilling process will be completed in the next reporting period.

3. Spend to date

Gross Budget	Spend to Date
£13.8m	£4.4m

4. Interdependencies

None

5. Progress Photographs





ACC Summerhill Project Update

The project is to construct 369 housing units to Gold Standard, this will be across 8 blocks with a mix of one, two and three bedroom flats. The site is brownfield, formerly the location of Summerhill Academy. The Principal Contractor for the works is Chap Construction Ltd.

1. Update since last report provided at December 2022

Handover dates and project position for remaining blocks:

Blocks 1 + 2: Handover Complete (14.11.22)

Block 5: Handover Complete (12.12.22)

Block 3: (Early Spring 23)

Block 4: Handover to follow TBC after Block 3 handover.

Block 6: Spring 2023

Block 8: Winter 2023

Block 7: Spring 2024

Blocks 3 & 4: All remaining internal works have been concluded with the exception of communal area decoration and floor coverings which are ongoing. External works infrastructure has also commenced.

Block 6: Internally all 1st fix trade/works are substantially advanced. 2nd fix trades have also commenced (joinery, wet walling and kitchens). External works infrastructure has also commenced along the North elevation.

Block 8: The main timber kit structure is concluded with windows installed and temporary roof weathering membrane laid. Facade facing brick and internal blockwork stair cores and precast landings/ stairs continue. Internal electrical 1st fix continues within the dwellings. Internal stacks have commenced along with 1st fix joinery and fire taping.

Block 7: Timber kit and scaffolding requirement continues; window install is well advanced and progresses with the kit erection on a floor by floor basis.

The Lang Stracht/Stronsay Drive junction works are mostly complete and opened to the public, minor works to be completed in the next period.

2. Planned progress in next reporting period (consider 3 months)

Handover of Blocks 3 and 4 will be completed in the next period along with the Lang Stracht/Stronsay Drive junction works. Extension of time discussions are ongoing. It is anticipated ongoing discussion will be progressed in the coming period to conclude EOT discussions and final cost projection figures confirmed.

3. Spend to date

Gross Budget	Spend to Date
£57.8m	£45.4m







ACC: Cloverhill Project Update

The Cloverhill site forms part of the wider Aberdeen City Council Housing Programme to deliver 2000 additional council homes. Cloverhill provides a total of 536 units, 3 commercial units, community centre, football pitch and public park areas in the Bridge of Don area of the city.

Cloverhill is a Developer lead scheme presented by Bancon Homes Limited comprising of 536 units. Bancon started on site on the 7 February 2022, the Practical Completion date for the Project is the Autumn 2026. The Project will be delivered over phases as follows;

Section 1 Build -	Flats (36 units, 3 shops) - Summer 2023
Section 2 Build -	Semi/terrace Mix (31 units) - Summer 2023
Section 3 Build -	Flats & Semi/terrace mix (10 + 48 units) incl comm hall - Spring 2024
Section 1A Build -	Semi/terrace mix (43 units) – Winter 2023
Section 7 Build -	Semi/terrace mix (30 units) – Summer 2026
Section 8 Build -	Semi/terrace mix (23 units) – Autumn 2026
Section 5A Build -	Semi/terrace mix (34 units) & Sports Pitch – Summer 2026
Section 4 Build -	Semi/terrace mix (35 units) – Autumn 2024
Section 2A Build -	Semi/terrace mix (36 units) – Summer 2025
Section 5 Build -	Semi/terrace mix (58 units) – Summer 2025
Section 6 Build -	Semi/terrace mix (70 units) – Winter 2025
Section 3A Build -	Flats, Semi/terrace mix (24 +21 units) – Autumn 2024
Section 4A Build -	Semi/terrace mix (37 units) – Winter 2025

1. Update since last provided at December 2022

Section 1 and 2 build are well underway and on programme to be delivered in Summer 2023. The contractor continues to make good progress with both the flats and the houses.

2. Planned progress in next reporting period (consider 3 months)

As per the section above the contractor is on target within the programme to deliver Sections 1 and 2.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Contract Sum	Spend to Date
£137.5m	£37.3m

4. Site Progress Photographs



ACC Greenferns

The Greenferns site is a 73.6ha site located on the eastern boundary of the city between Bucksburn and Sheddocksley. The Greenferns site is included as an Opportunity Site (Ref: OP 33 & 28) within the adopted Aberdeen Local Development Plan (2017) (ALDP). The allocation establishes the principle of developing the site as an extension of the city boundary for around 1,470 homes and 10 hectares of employment land. The site is owned by ACC. The site forms an important contribution to the city's future housing and employment land requirements ensuring the area has enough new homes and employment land requirements.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 350 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last Report in December 22

The overall site masterplan has been developed for the site and this will form the basis of a Planning Permission in Principle which will be lodged with ACC Planning within the coming weeks. The site masterplan follows the guidelines established in the Aberdeen Local Development Plan.

2. Planned progress in next reporting period (consider 3 months)

Following the lodging of the Planning Permission in Principle the agreed next steps are as follows:

- 1) The detailed design of the social housing in phase 1 will be developed and a detailed planning application lodged to secure the necessary consent to develop this phase of housing. These units will be designed to take account of the Council's move towards its net zero targets. This will see the move away from the use of fossil fuels (gas) towards the use of renewable technology to heat homes either through a district heating system or the use of ground source/ air source heat pumps (or a combination of both).
- 2) In addition the site wide infrastructure design will be developed, and all the necessary statutory consents will be obtained for this to ensure that development of the site can commence at the appropriate time. This will be beyond the three month period.

By securing all the consents listed above this will create an asset value on the site for ACC and allow future decisions to be made on how best to bring forward the overall development of the project.

Site Photograph



ACC Greenferns Landward

The Greenferns Landward site extends to approximately 69.6ha and is located in the Newhills area to the northwest of Aberdeen. The site is predominantly in agricultural use at the present time.

The Greenferns Landward site is included as an Opportunity Site (Ref: OP22) within the adopted Aberdeen Local Development Plan (2017). This establishes the principle of developing the site for around 1,500 new homes. The site therefore forms an important contribution to meeting the City's housing land requirements, ensuring the area has enough new homes to meet demand.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 150 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

1. Update since last report provided at December 2022

The current position is that the overall site masterplan is being developed for the site with the aim for lodging a Planning Permission in Principle with ACC Planning in the second quarter of 2023. The site masterplan follows the guidelines established in the Aberdeen Local Development Plan and will be for a residential-led, mixed use development of around 1,570 new homes, local neighbourhood retail and commercial provision, leisure and community uses, gypsy traveller site and the necessary infrastructure required to deliver this new community in line with the Aberdeen Local Development Plan.

2. Planned progress in next reporting period (consider 3 months)

The following activities will be progressed.

- 1) Lodge the Planning Permission in Principle with ACC Planning.
- 2) The detailed design of the social housing in phase 1 will be developed and a detailed planning application lodged to secure the necessary consent to develop this phase of housing. These units will be designed to take account of the Council's move towards its net zero targets. This will see the move away from the use of fossil fuels (gas) towards the use of renewable technology to heat homes either through a district heating system or the use of ground source/ air source heat pumps (or a combination of both).
- 3) In addition the site wide infrastructure design will be developed, and all the necessary statutory consents will be obtained for this to ensure that

development of the site can commence at the appropriate time. This will be completed outwith the three months period.

By securing all the consents listed above this will create an asset value on the site for ACC and allow future decisions to be made on how best to bring forward the overall development of the project.

Site Photograph



Clinterty Travellers Site Project Update

The site redevelopment will increase caravan capacity whilst retaining the provision of 21 individual plots. A mixture of plot sizes will be provided to ensure the site meets the needs of the travelling community. Each plot has an amenity building providing cooking, washing and storage spaces. The proposed development has been designed to meet the Scottish Government Interim Site Design Guide for Gypsy/Traveller Sites in Scotland. The Contractor for the works is the Council's Building Services.

1. Update since last report provided at December 2022.

Demolition and bulk earthworks completed. Drainage works have commenced.

2. Planned progress in next reporting period (consider 3 months)

Off-site modular units to be constructed in factory and delivered in four phases. Civil and utilities works to progress to enable installation of first phase of modular amenity blocks.

Drawdown of Scottish Government grant offer (£2,455,302) for financial year 2022/23.

3. Spend to date

Spend to the end of Q3 2022/23 financial is as follows:

Gross Budget	Spend to Date
£6.48m	£1.17m

4. Interdependencies

None.

5. Progress Photographs

January 2023



Cleared Site



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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	01 February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scotland Excel (ACC) Annual Value Report
REPORT NUMBER	COM/23/040
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	2.1.3

1. PURPOSE OF REPORT

- 1.1 To present the Scotland Excel Annual Value Report for Aberdeen City Council covering period 01 April 2021 to 31 March 2022 in accordance with committee terms of reference, to provide assurance on value achieved through the membership agreement.

2. RECOMMENDATIONS

That the Committee: -

- 2.1 notes the Scotland Excel Annual Report as set out in Appendix 1.

3. CURRENT SITUATION

- 3.1 Scotland Excel is the Centre of Procurement Expertise for the local government sector in Scotland. Scotland Excel was established in 2008, and is a leading non-profit shared service funded by the 32 Scottish Local Authorities.
- 3.2 The Scotland Excel Annual Report appended to this report provides details of the value derived from membership of Scotland Excel for Aberdeen City Council, and provides updates as detailed below:

- Scotland Excel Overview
- Aberdeen City Council at Q4 21-22
- Scotland Excel Value Proposition
- Local Suppliers
- Community Benefits
- Living Wage and Fair Work Practices
- Scotland Excel Academy
- Scotland Excel Annual Conference 2021
- Procurement & Consultancy Services
- Value of Membership
- What Next
- Framework Participation and Utilisation

- 3.3 During the reporting period Strategic Commercial Managers within the Commercial and Procurement Shared Service met with the Scotland Excel Account Manager fortnightly, to review contract spend, participation and identify areas for improvement to ensure that Aberdeen City Council maximises the membership value.
- 3.4 The Director of Scotland Excel is a member of the shared Strategic Procurement Board chaired by the Council's Chief Executive. The board meets on a quarterly basis. The Director provides support and awareness of activity and initiatives across all other local authorities. The performance of Scotland Excel is also monitored through this Board.
- 3.5 Through the partnership approach adopted, a key focus has been identified as local supplier participation on Scotland Excel Frameworks. Further work is planned within 23-24 with both Scotland Excel and the Supplier Development Programme to further stimulate engagement with the local supply base.
- 3.6 At the end of Q4 2021/22 Aberdeen City Council:
- Had 27 unique local suppliers on 28 Scotland Excel frameworks
 - £28m spend was reported with the local suppliers during 2021/22
 - Aberdeen City Council spend with the local suppliers was £4,984,026 with a further £22,927,252 in spend coming from outside of the Aberdeen City Council area
- 3.7 The Commercial & Procurement Service will continue to work in partnership with Scotland Excel to ensure that the maximum value from membership is derived and to ensure achievement of financial, social, economic and environmental benefits.

4. FINANCIAL IMPLICATIONS

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

It should be noted that the savings figures listed within the Scotland Excel Annual Report are not intended to represent cashable savings but are an estimate of the benefits of membership including cost avoidance/savings in costs of tendering. Any opportunity for cashable savings will be verified by the Commercial and Procurement Shared Service/relevant service area(s) in the development of a call off under any Scotland Excel framework agreement.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	The ability of Scotland Excel to deliver against their objectives in relation to Financial Savings/Delivery of Community Benefits & Sustainable Procurement on behalf of local authorities.	Continuing focus on added Core Value delivered for all member councils. On-going development of projects offering new services and increasing benefits to stakeholders. Identification of new opportunities to provide additional chargeable services based on customer demand. Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).	M	Yes
Compliance	N/A	N/A		
Operational	Engagement with officers with technical knowledge in development of Scotland Excel Frameworks.	Working closely with Procurement teams to identify relevant officers and engage with them at an early stage.	L	Yes

Financial	Escalation of costs on frameworks. Differing market conditions depending on commodity or service	A strong focus on value for money in all commissioning activities and market engagement or use of Business Intelligence to engage with market / ascertain changes/trends.	M	Yes
Reputational	Lack of awareness of Scotland Excel Services/Value	Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel SXL represented at Strategic Procurement Board to provide regular updates at Senior Management level and demonstrate value on a regular basis.	L	Yes
Environment/ Climate	Failure to consider sustainable options in framework development.	Environmental consideration in development of frameworks, involving officers in both services/procurement in local authorities.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure including the benefits in utilising framework agreements is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits requirements are incorporated into all Scotland Excel Framework agreements, aligned to national outcomes.
Regional and City Strategies	Scotland Excel Activity will not be conducted with Regional or City Strategies in mind, however the Council may make use of available frameworks in procuring to support strategies (where appropriate).
UK and Scottish Legislative and Policy Programmes	All Scotland Excel activity gives due consideration to UK and Scottish Legislative and Policy Programmes.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

11. REPORT AUTHOR CONTACT DETAILS

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November 2022

**Scottish Local Government
Annual Value Report 2021-22
Aberdeen City Council**



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Introduction

Welcome to the third annual value report detailing the savings and benefits that Scotland Excel delivers to your council.

Scotland Excel is a leader of change. Since 2008 we have helped to establish public procurement as an effective driver for local and national economic growth and wellbeing. Our services are designed to help our members deliver the sustainable services that every community needs as well as a host of social, economic and environmental benefits.

Post pandemic recovery, international conflict and economic turbulence all contribute to the unprecedented challenges facing public services throughout Scotland. These challenges have had and will continue to have an impact on our communities. Local government has demonstrated the key role it has in supporting our communities. Scotland Excel's contracts are designed to help members deliver better public services in the face of these significant challenges and ongoing budget pressures. Embracing a sustainable procurement approach, our frameworks also act as a powerful driver of community wealth building.

Through The Academy, we use our expertise and experience to help our members enhance their procurement skills and get the most from their spend. Our services also allow organisations to flex their procurement resources during busy periods.

This report is designed to provide a detailed view of the value derived from membership of Scotland Excel by your council. Value manifests itself in many forms and this report provides a range of measures relevant to your organisation. In 2022 we launched our Value Project to consider what you value, how we can grow this and how to report and evidence this.

The report starts with an infographic summarising several key national value measures across the 32 councils. It then moves on to provide a number of specific financial value indicators for your council.

Recognising that value is not purely financial, the report provides updates on areas such as community benefit, local spend and support for local economies. The Scotland Excel Academy provides a range of people development services to your organisation and your level of participation in this is provided.

2023 will see the launch of our new 5-year strategy after considerable consultation with our members and stakeholders. The strategy, in conjunction with our annual operating plans, will focus on five major goals that underpin all our activities. These are:

- Journey towards a net zero Scotland by 2045
- Financial sustainability of public services
- Community wellbeing
- Development of resilient supply chains
- Advancement of skills to deliver Scotland's economic transformation

We hope you find the report interesting, and that it demonstrates the value Scotland Excel provides to your council.

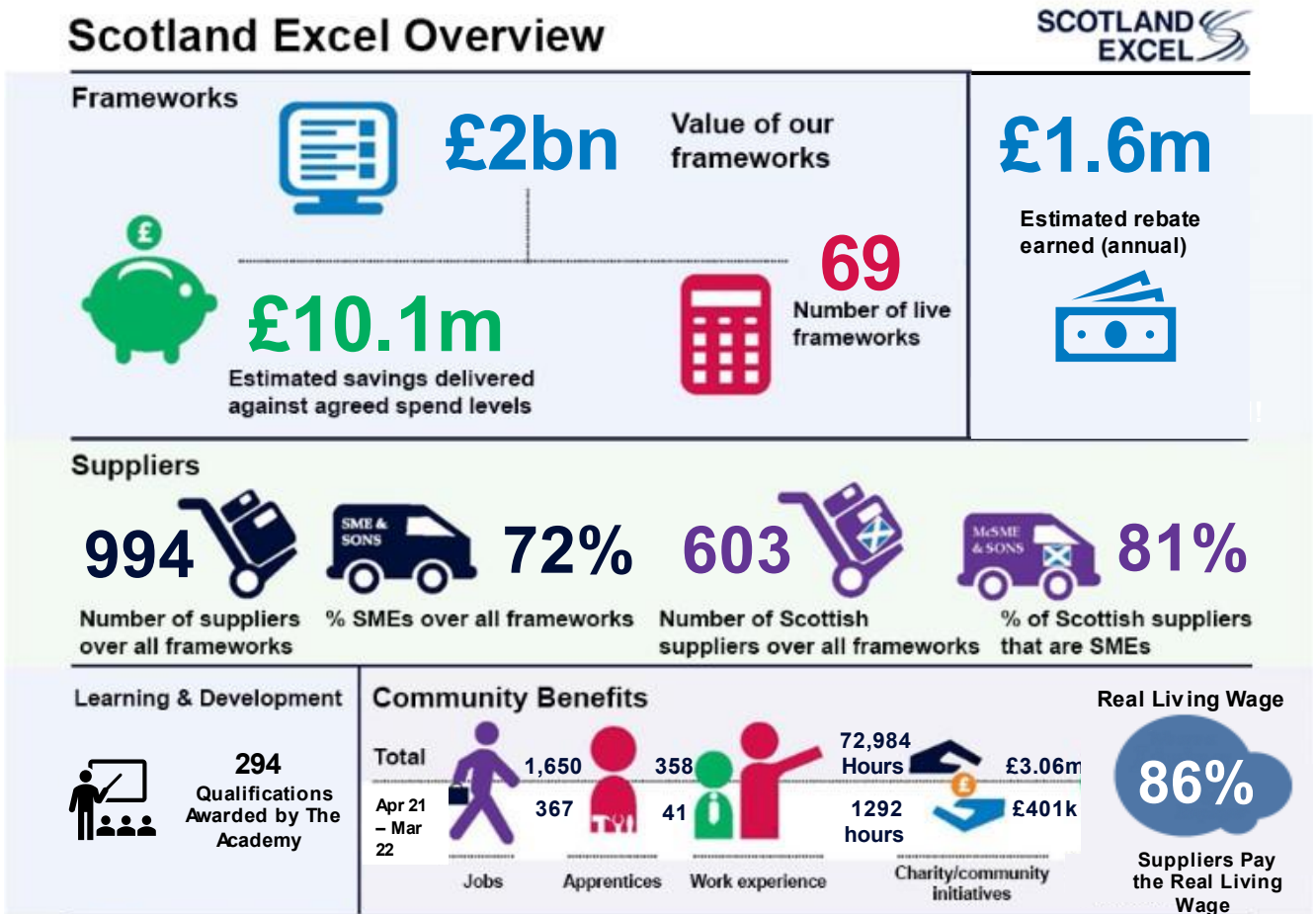


Julie Welsh

Chief Executive
Scotland Excel

1 Scotland Excel Overview

The following infographic provides an overview of services provided to all Scotland Excel members for the period 1st April 2021 to 31st March 2022.



Framework info at Q4 21/22 | savings figure doesn't include social care services/w's | rebates for 20/21 | L&D refers to accredited courses since 2016 | Community Benefits: Total = Apr 13 to Mar 22 | Living Wage is reflective of the status at point of SXL 21-22 Annual Procurement Report

Scotland Excel’s methodology for calculating and recording savings is in line with the Best Practice Indicators (BPI’s) for Public Procurement Guidance and was approved by the Joint Committee.

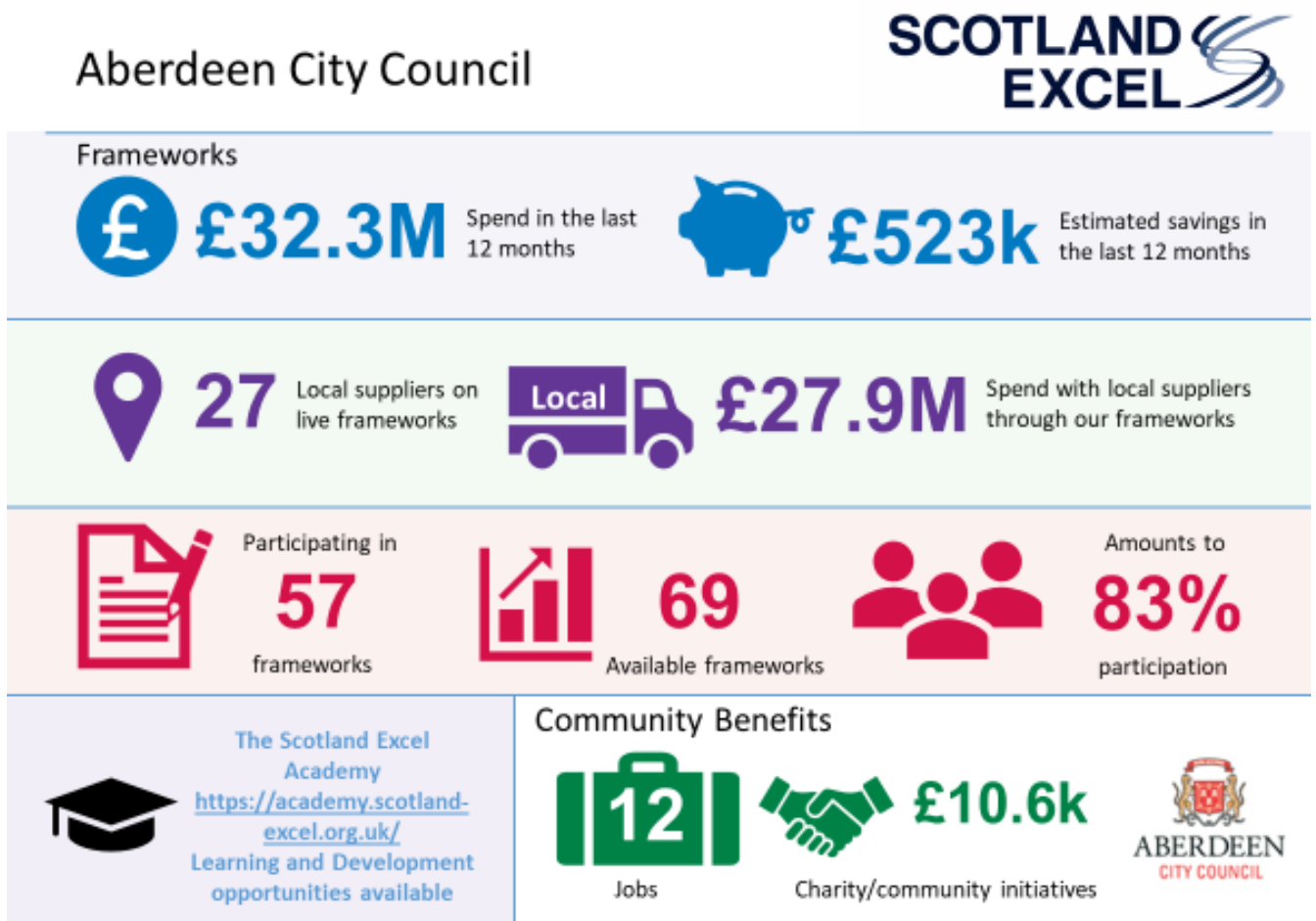
2 Aberdeen City Council at Q4 2021/22

2.1 Aberdeen City Council Overview

The following infographic provides an overview of services provided to Aberdeen City Council for the period 1st April 2021 to 31st March 2022.

It's important to note that whilst Aberdeen City Council has committed to participate in 57 out of 69 frameworks available to the council (83%), actual spend has only been reported against 48 frameworks (70%) which has impacted on the resulting savings. Further details of this can be found in section 3.4.

The savings figures listed below are not intended to represent cashable/bankable customer savings, but an estimate of the benefits that may be accrued through use of the contract. Responsibility for calculating a precise measure of cash savings achieved lies with each individual local authority with support from Scotland Excel.



*Framework information at Q4 2021/22; estimated savings figure does not include social care service frameworks; community benefits for 2021/22

2.2 Arms-Length Organisations and Associate Members in Aberdeen City Council Area

Scotland Excel operates an associate membership programme to allow a wide range of Scottish public service and third sector organisations to access its frameworks and services. Applications can be made for associate membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations that engage in activities of a public nature.

Although associate members have access to frameworks, they do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

Table 1 below highlights the associate members based in Aberdeen City Council area that also benefit from being a member of Scotland Excel.

Table 1: Associate Members based in Aberdeen City Council Area

Associate Members Based in Aberdeen City Council Area
Sport Aberdeen
Grampian Housing Association Ltd
Bon Accord Care
University of Aberdeen
North East Transport Partnership (NESTRANS)

Please contact Scotland Excel if you have an organisation in your area that you believe will benefit from associate membership.

3 Scotland Excel Value Proposition

3.1 Savings

Aberdeen City Council had a spend of £32,321,476 on Scotland Excel frameworks in 2021/22, with estimated savings of £522,792 based upon spend across 48 frameworks (70%).

The spend information reported above is actual spend on Scotland Excel contracts, based on invoice date as reported by suppliers. The percentage saving that is applied is the savings figure that is agreed at the time of contract award.

3.2 Rebates

During 2020/21, seven of Scotland Excel frameworks offered customer rebates either through retrospective accumulative spend, sole supply or non-core rebates. During this period Aberdeen City Council accrued £71,063 in rebates from seven frameworks.

3.3 New Opportunities 2022/23

Scotland Excel continues to review the range of frameworks offered and the composition of the contract portfolio. During 2022/23 three first generation frameworks will be delivered; a contractual development to support a national alarm receiving centre supporting people receiving care in their homes, a range of repair and maintenance services for the management of property and a new grouping of professional services relating to the construction of buildings. The Social Care team have begun work on gathering intelligence on the commissioning options for residential rehabilitation. This workstream was added to the plan at the request of the Scottish Government.

A renewal framework was delivered in 2022 for Personal Protective Equipment (PPE). The structure of this framework changed significantly compared to previous generations for these products. This change reflected the huge shift in the PPE market resulting from the higher demand for a range of pandemic response items. The framework expanded the range of smaller businesses and new entrants to the market.

In addition to these new developments, enhancements to existing arrangements are developed to strengthen the response to difficult market conditions. Construction Materials is a new framework structure which will be available in early 2023. This framework merges five established frameworks, using the rich pool of data compiled over more than 10 years of facilitating the sourcing of materials. The knowledge of this market, buying patterns and supplier services means we are now able to simplify the sourcing of material by offering a consolidated approach.

The redesign process of the National Care Home Contract (NCHC) will continue in order to encapsulate guidance and legislation that has a direct impact on the contract. Working across multiple agencies introduces a level of complexity which may have an impact on the projected timeline of March 2023 for completion. This will continue to be monitored and assessed by Scotland Excel.

Scotland Excel has been consulting with key stakeholders in relation to future plans for the national framework for Children's Residential Care & Education. The renewal tender was published in May 2022 and the new framework award recommendations were approved at the Executive Sub Committee in

August 2022. The renewal framework creates a streamlined process that reduces the administrative burden on providers whilst increasing the information sharing and transparency around services and fees. This renewal also features continuing care services, which reflects the policy direction of supporting children and young people in placements over a longer time period, where that is appropriate.

In addition, 26 frameworks will be renewed before June 2023. Scotland Excel is also exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2023 will be approximately £2Billion. Overall, savings efficiencies delivered to date in 2022/23 are 2.09%, which is within the forecast range.

3.4 Participation

At the end of Q4 2021/22, Aberdeen City Council confirmed participation in 57 out of 69 frameworks (83%) and spend has been reported on 48 frameworks (70%). Further detail can be found in Appendix A.

Table 2 below highlights the council’s participation and utilisation of the frameworks over the last five years:

Table 2: Council’s participation and utilisation of frameworks

Year (at Q4)	Contract Availability	Contract Participation	Participation %	Contract Utilisation	Utilisation %
2017/18	59	53	90%	44	75%
2018/19	65	60	92%	48	74%
2019/20	71	69	97%	48	68%
2020/21	72	61	85%	51	71%
2021/22	69	57	83%	48	70%

Note: Utilisation includes any framework with council spend over the life of the framework.

Scotland Excel believes there is a strong correlation between framework participation, utilisation and financial savings. In the current challenging climate, maximising council framework utilisation and optimising framework usage to obtain best value are therefore key objectives. Reasons for non-participation in a suitable framework must be explored further by both member councils and Scotland Excel. Reasons of non-suitability must also be explored to seek further resolution. Framework participation and utilisation is a key focus for Scotland Excel.

The Scotland Excel Account Manager meets every two weeks with the CPSS Strategic Procurement Managers to review contract spend and participation and identify areas for improvement to ensure the council maximises the benefits of the frameworks.

3.5 Cost Avoidance

The Scottish Government estimate that each public procurement exercise costs on average £12,000 to complete. Therefore, through participation in Scotland Excel frameworks, cost avoidance can be achieved.

Cost avoidance* for the last five years for Aberdeen City Council is outlined in table 3 below. These figures represent the average efficiency saving in the financial year through participation in Scotland Excel frameworks instead of running individual tendering exercises.

COVID-19 had a significant impact on the contract delivery plan for 2020/21 with many suppliers either closed or on furlough and not in a position to tender. Tendering activity has since increased with a full contract delivery plan due to be delivered for 2022/23.

Table 3: Cost Avoidance

Financial Year	17-18	18-19	19-20	20-21	21-22	Total
Cost Avoidance Per Council	£228,491	£250,038	£157,574	£127,800	£117,900	£881,803

*Cost Avoidance calculation - the number of new and renewed Scotland Excel frameworks that went live in the financial year is multiplied by the average number of councils participating in those frameworks then multiplied by £12,000. This sectoral figure is then allocated evenly across the 32 local authorities.

At Scotland Excel we use our insight and experience to shape policy and meet the challenges of future public service delivery by providing innovative and transformative solutions. The Scottish Government's estimate of £12,000 to complete a procurement exercise does not accurately reflect the development costs of some of our more strategic frameworks, particularly in the areas of social care and construction. These can be extremely complex requiring extensive stakeholder and supplier engagement, in-depth market research, technical input, documentation, and contract management resulting in a longer process that requires additional procurement and technical resource.

3.6 Contract and Supplier Management

At Scotland Excel we have a well-established contract and supplier management programme which prioritises activity based on the level of risk and spend. The focus of contract and supply management (CSM) activity is always to enhance the value available to councils and associate members when using our frameworks. Value will be delivered through a range of measures including price management, supply security, enhancing social and environmental impacts and growing the capability of our supply base to service public contracts.

Scotland is experiencing challenging market conditions, created by global economic disruption following the pandemic, Brexit and the invasion of Ukraine.

Scotland Excel has collated market information on the impact of this disruption on our public contracts and shared this with our sector. Price variation and management has been an area of significant turbulence and the approach we take to assessing requests for price variation has been applied rigorously. This alongside the tracking of indices to ensure a good understanding of how volatile market conditions impact on the cost drivers in each of our frameworks is core to our contract management work. By using the commercial and market intelligence through this modelling, we have been able to reject or reduce proposed price increase requests from suppliers.

We continually review how suppliers are meeting their contractual obligations as part of the due diligence we apply to contract delivery. Regular checks on payment of the Real Living Wage in our supply base, obligations to deliver Community Benefits and reviewing insurance levels all form part of this

diligence. Most critically, the commercial terms are reviewed in line with framework terms and our teams apply their commercial acumen in price negotiations with framework suppliers. This aspect of management ensures councils continue to receive the best prices, while maintaining productive relationships with suppliers.

In recent times a newer aspect of CSM which has emerged has focused on security of supply during the pandemic and since to ensure goods and services continue to be provided promptly and at best terms available. During the summer of 2021 this meant engaging with national forums set up to managing the scarcity of construction materials and advocating on behalf of our sector.

Our category teams also support our members to optimise the best value delivered when adopting frameworks. Analysis of line level management information reports, in collaboration with council service departments, can monitor price accuracy, optimise the use of core lines and validate call offs to ensure the best possible value from the use of the framework is being achieved. Looking forward Scotland Excel is now exploring how the wealth of data and experience gathered since 2008 can be used to set out options for managing financial challenges by reducing money spent on contracted activities.

4 Local Suppliers

Scotland Excel recognises the importance of local businesses to individual council areas and the wider Scottish economic recovery. Where possible, all frameworks are structured to remove barriers that might prevent local SMEs from bidding for frameworks. This can include lotting structures that are aligned to marketplace structures, geographical lotting and supply only lots that allow purchasing from small local suppliers via a larger distributor. Suppliers can select which council area(s) they can service without penalty or detriment to their tender score. A local supplier being awarded onto a Scotland Excel framework allows them access to potential spend from all 32 local authorities and associate members across Scotland.

Scotland Excel recognises the importance of community wealth building and the role this plays in Scotland's economic recovery post COVID-19.

At the end of Q4 2021/22 Aberdeen City Council:

- Had 27 unique local suppliers on 28 Scotland Excel frameworks
- £28m spend was reported with the local suppliers during 2021/22
- Aberdeen City Council spend with the local suppliers was £4,984,026 with a further £22,927,252 in spend coming from outside of the Aberdeen City Council area

This is summarised in table 4 below:

Table 4: Suppliers based in Aberdeen City Council Area on Scotland Excel Frameworks

Year (at Q4)	No of Local Suppliers	Total Spend with Local Suppliers	Aberdeen City Spend with Local Suppliers	%Aberdeen City Spend with Local Suppliers
2017/18	26	£26,327,675	£5,143,111	19.5%
2018/19	30	£29,848,546	£4,624,270	15.5%
2019/20	29	£26,526,917	£4,526,930	17.1%
2020/21	28	£22,548,855	£3,349,243	14.9%
2021/22	27	£27,911,278	£4,984,026	17.9%

Examples of suppliers that are based in Aberdeen City on Scotland Excel frameworks:

- Aberdeen Association of Social Services is a large provider on both the children's residential and secure care frameworks. During 2021/22 they reported £4.1m spend from six councils.
- Instock Disposables, a medium sized business based in Dyce, was successfully awarded on to three frameworks: janitorial products, catering sundries and commercial catering equipment. They reported £6.4m of spend in 2021/22 from 23 councils and associate members.
- Gordon McWilliams (Aberdeen) Ltd is a small business based in Aberdeen on the fresh meat, cooked meat & fresh fish framework. They have supplied products to two councils and associate members to the value of £1.1m in 2021/22.
- William Wilson is a large supplier on the plumbing and heating materials framework. During 2020/21 they reported spend of £4.7m from 17 councils and associate members.

5 Community Benefits

Scotland Excel continually strives to be innovative in its approach to community benefits. We recognise that community benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard.

Our approach to community benefit has been developed to advance the commitments made by suppliers and to facilitate a robust process for the collection of data. When embarking on new procurement exercises, Scotland Excel uses a points and menu approach which encourages suppliers and providers to deliver community benefits within the awarding local authority area.

The following community benefits have been delivered to Aberdeen City Council through the Scotland Excel frameworks. This is summarised in table 5 below:

Table 5: Community Benefits Delivered for Aberdeen City Council

Year	Community Benefit Type					
	Number of New Apprentices	Number of New Employees	Number of Work Placements	Hours of Volunteering	Hours of Work Experience	Monetary Value of Other Community Benefits
2017/18	0.5	5.3	0.3		177	£3,475
2018/19	0.15	6.5	4.2			£13,301
2019/20	0.4	21.7	1.6	27		£18,875
2020/21		26	1	7		£14,727
2021/22		12		5	64	£10,647

For example, for the period 2021/22 this includes:

- The Furnishing Service employed six additional staff during 2021/22
- Keenan Recycling, a supplier on the organic waste framework, provided a career ready mentoring programme which included a four-week work placement for two students
- ASA International, a supplier on the social care agency workers framework donated £1,653 to Charlie House
- 364 books donated by Scholastic on the library books and textbooks framework to Aberdeen City Council valued at £4,859
- Community products (UK) Ltd, a supplier on the education and office furniture provided a double sand and water play system worth £690 free of charge

As part of the Scotland Excel framework for groceries and provisions Brakes offer councils a community benefits rebate of 0.7% of spend which can be used on community benefits in the council area. From 1st May 2021 to 30th April 2022, Aberdeen City Council earned £4,921.81 as a community benefit rebate.

6 Living Wage and Fair Work Practices

Scotland Excel commenced formal consideration of Fair Work Practices (including the Real Living Wage) within tenders in early 2015. In February 2022 the Scotland Excel Executive Sub Committee were invited to note an update on matters relating to the payment of the Real Living Wage in which Scotland Excel confirmed intent to seek means of improving the level of commitment suppliers make to paying the Real Living Wage and to mandate wherever legally possible.

Of the 213 suppliers appointed to Scotland Excel framework agreements between 1 April 2021 and 31 March 2022, 84% notified they pay the Real Living Wage.

By June 2022 Scotland Excel had 958 unique suppliers appointed to framework agreements, of which 86% are paying the Real Living Wage and a further 4% committed to paying the Real Living Wage within two years. The breakdown of the status of these suppliers is summarised in table 6 below.

Table 6: Real Living Wage Status

Living Wage Status	No. of Suppliers at Dec 2019	% of Suppliers at Dec 2019	No. of Suppliers at Jun 2022	% of Suppliers at Jun 2022
Accredited	170	18.4%	211	22.0%
Progress towards accreditation	42	4.5%	56	5.8%
Committed to gaining accreditation over the first 2 years of the framework	87	9.4%	89	9.3%
Not accredited but paying the Real Living Wage	469	50.7%	467	48.7%
Not accredited or paying the Real Living Wage but committed to doing so within 2 years	36	3.9%	38	4.0%
Neither accredited nor paying the Real Living Wage	122	13.1%	97	10.1%

63% of the Scotland Excel suppliers based in the Aberdeen City area are either Living Wage accredited, committed to gaining accreditation or pay the Real Living Wage.

The Real Living Wage policy for commissioned social care services in the third and independent sector for adults is funded by Scottish Government. All adult social care providers awarded to the care and support framework, care homes for adults with learning disability framework and the national care home contract are therefore required to pay the Real Living Wage. Going forward, the Scotland Excel annual uplift process will be guided by the Scottish Government policy review.

Scotland Excel continues to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area.

7 Scotland Excel Academy

Scotland Excel delivers accredited and non-accredited programmes through a blend of face-face workshops, online and self-directed learning through The Academy. This suite of learning and development includes development programmes and workshops on:

Accredited:

- Procurement
- Management and Leadership
- Coaching and Mentoring
- Project Management
- Business Analysis and Innovation
- Chartered Manager

Non-accredited:

- Stay Connected workshops
- Scottish Government Procurement & Commercial Training Framework
- Customer bespoke development programmes and workshops
- eLearning
- Serious Organised Crime Prevention workshops
- Evolve Workshops

The work-based-learning programmes are accredited by the Scottish Qualifications Authority (SQA); the Chartered Management Institute (CMI) and the Chartered Institute of Procurement and Supply (CIPS), along with licensed content from the Association of Project Management (APM).

Aberdeen City Council has three active learners on the CIPs Practitioner programme. There are four active learners on the Project Management programme and one active learner on the Business Analysis programme. Since The Academy started in 2016, six learners from Aberdeen City Council have passed their PDA in Project Management.

Aberdeen City Council attended seven online Stay Connected sessions and 27 participants from the Commercial and Procurement Shared Service attended a bespoke procurement training programme delivered by The Academy.

8 Scotland Excel Annual Conference 2022

Scotland Excel's Annual Conference was held over two days on 18th and 19th May 2022. Recognising positive feedback from the 2021 event, activity on Day 1 was held online and was open to colleagues from across the public sector. The event focussed on Green Economic Recovery, supporting climate change and sustainability objectives as we move to a Net Zero Scotland. Speakers included Alan Russell, Chief Executive of Renfrewshire Council, Roddy Yarr, Head of Sustainability at Strathclyde University, Louise McGregor, Head of Customer Service and Support, Zero Waste Scotland, and Georgina Laverack, Assistant Director – Cartels from the Competition and Markets Authority.

A total of 271 individuals booked a session(s) across the day, culminating in 920 sessions attended. All 32 councils were represented, along with Scotland Excel associate members and partners such as the Improvement Service, Crown Commercial Service, SEEMiS, NHS Scotland and Scottish Government. Delegates also attended from across the public sector, representing further education establishments, housing associations and various public bodies such as Forestry and Land Scotland, Registers of Scotland, Highland and Islands Enterprise, Scottish Legal Aid Board, SEPA, the Scottish Parliament and the Cabinet Office. Sessions for Day 1 were recorded and are now available to access via The Academy.

Activity on Day 2 took the form of a small, bespoke in-person event held at the Radisson Blu Hotel, Glasgow for Corporate Procurement Managers, bringing together this community for the first time in two years. Tailored sessions were aimed at providing support in an extremely challenging operating environment. Speakers included Angela Scott, Chief Executive of Aberdeen City Council, Timur Wolf, Head of Performance Insight from Crown Commercial Services and Nigel Percy from the Art of Brilliance.

Thirteen delegates from Commercial and Procurement Shared Service attended the online event. Aberdeen City Council was also represented at the in-person event in Glasgow.

9 Procurement and Consultancy Services

In June 2018, the Joint Committee approved a new funding model to reduce reliance on council requisitions and increase revenue generated by associate fees, rebates and project income. Work continues to deliver new, relevant, and cost-effective procurement and consultancy services with the overall goal of minimising the level of member requisitions with around 20% of our operating costs now coming from non-requisition income.

Scotland Excel continues to develop its range of services around three main areas: procurement services, consultancy services and The Academy. Each has several facets that offer members and associates a range of specific services of which a number are also provided at no additional charge and as part of members requisition.

- **Procurement Services**
 - Collaborative Contracts
 - Framework Efficiency Review
 - Further Competition
 - Flexible Procurement
 - Community Wealth Building

- **Consultancy Services**
 - Transformational Programmes
 - Organisational Development
 - Early Learning and Childcare

- **The Academy**
 - Accredited Programmes
 - Non-accredited Programmes

Details on each of the above can be found on [Scotland Excel's website](#). Further information can also be obtained directly from your dedicated account manager.

The organisation is making good progress in income generation via additional income streams whilst also using tools, lessons, and exemplars to further benefit the wider local government sector.

A number of [case studies](#) are available and in development which provide a great insight into activity such as tailored training and development packages, success in realising savings, efficiency and social value within transformation programmes, along with how we deliver key procurement projects via our flexible procurement services function.

It is the goal of Scotland Excel to continue to seek new ways to harness the power of procurement with its members and associates to achieve our common goals. We are keen to discuss with members on how the above services and any additional services can support this aim.

10 Value of Membership

This report provides an overview of the range of services provided by Scotland Excel and the benefits realised by being a member.

In summary, table 7 below shows the spend and savings figures for Aberdeen City Council for the last five years together with the requisition fees and cost avoidance. The figures below are the most up to date figures and include late returns and adjustments for previous years.

Table 7: Return on Investment

Year	Actual Spend	*Estimated Savings	Requisition Fee	**Savings ROI	Cost Avoidance	***Total ROI
2017/18	£26,335,407	£696,484	£140,607	4.95	£228,491	6.58
2018/19	£27,724,390	£626,662	£140,311	4.47	£250,038	6.25
2019/20	£28,000,981	£702,991	£142,125	4.95	£157,574	6.05
2020/21	£25,070,939	£341,357	£146,388	2.33	£127,800	3.20
2021/22	£32,321,476	£522,792	£149,800	3.49	£117,900	4.28

*From 2018 estimated savings figure does not include social care service frameworks

**Savings ROI (Return on Investment) represents savings vs requisition fees

***Total ROI (Return on Investment) represents savings and cost avoidance vs requisition fees

11 What Next

Scotland Excel is committed to delivering continued value to its members. Should you have questions or require further details on the information enclosed within this report, we are happy to provide this. We are particularly keen to hear of any new ways that you feel Scotland Excel could deliver value.

We will publish a sector wide version of this report which can be used to compare how your council is performing in relation to the wider local government sector.

Every council has a dedicated Account Manager who meets with your procurement team on a regular basis to share the enclosed information and identify opportunities to deliver more for your organisation.

Scotland Excel would be delighted to present a summarised version of this report in person to council members, committees and colleagues at your convenience.

You can contact us or find out more online via the following routes:

Email: Contactus@Scotland-Excel.org.uk

Web: www.Scotland-Excel.org.uk

LinkedIn: <https://www.linkedin.com/company/scotland-excel/>

Twitter: @ScotlandExcel

Appendix A Framework Participation and Utilisation

Frameworks Not Participating In	Rationale
Bikeability	No requirement, parent provision in the City
Care and Support	Own arrangement in place
Cleaning Equipment	Own contract in place
Energy Advice	Use SCARF, collaborative contract with Aberdeenshire
Fire Safety Products	Covered by local contract
Fresh Bread and Rolls	Not currently using but may in future
Online School Payments	ACC plan to use the SXL framework
Organic Waste	Own contract with Suez Recycling until 2025
Sheriff Officers	Own contract in place
Social Care Case Management	ACC has a contract with Microsoft to develop a solution.
Telecare DPS	Service delivered by Bon Accord Care
Waste Disposal Equipment	Own contract with Suez Recycling until 2025

Frameworks With No Spend To Date	Rationale
Alcoholic Beverages	Started using SXL framework in Mar 22. Delayed due to COVID.
Boiler Maintenance	Recently awarded using SXL framework
Energy Efficiency Contractors	Recently renewed
Heavy Vehicles	Recently renewed
Hot Beverages	Using Caber Coffee but no spend has been reported. SXL chasing missing spend.
Recyclable and Residual Waste	Own contract with Suez Recycling until 2025 however the council might use the framework for skips for Building Services
Repair of Catering Machines	Not using at present but may be an option in future
Tyres	Recently renewed
Vending Machines	Not using at present but may be an option in future

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	1 February 2023
EXEMPT	The report is public but Appendix 2 is exempt in terms of paragraphs 6 and 8.
CONFIDENTIAL	No
REPORT TITLE	Events 365 Plan 2023-2026
REPORT NUMBER	COM/23/044
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Matthew Williams
TERMS OF REFERENCE	2.1.2 & 3.2

1. PURPOSE OF REPORT

- 1.1 To update members on delivery of the 2016 365 Events Strategy, and some of the headline events; and to update the plan for the three years 2023-2026 as the framework for the work of the Events 365 Group.

2. RECOMMENDATION

That the Committee:-

- 2.1 Notes the update on delivery of the 365 Events Strategy;
- 2.2 Agrees the proposed 365 Events Plan for 2023-2026 (Appendix 1 to this report);
- 2.3 Instructs the Chief Officer - City Growth to re-convene the Event 365 Group as outlined in Section 3.19-3.21 in this report and to report annually to this Committee on the progress to implement the Event Plan; and
- 2.4 Instructs the Chief Officer - City Growth to work with government, national and local partners to explore new events opportunities at the local, regional, national and international level.

3. CURRENT SITUATION

- 3.1 The Council's Finance, Policy and Resources Committee approved the 2016 Events 365 Strategy in December 2016 (OCE/16/040). This has provided a framework for the delivery of events in the city.
- 3.2 The 2016 Strategy was based on the concept of an integrated programme of events, an approach based on quality not quantity, constructed around an

annual calendar of Headline (major) and Feature (niche, specialist) events and festivals that punctuate the year with something happening each month.

- 3.3 It identified Spectra and Look Again as headline events with growth potential, with others such as True North, Highland Games and Sound Festival having regional impact. It also proposed larger events bringing higher cultural, economic and social impact to the city, for example, the Tour of Britain and the Tall Ships Race.
- 3.4 EventScotland has outlined that audience expectations have changed as a result of Covid-19 and reflecting these changes and new challenges in the sector during the Covid-19 pandemic, and more recently rising costs of living and delivery of events, a new three year Plan for 2023/2026 has been developed and is provided in Appendix 1 (with exempt information in the Plan provided in Appendix 2.).
- 3.5 For the events sector, organisations running venues and with large fixed costs are particularly exposed, and, at the same time as funders of events, such as Event Scotland, Creative Scotland and local government are under pressure to reduce budgets.
- 3.6 As well as the focus on events contributing to economic and social outcomes, there is likely to be a new focus on the sustainability of events, their environmental impact, including waste management, emissions, and energy transition. The new Plan will be delivered within the context of these new priorities and challenges.

The 2016 Strategy

- 3.7 An update on the delivery of the 2016 Strategy is provided within the proposed Events Plan in Appendix 1. The 2016 events programme was severely impacted as a result of the global pandemic, and the leisure and events sector continues to be affected by the impact on the sector and changing audience participation.
- 3.8 The 2016 Strategy was ambitious in terms of what it could potentially deliver within the capacity of the city and sector. However, it did set a statement of the city's ambition. There are five key successes from the Strategy:
 - a) Establishment of an Events 365 Group to support the CCMP objectives;
 - b) The 'year-round approach' and aiming to deliver events in off-peak times of the year;
 - c) Adoption of pyramid model – a framework to group events by 'headline', 'feature' or 'city' categories.
 - d) Winning major events such as the Tour Series (that in turn allowed Aberdeen to compete for the Tour of Britain) and securing funding for festivals like Spectra and major exhibitions in the newly refurbished Art Gallery.
 - e) Development of volunteering opportunities to support not only delivery of the event, but also wider participation and attendance – for example, at

Spectra, audiences creating a large scale performance and music piece; and the successful GetAbout Festival of Cycling organised around the Tour of Britain which engaged schools across the city and Aberdeenshire and amateur cycling groups.

- f) Skills and learning – a feature of the exhibition programme in Aberdeen Art Gallery is the participatory and interactive elements for adults and children and the programme involves a participatory learning programme to ensure that exhibitions can be enjoyed by all visitors regardless of their background and abilities.

- 3.9 One of the lessons from the Strategy was that despite an overall framework for events, festivals and conferences in the city, there were occasions where the Council was approached to potentially host an event that could not have been anticipated and therefore were not included in the Strategy. Examples of this include BBC Sports Personality of the Year or Eurovision 2023. The need for flexibility has been reflected in the new Plan,

2026 Events Plan – Methodology and Approach

- 3.10 Preparation of the Plan involved a mix of desk top analysis of relevant events strategies and recent city event evaluations which included feedback from children and young people.
- 3.11 External consultation was undertaken with EventScotland, Visit Scotland, ASM Global (P&J Live operators), and Visit Aberdeenshire (including Aberdeen Convention and Events Bureau.
- 3.12 With this information, two ‘workshop’ discussions were held with participating organisations in the Events 365 Group to discuss and agree the emerging outcome areas that the Plan should respond to and the overall remit for the Events 365 Group going forward.
- 3.13 Officers also participated in the EventScotland National Events Strategy Review & Update – Economic Benefit & Financial Sustainability Roundtable, the Host City 2022 conference which included a number of international major event rights holders, and an overview of the latest thinking in the events sector, particularly for sport and conferencing; and a feedback session with BBC on Eurovision 2023.
- 3.14 The outputs of the consultations were also used to draft the new Events Plan.

The New Plan

- 3.15 The new Events Plan is provided in Appendix 1 to this report (with exempt information in Appendix 2). Key points include:
- Adaptation of the pre-existing pyramid model of events, ranging from a high number of local events, to aspirational targets for major international and ‘mega’ events;

- Retention of the ‘year round’ events model to ensure that Aberdeen has a diversity of event highlights in every season;
 - An emphasis on activating new city centre venues – Union Terrace Gardens;
 - An aspiration to grow the number and scale of events taking place in the city, either originated locally, produced at national and international level, or won from major events rights holders;
 - A strategic focus on business tourism and conferences in P&J Live;
 - An updated remit for the work of the Event 365 Group.
- 3.16 Feedback in developing the new Plan emphasised the need for even greater collaboration and coordination in both delivery of events, maximising the benefits of events, where relevant, working on the submission of bids for events or funding to support events, and joint marketing.
- 3.17 At its meeting of 28 February 2022, the Council 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.
- 3.18 Discussions between the Chief Officer – City Growth, the UK Government Department for Digital, Culture, Media and Sport, and the Director of the Natural History Museum established that the Natural History Museum’s forward plan does not include the development of regional outposts. Nevertheless positive outcomes of discussions include additions to Aberdeen Archives, Gallery and Museums public programmes, loans from the Natural History Museum and opportunities for city-wide partnerships involving heritage and science partners such as the University of Aberdeen Museums and Special Collections, and the Aberdeen Medico-Chirurgical Society. The potential for such initiatives for any links to the new Plan will be explored.
- 3.19 A new remit for the Event 365 Group is proposed reflecting the ‘lessons learned’ from the 2017 Strategy. For the Council, it is proposed that a progress report is brought to a relevant Committee annually to report on implementation.
- 3.20 The remit of the Event 365 Group moving forward is to:
- Oversee and co-ordinate strategic planning/ bidding and funding of the city’s events and receive updates on progress;
 - Agree/ adopt mechanisms for assessing and approving proposed events, including impact on the city, financial implications and include recommendations to appropriate governance of participating organisations for their consideration of supporting and event;
 - Ensure that demand for Council resources is planned so that events are well planned and delivered – operations, safety, transport etc;
 - Provide accurate information on relevant websites – Culture Aberdeen, Visit Aberdeenshire and other organisations recognising that this is also an Events Plan for the wider region;

- Share information with communications team across partner organisations for the promotion of events; and
- Forward Plan - scheduling complementary events to create more impact, or rescheduling to spread impact or prevent audience clash.

3.21 It is proposed that Council Officers drawn from City Growth, including Aberdeen Art Gallery and Museums, Events and any other services needed on an ad hoc basis (eg traffic management) operate on the Group. Other participants will be drawn from EventScotland, VisitScotland, VisitAberdeenshire, the Universities, ASM Global (operators of P&J Live), APA, Culture Aberdeen, Sport Aberdeen, Sports Village and Aberdeen Inspired.

4. FINANCIAL IMPLICATIONS

4.1 The Council has invested £1.6m supporting the delivery of events in the city in 2022/23. This includes both funding of bids for events, financial support to existing events, support to secure business events at the Convention Bureau itself. In the year ahead, the Convention Bureau, P&J Live Sales Teams and officers will continue to work closely together with VisitScotland's Business Events leads to capitalise on the emergence of demand for business conferences as the sector recovers from Covid-19 impacts.

4.2 The future Events programme will not be immune to the increasing financial pressures created by rising inflation. As such, there may have to be choices made about the scale or number of events the Council can afford to support in any given financial year. Where there are financial implications to the Council as a result of any event in the Plan, a report will require to be submitted to committee seeking permission to proceed with a bid, and outlining the potential costs. Planning to longer lead times will allow due consideration of these bids by aligning with the Council's annual budget setting process.

4.3 Wherever possible, funding and investment support from external sources will be sought for events, and officers in the Council's External Funding Team will continue to work with stakeholders in securing new sources of funding that could be available through national programmes such as the UK Shared Prosperity Funding or any other existing or emerging 'place based' funds. Officers will also seek to generate revenue or sponsorship from events, working with event organisers and stakeholders.

4.4 Existing in-house staffing resources could be aligned to any proposals that would require officer support, prioritising those that have greater linkage with the LOIP or the Council's Policy Statement. Where there is a need for more staff resource, 'project teams' will be assembled from within the wider range of organisations participating in the Events 365 Group, or from other partners.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report. Subsidy Control assessments will be made for individual events at the scoping and approval stage where appropriate

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report. Assessment will be made for individual events at the scoping and approval stage.

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	Failure to refresh the Event 365 plan risks not delivering on Regional Economic Strategy, or CCMP tourism plans	By implementing the recommendations herein, Aberdeen City Council will ensure that the City's event programme is coordinated and managed in line with the Event 365 strategic objectives. This will help to ensure that the City's cultural and events ambitions and objectives are met.	L	Yes
Compliance	Council, and event delivery partners,	The 365 and Safety Advisory Working	L	Yes

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?
	fail to comply with statutory obligations	Groups will help to ensure that relevant legislation and industry best practice principles are embedded within events across the City.		
Operational	Failure to develop the City's event programme would fail to meet customer expectations	The 2016 strategy saw the development of Aberdeen's event programme, with a host of major events taking place since 2016. This has increased expectation of customers. The continuation and further development of the City's Event 365 programme will ensure that these increased customer expectations and not just met but are exceeded.	L	Yes
Financial	Whilst the Event 365 strategy has no direct cost	Events which are deemed to be of strategic fit will be	L	Yes

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?
	associated, the major events which it will aim to attract will require significant funding in order to attract and deliver them safely.	put forward to the relevant Council committee for funding to be allocated. This will ensure that each individual event budget and business case can be considered independently.		
Reputational	Failure to attract major events will impact Aberdeen's reputation within the Event Industry, with constituents and with residents.	The continued development of Aberdeen's Event strategy will help to maintain Aberdeen's reputation for delivering events of scale safely and successfully.	L	Yes
Environment / Climate	Whilst there is no direct Environmental impact from this report, the event programme that follows may impact on the Council's net zero ambitions.	By ensuring that Council events follow internal guidance on developing and delivering sustainable events, and by sharing best practice through the 365 working group,	L	Yes

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?
		environmental impacts will be minimised.		

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<p>The proposals in this report support the delivery of the Partnership's Policy Statement for a Vibrant City:</p> <p>Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.</p> <p>Work with partners to bring national and international sporting championships to Aberdeen.</p>
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	The proposals could impact on the stretch outcomes in relation to supporting 400 Aberdeen residents onto Fair Work by 2026; and providing opportunities for residents to be reskilled to enable them to move into new opportunities.
Prosperous People Stretch Outcomes	The proposal will indirectly contribute to the Child Friendly City Improvement Project aim to achieve a UNICEF badge in Culture.

Prosperous Place Stretch Outcomes	Some of the events in the plan will require an assessment of the environmental sustainability of individual events – the carbon emissions of events, and participant/ audience travel is normally considered in event plans and funding bids.
Regional and City Strategies	The proposals support the new and emerging Regional Economic Strategy for Aberdeen to be a key tourism destination; the regional Tourism Destination Strategy (to grow visitor spend in the region) including from maximising opportunities from festivals and events; the City Centre Masterplan; and the Beach Masterplan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Required
Data Protection Impact Assessment	Not required
Other	None

10. BACKGROUND PAPERS

10.1 Finance, Policy & Resources Committee, Events Strategy Plan OCE/16/040 7 December 2016.

11. APPENDICES

11.1 Appendix 1 - Events 365 Plan 2023/26

11.2 Exempt Appendix 2 of the Events 365 Plan

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ABERDEEN EVENTS 365 PLAN

JANUARY 2023 - 2026

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1. DEVELOPING THE PLAN

The Aberdeen 365 Events Strategy was first implemented in 2017 and set out a number of ways to enhance and grow the city's events and festivals calendar to support local events, grow others to national status and introduce 'bought-in' events of national and international significance. Its key outcome was a framework that would see a significant event or festival take place in the city every month with a Team Aberdeen approach linking the city's cultural venues and creators.

That Strategy technically concluded in 2022, but since it was first implemented the sector has had to respond to the challenges of the global pandemic and resulting changes to the events industry, as well as rising operational costs, climate emergency targets and audience expectations.

This new Plan, for 2023/24 to 2025/26 will build on the events delivered under the 2017 Strategy and methodology and aims to provide a clear vision and direction for events and festivals in Aberdeen, responding to changing conditions in the wider cultural, sporting and conferencing sector and its funding and sales models.

Events and festivals provide a wide range of benefits at the city, regional and national levels. This Plan will embed key cultural, sporting and conferencing occasions and introduce new events to grow the programme and associated cultural, social and economic benefits. It has been developed in consultation with EventScotland, VisitScotland and the participating organisations in the Aberdeen Event 365 Group¹. Officers also consulted with the Council's CCMP and Beach Masterplan teams, Culture Aberdeen, and a number of major events rights holders and successful bidding cities at the Host Cities Conference 2022.

The overall national context is provided by The Culture Strategy for Scotland (February 2020) and Scotland: The Perfect Stage (the national Events Strategy 2015-2025). The latter is currently subject to post-pandemic revision, but consultation with EventScotland has given broad indications of future direction. This Plan aligns with the overall aims of the emerging Regional Economic Strategy, the regional Tourism Destination Strategy, the Local Outcome Improvement Plan, City Centre and Beach Masterplan and Culture Aberdeen's Cultural Strategy.

¹ Aberdeen City Council officers, EventScotland, VisitScotland, Aberdeen Archives, Art Gallery & Museums, VisitAberdeenshire, ASM Global (operators of P&J Live), Aberdeen Performing Arts, University of Aberdeen, RGU, Aberdeenshire Council, SportAberdeen, Aberdeen Sports Village, Aberdeen Inspired



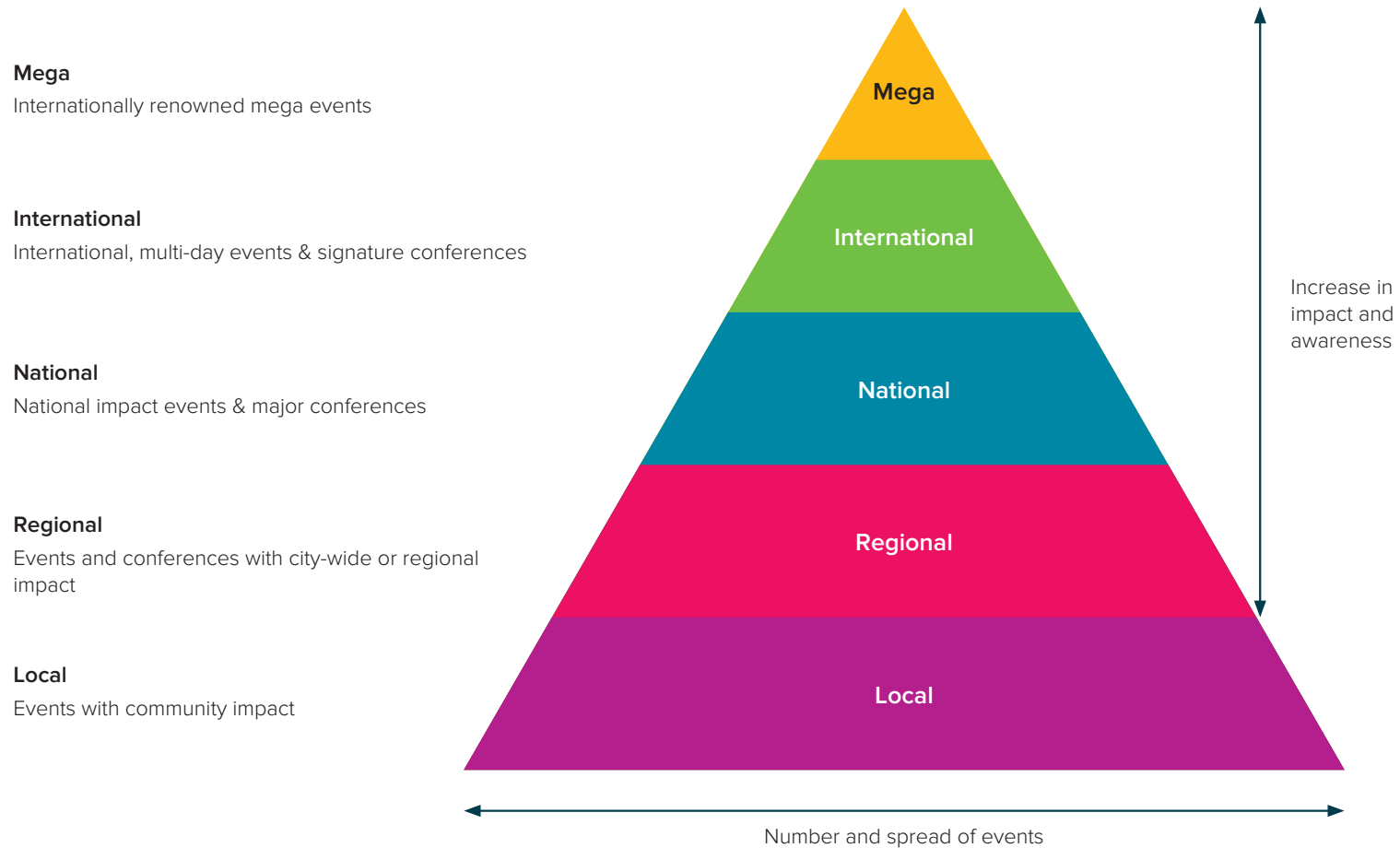


2. PREVIOUS STRATEGY 2017

The previous Strategy implementation included some key elements, ensuring the spread of events across the calendar year, ensuring a mix of local, regional and national events, and providing the impetus to drive key events such as the Tour of Britain. The founding of the Event 365 Group ensured that stakeholders were able to come together quarterly, although the possibilities for the group were never fully realised as the pandemic interrupted its long-term planning.

The 2017 Strategy introduced a model with four event levels. For this Plan the model has been adapted with two changes. Firstly, the Plan will use the naming conventions local, regional, national, international to describe levels of the city's event portfolio. Secondly, a new category of 'mega' events has been added, this would apply to globally renowned events such as the Eurovision Song Contest.

The new names provide an easy shorthand, can apply equally to culture, sport, exhibition and conferencing events and will allow Team Aberdeen to research, bid and win new events, as well as originating, growing and developing the existing event portfolio. There will be some flexibility around criteria but broadly measures of audience numbers, media reach and economic and social impact will be used to determine the category for each event. This model continues to be used by EventScotland.



The 2017 Strategy was severely impacted by the global pandemic and effectively lost over two years of delivery from March 2020. This curtailed the momentum of events in 2019 at P&J Live – Offshore Europe and BBC Sports Personality of the Year, and the sector went into lockdown as events were cancelled, postponed and became virtual events where appropriate.

The end of pandemic related restrictions in 2022 saw a successful return of the events programme for the city, summarised in Table 1 (see Appendix 1 to the Plan). The list is by no means exhaustive and for logistics reasons does not

include a large number of small events run by local community groups on an annual and one-off basis. However the larger and more recognisable festivals, events, conferences and key exhibitions are outlined.

2022 PORTFOLIO – WHERE WE’VE BEEN

See Appendix 1 to the Event 365 Plan.

CASE STUDIES OF RECENT SUCCESS

Spectra

Aberdeen's festival of light has enjoyed a growing reputation as a star in the city's event calendar with rebranding to 'Scotland's Festival of Light' showing clear aspiration for the future. The independent 2022 Research Evaluation Report conducted by the Research Chamber, Aberdeen & Grampian Chamber of Commerce notes:

- Spectra grew to cover 6 sites over 4-days.
- There were 17,000 unique visitors, with 116,000 site attendances in total.
- £250,000 of additional spend was generated by visitors.
- 70% of visitors rated their experience of Spectra as good or excellent.
- 93% said that they would like it to return in 2023.
- 79% said that it had a positive impact on their perception of Aberdeen.
- 74% said that it increased pride in their city.
- 100% of businesses responding to the survey said that Spectra helped to boost the city.





Tour of Britain

Aberdeen hosted the Tour of Britain twice, with the finishing stage in 2021 and the Grand Départ in 2022 when the GetAbout cycling festival added to the main event by bringing a range of cycling and family activities to the city centre the day before the main race. The independent 2022 survey by Frontline Consultants noted:

- 15,000 unique visitors attended the race in Aberdeen.
- £456,000 of additional spend was generated by visitors.
- 28% of visitors stayed overnight in the city.
- 51% came with their families.
- 85% would visit Aberdeen again.
- 89% described their experience as 'very enjoyable'.
- 86% of visitors asked specifically about the GetAbout Cycling Festival said that they were 'satisfied' or 'very satisfied'.

True North Music Festival

True North is a homegrown success story from Aberdeen Performing Arts with music from soulful grassroots artists to internationally renowned musicians taking place over four days. 2022 venues included the Music Hall and its Coda Café Bar, Lemon Tree, Wonder Hoose, Siberia and Waterstones.

- 2022 was the festival's biggest year ever.
- 80 acts and artists took part in over 29 performances.
- 4000 tickets were sold.
- Satisfaction rating was 4.6 out of 5.
- 99% of attendees said that they would return.

Aberdeen Performing Arts, overall impact, including festivals in the last full trading year (2019/20) was £21m in visitor spend and £12m Gross Value Added in the wider city economy. 52 jobs are supported across performance spaces, festivals and events.

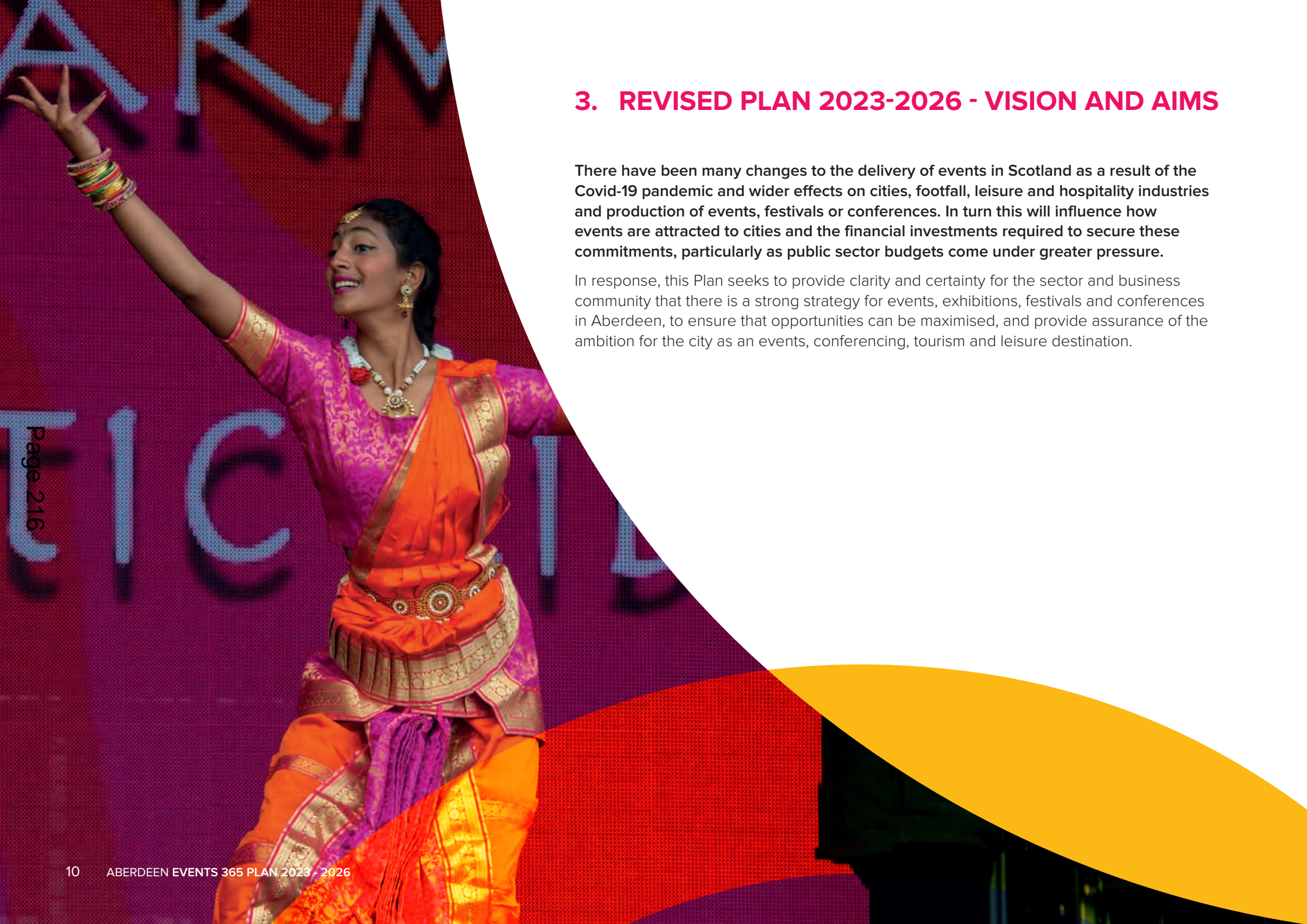
© Richard Frew Photography



Aberdeen Winter Village

Aberdeen's Winter Village takes place from mid-November until Christmas Eve with bars, food pop-ups, an ice rink, rides and attractions on Broad Street and Upper Kirkgate. The Market takes place in Marischal College quadrangle and features a range of local and regional producers of food, drink and gifts – this stands in contrast to other Scottish cities who tend to have non-regional approach to producers attending. This is organised in partnership with Aberdeen Inspired and Charlie House, with planning and operations by John Codona's Pleasure Fairs Ltd and Aberdeen City Council. An outline from the 2021 evaluation is below, the 2022 evaluation will be presented in early Spring of this year.

- 99% of visitors wanted the event to continue in future.
- 77% of visitors were completely or highly like to recommend the event to others.
- 53% of visitors came to the city centre specifically for the event, with a further 32% adding that it was a part of the reason alongside shopping and eating out.
- 90% of vendors at the market agreed that it was good for their business.
- The average city centre spend per visitor surveyed was £42, with £20 spent at the event itself.



3. REVISED PLAN 2023-2026 - VISION AND AIMS

There have been many changes to the delivery of events in Scotland as a result of the Covid-19 pandemic and wider effects on cities, footfall, leisure and hospitality industries and production of events, festivals or conferences. In turn this will influence how events are attracted to cities and the financial investments required to secure these commitments, particularly as public sector budgets come under greater pressure.

In response, this Plan seeks to provide clarity and certainty for the sector and business community that there is a strong strategy for events, exhibitions, festivals and conferences in Aberdeen, to ensure that opportunities can be maximised, and provide assurance of the ambition for the city as an events, conferencing, tourism and leisure destination.

VISION FOR ABERDEEN

Vision

By 2026, Aberdeen will have an even greater reputation as a location for an innovative programme of national and international events, festivals and conferences.

Mission

To achieve the vision, the mission is to enhance the Team Aberdeen approach to delivering a competitive programme of events and festivals that attracts new audiences to the city and North East, by creating a strong and impactful programme that is engaging, sustainable and accessible to all.

Objectives

The objectives of the Plan are therefore to:

- Positively impact the city's economy, businesses and venues by making the city a stage – helping develop the city's cultural, creative and knowledge sectors
- Inspire everyone's creativity and nurture a child friendly city
- Bring people together, connecting Aberdeen to the world
- Help shape the city's creative and sporting future
- Promote skills and volunteering opportunities
- Increase wellbeing and active lifestyles
- Encourage sustainable travel and minimise event carbon emissions and waste
- Measure and report impacts and outcomes

In the medium term these objectives will strongly support the post-pandemic financial recovery of the events, culture, hospitality and tourism sectors in the city and wider region. As important drivers for the city economy and its cultural landscape it is important that these objectives aid other initiatives in the sectors. The Plan will outline a set of local and regional events that are the foundations of Aberdeen's events and festivals calendar.

The Plan reflects the potential for high impact and one-off events, including those of national and international significance. These opportunities may not be known at the time of writing, but if they do arise, they will complement the creative core and highlight Aberdeen's unique appeal as an event destination.

In this sense, the Events Plan also contributes to the 'place-based' objectives for the city and aims to provide a framework for Aberdeen to be a place where successful, high quality events, delivering strong environmental, social and economic outcomes, take place across the city with a clear ongoing commitment from all stakeholders. This will ensure that all communities experience events that excite and entertain, inspire, educate and provide long-lasting opportunity and benefits for all. If successful, the Plan will build on the credentials and expertise from the 2017 Strategy and Aberdeen will be recognised as a centre of events excellence by event owners and producers, event participants and fans, stakeholders, government, businesses, the media and the general public.

Culture Aberdeen's *Cultural Strategy for the City of Aberdeen 2018-2025* has strongly informed the vision and objectives of the Events Plan. The Cultural Strategy's five key ambitions for Aberdeen: to release our creativity, become Scotland's creative lab, make the city a stage, connect us to the world, and shape the city's future, are all embedded in both the approach, the programme itself, and the future aspirations outlined.

Collaboration across sectors and organisations will be key to success, and championing the city's cultural, sporting and conferencing ecology, including its people, organisations, programmers, and venues. A Team Aberdeen approach through the Event 365 Group has supported the implementation of the 2017 Strategy, particularly in the context of the financial challenges facing the sector and local government. The collaboration between stakeholders and partners to develop cross-programming remains of utmost importance, and it is only by combining knowledge and expertise that the city will successfully win, host and stage exhibitions, events, festivals and conferences.

4. ABERDEEN'S DISTINCTIVENESS AS A LOCATION FOR EVENTS

Aberdeen is a centre of opportunity, ambition and innovation. It is recognised globally for its contribution to trade, industry and international relations. As an outward looking and welcoming city, Aberdeen rightly aspires to be a destination for exhibitions, events, festivals and conferences which enhance its reputation around the world, inspire local people and instil civic pride. The people of Aberdeen are enthusiastic volunteers and events provide great opportunities for them to become ambassadors for the city.

Aberdonians are rightly the main beneficiaries of a year-round programme of events, enjoying inspirational experiences, gaining skills and jobs, increasing their wellbeing, rediscovering parts of their city, and bringing their diverse perspectives to events. Local businesses are also a huge asset and their teams are crucial to extending Aberdeen's reputation as an events destination.

CULTURE AND HERITAGE

Aberdeen's culture and heritage is a valuable resource that will inform the development of new and existing events. The rich history of the region, its maritime past, world renowned food and drink, and place in Scotland's wider cultural history will be key to the success of events. Aberdeen has a rich tradition as a leader in education and innovation, nationally significant archive and museum holdings, the Doric language, inspiring outdoor spaces, and globally unique granite architecture. Aberdeen's story continues to unfold in novel and exciting ways, the city has an impressive cultural ecology of creative practitioners, knowledgeable professionals and diverse organisations dedicated to the arts, sport and entertainment.

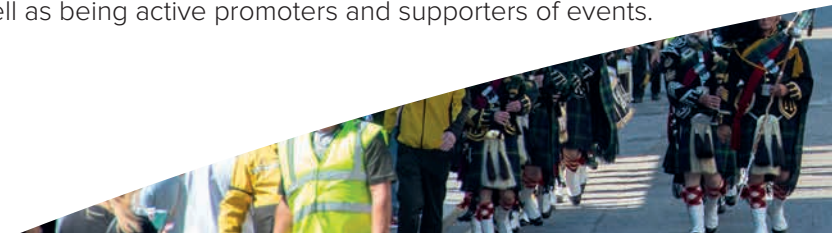
To echo the city's Culture Strategy, Aberdeen's creative community is a huge asset and presents opportunities to harness the city's unique culture, untap its potential as an events and tourism destination, and with the right resources, develop existing events to create a distinctive home-grown programme with international appeal.

Venues and Event Spaces

Without doubt Aberdeen has the most significant set of venues in the UK for a city of its size – from the arena and conferencing facilities of P&J Live to a vibrant community of small venues, pubs and cafes offering local music and comedy. Much loved venues include the state-of-the-art Sports Village, the Edwardian splendour of His Majesty's Theatre and the Aberdeen Arts Centre – a key focus for creative community groups. Recent projects to regenerate Aberdeen Art Gallery, Provost Skene's House the Music Hall and Union Terrace Gardens as well as future plans for the Beach Ballroom, City Market and the Lemon Tree all show the city's commitment to creating an exciting destination. Future uses for those areas could:

- Hosting new events
- Hosting existing events, or being used as additional spaces, this may allow
 - o Additional audience capacity
 - o More suitable venues for those with particular needs e.g. the elderly, people with disabilities, or young families
- Providing crossover promotion opportunities e.g. outdoor use of Union Terrace Gardens, with indoor use of the event spaces inside Aberdeen Art Gallery
- Breakout space from busy areas
- Additional support services areas

Moreover, the revitalised natural amphitheatre of Union Terrace Gardens, the proposed pocket parks in the city centre and the Beach Masterplan provide green spaces to be activated for festivals and events. Conferencing venues, restaurants, cafes, bars and hotels complete the event destination picture of the city and these stakeholders and their staff provide a core experience for all event attendees, as well as being active promoters and supporters of events.



SPORT AND CREATIVE INDUSTRIES

As the capital of the North East, Aberdeen is the ideal base to explore the wider region with its glens and mountains, cliffs, gorges and forests. While within the city we have sweeping bays, sandy beaches, two famous rivers, a busy port, and a magnificent range of green spaces. These are ideal for many sports including cycling, running, surfing, highland games and a variety of adventure activities. They also provide excellent scope for activation through cultural events and festivals as well as hire to external producers. The weather is also a central factor for Aberdeen, our long dark nights, big skies and changing conditions are important for the perception, timing and delivery of activities in the city. Events must seek to maintain these natural environments in and of themselves, but also as valuable assets for repeat events and visitor destination appeal.

Aberdeen has a wealth of people and companies that have their origin in individual creativity, imagination, and curiosity.

The Scottish Government's statement for the creative industries notes that it includes visual and performing arts, cultural education, crafts, textiles, fashion, photography, music, writing and publishing, advertising, libraries, museums, archives, antiques, architecture, design, film and video, TV and radio, software and electronic publishing, and computer games. To which sport and conferencing can add, individual and team sports, training and education support, medical and wellbeing services, event planning, catering, technical production, and IT.

Festivals and events support and invigorate these sectors, but also impact a massive number of businesses and professionals who provide services to the creative, sporting and conferencing industries. The hotel and restaurant sectors, transport, security and catering providers, trades people, and marketing and PR businesses benefit as much as those creative and sporting individuals working directly in the sector. This offers huge potential to grow the economic benefits of festivals, events and conferencing for Aberdeen.

THE COUNCIL

As Team Aberdeen grow existing festivals and stage new events the planning considerations to make the city events-ready will become easier. As each space is activated the site maps, public accessibility issues, traffic management plans, security and crowd control aspects, as well as logistical considerations such as vendor and emergency access, power and waste removal will become clearer and can be revisited for future events in the same space. Officers in the Council will continue to support the delivery of Council events and input to other events where required.

Likewise regular and repeat contact with partners across the city and region, such as VisitAberdeenshire, Police Scotland, ScotRail, First Bus, local businesses and hotels makes subsequent event planning processes more straightforward, with key contacts and established workflows in place.

COMMUNICATING THE PLAN

Engaging audiences, stakeholders and those who control host city decisions for large-scale events and conferences is an important element of delivering the events programme and building the reputation of the city as a competitive location for events. It is also important to communicate how each event meets the objectives of the Plan and the outcomes being sought. The Plan will communicate the wider benefits of staging and hosting events, alongside the new and emerging goals of events to be sustainable and bring environmental benefits.





5. THE PLAN

OUTLINE

The Plan below sets out the principles that will be applied when growing, creating or bidding for events for Aberdeen. It also shows an outline calendar of events for the next few years and includes an aspirational list of events for the city. The principles and the aspirational event list have been created following consultation with organisations in the Event 365 Group, and from meetings with festival producers, national stakeholders, events rights holders and local category experts.

AUTHENTIC EXPERIENCES

Festivals and events in Aberdeen must reflect the distinct features of the city and region and deliver high levels of satisfaction to attendees. This will help with future engagement, audience development and participation in events whether they be cultural, sporting or conferencing – or indeed, as is increasingly the case, a combination of the three. Authentic events will be those that speak to the areas outlined above, our people, culture, heritage and environment, and that take place in built and activated venues that reflect those considerations. They will encompass the warmth of our welcome, our food and drink, venue hospitality and visitor experience.

These experiences can be made unique by putting artists, makers, sports people and producers based in Aberdeen and the North East at the heart of the programming and delivery of events. They can be localised by forming creative, historic or intellectual links between global creators, practitioners, producers and thinkers elsewhere. Aberdeen often stands out when in contrast to, or in harmony with, cultures beyond our borders and shores. The voice of the city's people should always be heard whether in the arts, sporting or business sectors. By creating authentic experiences events will multiply their benefits to the city, supporting the creative economy and encouraging audiences to engage more deeply with the city and region, stay in Aberdeen longer and spend more money in the local economy.

GUEST APPEAL

Events and festivals should have a clear sense of their cultural and market appeal to residents and visitors, all of whom are event guests, be they audiences, delegates or ticket holders. Events should be able to test guest preferences in order to grow, change or drop elements of the offer. While events must welcome and engage any guest regardless of their background. The city should also ensure that the event offer has something for the many diverse communities which call Aberdeen home. Children and young families will be key guests and events should offer a core component for these groups, particularly where those events can also support access to green spaces and contribute to health and wellbeing. Certain events should also connect with those who have roots in, or connections to, the city. The diaspora communities represent a ready audience to return to the city. In combination these groups can boost tourism and business, even from within the city, as well as engaging with the other crucial elements of events such as volunteering, upskilling and employment.

FUTURE PORTFOLIO – WHERE WE WANT TO BE

The future portfolio should aim to build on the reputation and successes of the events outlined above. These fall into the following categories:

- **Continuing** – events expected to remain relatively unchanged under this Plan
- **Growing** – aim to upscale existing events to reach larger or wider audiences
- **New** – events new to the city that will take place in the life of this Plan
- **Potential** – events that are in the discussion stages, prospective event partnerships, or are open to an approach to bid
- **Aspirational** – longer term event targets as the event portfolio grows

Continuing – events expected to remain relatively unchanged under this Plan

These would include most of the core event offer from Aberdeen City Council.

Other organisations and venues in the city will doubtless continue to grow audiences and develop innovative programmes. However, their recurring events are subject to changes to their team resources, funding and aspirations. These high-quality events partly form the bedrock of the city’s cultural calendar and are key to supporting the ambitions of this Plan. To that end they will be encouraged to continue to increase their sustainability, supported through evaluation processes and inform any emerging volunteer programmes. For the purposes of this report, and without evidence to the contrary, the assumption is that the following events and festivals will continue to be largely the same in terms of calendar month, duration, scale, media coverage and audience reach.

Table 2 – Current core annual events

Month	Event	Portfolio Level
January	Hogmanay	Local
February	Granite Noir	National
March	Jazz Festival	National
	TechFest	Regional
	Comic Con North East	Regional
May	Grampian Pride	Regional
June	Highland Games	Local
	NuArt	Regional
	Armed Forces Day Parade	Local
August	Bon Accord Bounce	Local
September	True North	Regional
October	Dance Live	Regional
November	Tea Green Makers Fair	Local
	Aberdeen City Fireworks	Local
	Sound Festival	Regional
	WayWORD Festival	Regional
	Christmas Events Programme	Local

Some events above have previously been in receipt of National Events Programme funding. Where this is the case the aspiration is for them to return to pre-pandemic levels of the portfolio. Without confirmed financial resource though this remains in question.



Growing – aim to upscale existing events to reach larger or wider audiences

Subject to budget, the following events have clear scope to attract greater audience numbers, national awareness or increase their scale of ambition and economic and social impacts. They also present opportunities to appeal to younger and more diverse communities, both through their creative output as well as the learning programmes, creative commissioning and wider community engagement which are often less visible.

Table 3 – Events with scope to grow

Month	Event	Portfolio Level Change	Overview
February	Spectra	Regional to	Attracting the city’s largest audiences and activating the city centre in an otherwise quiet season Spectra already has considerable impact. Increasing either the number, duration or scale of some or all attractions, as well as marketing beyond the region could propel Spectra to being truly Scotland’s Festival of Light. While other cities have light events there is currently no nationally recognised leader of these attractions. In addition to the current works there is scope to light parks, buildings and include more audience participation and interaction and expand commissioning and education work. As Aberdeen is popularly associated with the Northern Lights this is the perfect opportunity to capitalise on the city’s existing reputation.
		National	
August	Aberdeen Mela – One World Day	Local to	This event has been growing in popularity and now attracts local and international acts. As Aberdeen’s community diversity increases there could be even greater interest in the event. With additional expertise around logistics there may be scope to expand capacity, on-site events and the family element of the offer to make this a more regional event.
		Regional	
Year Round	Aberdeen Art Gallery Major Exhibitions Programme	Regional to	The award-winning Art Gallery building is a jewel in the city’s crown. The redisplayed collection and the exhibition programme have proven very popular, visitor numbers are excellent compared to sector peers, and revenue generation capacity is being improved at pace. Specific future plans and possibilities are outlined below, but further investment in high-quality, largely free-to-enter, 3-month exhibitions of national and international note would provide year-round city centre footfall and a reputational boost for culture in the city that shorter-term events often struggle to provide. As an illustrative comparison, 203,000 people attended Glastonbury in 2019, while 5.7 million visited Tate Modern.
		National and	
		International	

New – events new to the city that will take place in the life of this Plan

There are changes to the full programme of city events each year and the next three years will be no exception. The current known additions are set out below.

Table 4 – Known contracted events in Aberdeen in 2023

Month	Event	Event Owner	Description	Venue	Portfolio Level
January	Arenacross	Bolesworth Events	High-octane professional Motocross Racing Event with international riders. Attracting both fans and family audiences alike.	P&J Live	National
February	Subsea Expo 2023	Global Underwater Hub	World's largest annual subsea exhibition and conference event. Around 150 companies presenting to 6,500 visitors over three days.	P&J Live	International
March	Delve	Inge Thomson with Aberdeen Performing Arts	First in a series of guest-curated weekends of music, spoken word, workshops and discussion.	Lemon Tree MH Big Sky Studio	Regional
April	Scottish National Age Group Swimming Championships	Scottish Swimming	Large competitive five day swimming event with 1200 participants in addition to support teams and audiences.	Aberdeen Sports Village	National
April	University of Aberdeen Long Course Championships	University of Aberdeen	Competitive swimming event with 600 participants including international athletes.	Aberdeen Sports Village	National
April May June	Where Ideas Are Born	Magnum Photos in partnership with Aberdeen Art Gallery	A Magnum Photos touring exhibition exploring high quality journalistic / documentary photographers capturing artists at work in their studios, including Frida Kahlo, Francis Bacon and Henry Moore. Estimated attendance is 50,000.	Aberdeen Art Gallery	Regional

Month	Event	Event Owner	Description	Venue	Portfolio Level
May	Digit North Summit	Digit North	10th Annual summit of the largest tech event in the North East of Scotland with presentations from major regional companies.	P&J Live	Regional
June	European Pipe Band Championships 2023	Royal Scottish Pipe Band Association with Aberdeen City Council Events Team	Major international piping and highland dance competition event. Estimated attendance is around 20,000.	Duthie Park	International
July	Tall Ships Races 2023 – Cruise in Company	Tall Ships Races 2023 Lerwick in partnership with Port of Aberdeen and Aberdeen City Council	Cruise in Company ports provide Tall Ships in the 2023 race with a port of call on their route to and from Lerwick. Port of Aberdeen will host either one or two ships for one or two nights in July. The aim is for the event to be cost neutral by winning support from private business. The aspiration is to place two trainees onto the ships which will provide a marketing and recruitment platform for Tall Ships Races 2025.	Port of Aberdeen, Victoria Quay	National
July	Scottish Swimming Summer Meet	Scottish Swimming	National event attracting 800 participants, support teams and spectators.	Aberdeen Sports Village	National
July August September	Quentin Blake: Illustrating Verse / Book Covers	House of Illustration in partnership with Aberdeen Art Gallery	Two touring exhibitions from the House of Illustration combined to add value, exploring the wonderful world of Quentin Blake. A summer family friendly offer tying in with city-wide partners to celebrate drawing and literacy. Estimated attendance is 70,000.	Aberdeen Art Gallery	National

Month	Event	Event Owner	Description	Venue	Portfolio Level
September	Offshore Europe – 50th Anniversary	Reed Exhibitions Ltd	<p>Not ‘new’ but returning in-person this year, OE is the energy industry’s most important European conference and exhibition event.</p> <p>Taking place over 4 days and with the world’s most important energy services companies attending the estimated attendance is around 35,000.</p>	P&J Live with satellite civic and private events including Aberdeen Art Gallery	International
October to January (2024)	Constructed Narratives: Lennox Dunbar, Ian Howard, Arthur Watson	Aberdeen Art Gallery	<p>A major retrospective exhibition focussing on the work of three important living artists in the north east, who have not only created their own work over more that 150 years combined, but taught and inspired generations of artists through Gray’s School of Art, Edinburgh School of Art and Duncan of Jordanstone College of Art & Design.</p> <p>Estimated attendance is 40,000.</p>	Aberdeen Art Gallery	National



Table 5 – Known contracted events in Aberdeen in 2024

Please note the inclusion of the new Maritime Festival in July

Month	Event	Event Owner	Description	Venue	Portfolio Level
February	Para-Swimming Winter Nationals and Great Britain Para-Swimming World Series	GB Swimming	Major GB national Para-Swimming events with 800 participants expected.	Aberdeen Sports Village	National
February March	Scottish Amateur Swimming North Division Championships	Scottish Swimming	Large regional swimming event with 1400 total participants plus support and spectators.	Aberdeen Sports Village	Regional
March April May June	Artists Rooms	Tate Modern in partnership with Aberdeen Art Gallery	Curation of an Aberdeen specific exhibition from TATE Modern's extensive collection of artworks by Louise Bourgeois. Estimated attendance 60,000.	Aberdeen Art Gallery	National
April	Scottish National Masters Championships	Scottish Athletics	Major national athletics event with around 6,000 participants plus support teams and spectators.	Aberdeen Sports Village	National
July	Scottish Open Swimming Championships	Scottish Swimming	Large national event with 600 participants plus support and spectators.	Aberdeen Sports Village	National



July	Aberdeen Maritime Festival (name tbc)	Aberdeen City Council	Multi-day celebration of Aberdeen's current and historic connections with the sea. Featuring a host of vibrant cultural, music and street theatre events. The programme will be developed over the coming months and is likely to be in partnership with organisations across the city including creative venues, the science centre, and universities. With performers from across the region and beyond alongside food, drink and other attractions. This will also be a proving ground and build anticipation for the Tall Ships Races 2025 programme.	Maritime Museum with other Merchant Quarter and city centre locations to be confirmed.	Regional
July August September	Wildlife Photographer of the Year	Natural History Museum, London in partnership with Aberdeen Art Gallery	Touring exhibition of the latest edition of the Wildlife Photographer of the Year Award. Estimated attendance of 80,000.	Aberdeen Art Gallery	Regional
October November December January (2025)	Artists' Textiles	Textile Museum, London in partnership with Aberdeen Art Gallery	Touring exhibition featuring fabric and clothing designed by artists from Picasso to Warhol.	Aberdeen Art Gallery	Regional

In addition, to these 2023 and 2024 contracted events, discussions are ongoing in relation to 4-5 other events that have expressed an interest in being delivered in Aberdeen in 2023 and 2024. This Schedule is provided in Appendix 2 to this Plan.

2025

Programmes are still being determined for all organisations in the city. Ordinarily programming takes place up to 4 years in advance for many organisations, but post-pandemic and economic uncertainty has delayed this usual run-in time.

Tall Ships Races, July 2025

Returning to Aberdeen for the first time in over 25 years this major international tall ships racing event aims to attract 400,000 visitors over four days. The ships are the main attraction while arriving, berthed and departing from Port of Aberdeen but will be accompanied by a large cultural programme including a parade on Union Street, Maritime Festival celebrations, a mini-Highland Games in Union Terrace Gardens, exhibitions at the Maritime Museum and Aberdeen Art Gallery and activation of other city venues and spaces.

The event will be delivered by Aberdeen City Council, Port of Aberdeen and Aberdeen Inspired, but many organisations, sport clubs, businesses and venues across the city are anticipated to get involved.





6. DELIVERING THE PLAN

To build on the previous Aberdeen 365 Events Strategy local and national stakeholders will need to demonstrate their support, alongside those Aberdeen City Council teams tasked with commissioning, programming, bidding and delivery. The Team Aberdeen approach has operated through the Event 365 Group which has included a range of cultural, sporting and conferencing venues and organisations coming together quarterly to discuss projects, with conversation between interested parties happening alongside as needed. The group aimed to:

- provide advice, support and challenge in the strategic development of events in the city;
- contribute to the development and monitoring of the strategy – including taking a lead role in themed years and bidding for bought-in events;
- make decisions on funding applications to events according to clear and transparent criteria based on the recommendations made by events promoters;
- advise on the overall balance, content and quality of the annual event programme;
- contribute to the evaluation of each festival and review evaluation material from artists, delivery partners, participants and audiences;
- advocate widely on behalf of Aberdeen’s events programme; and
- advise and contribute to the development of fundraising, income generation and business development strategies to increase resilience.

During the consultation for this Plan, there have been two workshops with the Event 365 Group. From these, five guiding principles for the next phase of the Event 365 Group have emerged:

1. EVENTS PORTFOLIO

We need to build on the existing programme, originating, growing and sustaining an attractive, sustainable portfolio of cultural, sporting and business events, festivals and exhibitions. Ideas should be tested against the aims and evaluation criteria of this Plan.

2. EVENTS PEOPLE

We need to bring Aberdeen's events hosts, planners and promoters together to create a thriving and unified Team Aberdeen.

3. EVENTS IMPACT

We need to make certain that the positive outcomes of events are built into the event delivery, and ensure that those outcomes are maximised, reported and recognised.

4. EVENTS FLEXIBILITY

We need to make certain that we can move swiftly to take advantage of new event opportunities, sources of funding, commercial opportunities, new technology and audience demands. Members of the Group will be willing to share their knowledge, experiences, connections and programme ideas with the group knowing that matters discussed will be treated in confidence.

5. EVENTS FUNDING

We need to recognise the pressure on government and wider public sector funding and secure multi-year finance agreements from public and private funders to originate and develop events, create timely bids to host major events, and provide best value when securing outside producers and contractors.

These areas will not only benefit Team Aberdeen, but will also give confidence to stakeholders, funding bodies and corporate supporters that the approach is fit for purpose, effective and successful. This is particularly true where events break the city boundaries and Aberdeenshire Council is a key bid partner and co-beneficiary. This will build trust that Team Aberdeen can deliver high-quality events from small community activities to high-profile, multi-day international events i.e. from bronze to diamond levels within the portfolio. Active attendance of Team Aberdeen members at relevant meetings and seminars with rights holders and governing bodies will help to boost the city's profile and aid discovery of opportunities. Over time these measures will enable Aberdeen to bid for and secure ever-larger events and festivals, as well as originating events of notable scale within the city.



Event 365 Group

A refreshed remit for the group is proposed reflecting the lessons learned from the 2017 Strategy, and in particular the challenging environment for the delivery of events, conferences, exhibitions and festivals as the sector emerges from the effects of the pandemic and the current inflationary pressures. For the development of this Plan, it is proposed that the Event 365 Group is more focused on coordination of delivery across organisations and partners, while maintaining its overall strategic view of any planned or reactive bids for events and resourcing, and links to the regional economic and tourism strategies and city centre recovery. For the Council, it is proposed that a progress report is brought to a relevant Committee on implementation. The remit of the Group moving forward is to:

- Oversee and co-ordinate strategic management, planning and funding of the city's events;
- Make certain that a clear cost/benefit analysis can be made using evaluation methodology outlined in Section 7 (below);
- Agree/ adopt mechanisms for assessing and approving proposed events, including impact on the city, exploration of funding awards, financial implications and report recommendations to appropriate governance of participating organisations;
- Ensure that demand for Council resources is planned so that events are well planned and delivered – operations, safety, transport etc;
- Provide accurate information on relevant websites – Culture Aberdeen, VisitAberdeenshire and other organisations recognising that this is also an Events Plan for the wider region;
- Share information with communications teams across partner organisations for the promotion of events; and
- Forward Plan - scheduling complementary events to create more impact, or rescheduling to spread impact or prevent audience clash.

Meeting Structure

- **Annual Plan Update**
 - Each organisation can outline their forward plan as far as they wish
 - Focus on year ahead within that outline
 - Q&A to follow each presentation to generate ideas, support, aims and outcomes, etc
 - Discussion of ideas pertaining to presentations
 - Review of particular successes from prior year as a result of group activity
- **Quarterly Catch-up**
 - Review ongoing forward plan
 - Look at challenges
 - Q&A and open discussion
 - Working group feedback
 - AOB
- **Event Project Updates** (specific events will have project teams drawn from the participating organisations)
 - Report back on progress or if further advice/assistance required
- **Urgent Business Meetings**
 - Called as required where time-sensitives issues arise
 - These could be full group meetings or of a smaller selection of the most relevant members
 - This might include event bids, logistics failures, issues with individual artists, etc

VisitAberdeenshire representation will be through the Convention Bureau. It is supported by the Council, Aberdeenshire Council and Opportunity North East (ONE) to attract business events and tourism to the city. Working closely with venues it coordinates bids for conferences and works with the venue and organisers on delivery, and wider programming and travel, accommodation.

It is proposed that the Council will be represented on the group by officers from within City Growth including Aberdeen Art Gallery & Museums.



7. EVALUATING EVENTS

It is important for this Plan that festivals, events, exhibitions and conferences are evaluated to a common set of clear criteria and key performance indicators wherever appropriate. This will help to build-up a picture of event impacts on the city, show a track-record of success to stakeholders, indicate strength of public feeling, and identify areas for growth or change.

Key impact areas are:

- SOCIAL** (Teal icon: person with checkmark)
- CULTURAL** (Pink icon: two masks)
- ECONOMIC** (Purple icon: piggy bank)
- MEDIA & PROFILE** (Orange icon: megaphone)
- SUSTAINABILITY** (Green icon: lightbulb with leaf)
- BROAD MEASUREMENTS** (Blue icon: person with checklist)

The precise mix, terms of reference and KPIs within each area should be set by the 365 Event Group, this will vary to some extent by project type and venue, but ultimately there will be commonalities that allow for clear measurement across the portfolio. The evaluation criteria should broadly meet the needs of EventScotland to allow comparison to others in the industry. Initially this should be through the eventIMPACTS toolkit as a well-respected model UK-wide and available for immediate use.

Some considerations for each impact area are outlined below:

SOCIAL

- Number of volunteers
- Number of new volunteers
- Volunteer hours
- Number of local attendees
- Percentage from outwith local area
- Participation of marginalised groups
- Engagement with schools
- Case studies of interventions

CULTURAL/SPORTING

- Number of attendees
- First-time engagement with artform, sport or venue
- Evidence of ongoing engagement or participation
- Number of practitioners involved in delivery
- Commissions of new work
- Awards or prizes for the event

ECONOMIC



- Net additional spend
- Equivalent jobs & skills created/sustained
- Value of contracts awarded to local and Scottish businesses
- Number of businesses engaged
- Calculation of bed nights
- Average and total spend from hospitality and retail

SUSTAINABILITY



- Against British Standard on Sustainable Event Management
- Specific measures used to reduce impact of logistics and event running
- Plastic policies
- Local food sourcing and waste objectives
- Guidance to measure and monitor carbon emissions
- Future improvements and carbon reduction measures

MEDIA, PROFILE & BRAND



- Media exposure and reach
- How this contributed to objectives
- Impact of pre-event and in-event marketing
- Assessment of highest impact media e.g. print vs social, or Instagram vs Facebook
- Familiarity with the event brand
- Effect on perception of the city
- Fit with National Events Strategy

BROAD MEASUREMENTS



- Event attendance
- First time attendance
- Visitor satisfaction
- Satisfaction increase/decrease
- Engagement within event of different elements
- Comments and criticisms
- Satisfaction of vendors, artists and contractors to the event and desire from participants and vendors to participate in future





8. CONCLUSION

Successful delivery of the approach, principles and forward plans outlined above will ensure Aberdeen continues to be an event destination. It will further grow the city's reputation with the public and events professionals, and provide a platform for the Event 365 Group to deliver a programme of events, festivals and conferences that are relevant to the city's history, geography and culture as well as its people, tourists and businesses. The proposed Events Plan will provide major economic and social impact, and meet the city's wider aims and aspiration to be a place where all people can prosper.

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APPENDIX 1

2022 PORTFOLIO – WHERE WE’VE BEEN

It should be noted that some of the events below are delivered directly by Aberdeen City Council or are in receipt of public sector funding, either from the council or other arts, culture, sport and tourism bodies, or indeed a combination. Others are run on a mostly or purely commercial basis, most notably private conferences.

Table 1 – Key events from 2022

Month	Event	Event Owner	Description	Venue	Portfolio Level
January	Hogmanay	Aberdeen City Council	Street party with live music, bars and a small fireworks display.	School Hill	Local
January February March	Dame Zandra Rhodes: 50 Years of Fabulous	Fashion and Textile Museum, London in partnership with Aberdeen Art Gallery	Major exhibition celebrating the career of British fashion and design legend Dame Zandra Rhodes. 56,000 visitors attended.	Aberdeen Art Gallery	National
February	Spectra	Aberdeen City Council Cultural Policy and Partner Team and City Events Team in partnership with Curated Place	Scotland’s festival of light with major installations in venues and outdoors across the city centre.	Aberdeen Art Gallery Music Hall Castlegate Marischal College	Regional
February	Granite Noir	Aberdeen Performing Arts in partnership with Aberdeen City Library Service, Aberdeen and Aberdeenshire Archives, and Belmont Filmhouse	One of Scotland’s leading book festivals with authors attending from at least 7 countries and 5 continents each year. UK-wide visitors attend live in-person events, with live streams watched digitally around the world (e.g. over 24,000 in 70 countries in 2020). Also features commissioned exhibitions from local archives and photographers.	Music Hall Lemon Tree His Majesty’s Theatre Cowdray Hall Belmont Filmhouse St Nicholas Kirk Central Library	National

Month	Event	Event Owner	Description	Venue	Portfolio Level
March	Jazz Festival	Jazz Scotland	Award-winning live music festival focused on jazz & blues.	Lemon Tree Cowdray Hall Blue Lamp Bon Accord Baths and more	National
March May June	TechFest	University of Aberdeen	Major 5-day science festival with STEM education outreach programme of events for children and young people through schools, colleges and universities. Public events, education programme and schools activity weekends are split across the months.	University of Aberdeen and educational sites across the city and region	Regional
March	Comic Con North Scotland	Monopoly Events	2-day convention focused on comics, television and film.	P&J Live	Regional
April May June July	Aberdeen Artists Society – Open	Aberdeen Artists Society in partnership with Aberdeen Art Gallery	Significant open exhibition celebrating fine and applied art, with submission from the north east, Scotland and the wider UK. Ran until July attracting 33,000 visitors.	Aberdeen Art Gallery	Regional
May	Grampian Pride	Grampian Pride with logistics by Aberdeen City Council	Parade and Pride Village with live acts, bars, etc.	Union St Queens Links	Regional
May	Rise-Up	Aberdeen Performing Arts in partnership with We Are Here Scotland	Weekend of performances, workshops, talks and events celebrating and showcasing Black and People of Colour creatives in Scotland.	Lemon Tree Music Hall	Regional
June	Highland Games	Aberdeen Highland Games with logistics by Aberdeen City Council Events Team	Pipe Bands, Highland Dancing and Games competitions with stalls and local food.	Hazlehead Park	Local
June	NuArt	Aberdeen Inspired	Festival of local and international street art.	Citywide and Cowdray Hall	Regional

Month	Event	Event Owner	Description	Venue	Portfolio Level
June	Armed Forces Day Parade	Aberdeen City Council Events Team	Parade and Civic Occasion.	Union Street Castlegate Town House	Local
June	Light the Blue	Aberdeen Performing Arts	Festival for young people by young people. Gigs, theatre, film and workshops across the city centre.	Lemon Tree MH Big Sky Studio Bon Accord Roof Garden Belmont Street	Local
July September October	Galloway Hoard	National Museum of Scotland in partnership with Aberdeen Archives, Art Gallery and Museums	Important touring exhibition from National Museums Scotland in the farthest north host venue, featuring new research only seen in Aberdeen. Ran July to October attracting over 57,000 visitors.	Aberdeen Art Gallery	Regional
July September October	The Book of Deer	Aberdeen Art Gallery in partnership with The Book of Deer Project and University of Cambridge	Exhibition resulting from a major regional partnership exploring the history of Deer Abbey and the Book of Deer. Cambridge University allowed the Book to be displayed in Scotland for the first time in 900 years.	Aberdeen Art Gallery	Regional
August	Aberdeen Mela – One World Day	Aberdeen Multicultural Centre	Festival of multiculturalism and diverse communities featuring food, song, dance and family events.	Westburn Park Lemon Tree	Local
August	Cricket World Cup L2	International Cricket Council and SportAberdeen	United Arab Emirates vs United States of America.	Mannofield Park	International
August	Bon Accord Bounce	Bon Accord Centre with logistics support from Aberdeen City Council Events Team	Family event with range of large and small scale inflatables.	Upper Kirkgate Marischal Square	Local

Month	Event	Event Owner	Description	Venue	Portfolio Level
September	Tour of Britain and GetAbout Cycling Festival	Sweetspot, Aberdeen City Council Events Team, Aberdeenshire Council via Live Life Aberdeenshire	Opening stage of national cycle race. Locally originated Festival of Cycling for high level regional cycle clubs, plus family events. Active education programme for schools.	Union Street Belmont Quarter Beach Esplanade and route north through Bridge of Don	National
September	Wonderland Festival	Aberdeen Performing Arts on behalf of Culture Aberdeen	City centre arts and performance festival featuring 22 new commissions from artists from or with meaningful connections to the city.	Marischal College Quadrangle Numerous city centre streets Bon Accord Roof Garden His Majesty's Theatre	Regional
September	True North	Aberdeen Performing Arts	4-day music festival with grassroots to international artists.	Music Hall Lemon Tree Wonder Hoose Local music venues	Regional
September	Aberdeen Art Festival	GM Events	3-day art exhibition and market featuring artists from the region and beyond	Lemon Tree	Regional
October	World Clydesdale Show	Equestrian Surfaces Ltd	A UK-first for this US based celebration of Clydesdale Horses over 4 days.	P&J Live	International
October	Dance Live	Citymoves Dance Agency	4-day citywide celebration of live dance.	Anatomy Rooms Marischal College Schoolhill Studio Cowdray Hall Music Hall Lemon Tree Bon Accord Centre	Regional

Month	Event	Event Owner	Description	Venue	Portfolio Level
October	International Comedy Festival	Aberdeen Inspired and host venues	11-days of comedy in venues large and small across the city, featuring local to internationally acclaimed comedians.	Aberdeen Arts Centre Tivoli Theatre Music Hall Lemon Tree Large range of bars, cafes and hotels	Regional
October	Dance Proms	Beach Ballroom with Premier Productions	4-day dance event with 17 dance schools and 350 children and young people, plus production teams of 50 people and 1200 audience members.	Beach Ballroom	Regional
October	World Mixed Curling Championships	World Curling Federation	7-day international event.	Curl Aberdeen Arena	International
November	Tea Green Makers Fair	Tea Green Events	2-day fair of local and regional makers.	Aberdeen Art Gallery	Local
November	Aberdeen City Fireworks	Aberdeen City Council Events Team	Annual fireworks display.	Queens Links	Local
November	Sound Festival	Sound Festival	5-day festival of new music and composition featuring classical, jazz, electroacoustic and sound art.	Anatomy Rooms Cowdray Hall Lemon Tree Blue Lamp University of Aberdeen Queen's Cross Church	Regional
November	WayWORD Festival	University of Aberdeen	6-day cross-arts festival led by students and young people and with a focus on writing from emerging writers to award-winning and internationally recognised authors.	University of Aberdeen, Main Campus	Regional
November December January	Jerwood Art Fund Makers Open 21	Developed in partnership with Aberdeen Art Gallery and the Jerwood Gallery (London)	The final venue for this 3-venue exhibition (London, Newlyn, Aberdeen) featuring specially commissioned artists and makers in their early careers. Runs until March 23.	Aberdeen Art Gallery	Regional

Month	Event	Event Owner	Description	Venue	Portfolio Level
November	Christmas Lights, Parade and Nativity Scene	Aberdeen City Council Events Team	Switch-on, opening event and celebratory parade with family focus and civic elements.	Castlegate Union Street	Local
November December	Winter Village	Codona's Pleasure Fairs Ltd and Aberdeen City Council Events Team	5-week long seasonal attraction with local makers market, including food and drink, ice rink, bars, eateries, and fairground attractions.	Broad Street Upper Kirkgate Marischal College Quadrangle	Regional
December	Battle of the Brits	Battle of the Brits Ltd	2-day tennis exhibition tournament with Andy Murray, Jack Draper and more.	P&J Live	National

Regular Programming

In addition to the specific events outlined, regular creative performance programmes at venues citywide contribute immensely to the economic and creative life of the city. While not strictly 'events' the positive outcomes for live performance programmes are broadly the same. For example, His Majesty's Theatre regularly hosts award-winning national and international touring productions which include significant economic uplift for the city, for example Book of Mormon in 2022 attracted 24,000 visitors over a 3-week period. The annual pantomime at His Majesty's Theatre may not be part of the events programme specifically but attracted over 55,000 people in a 5-week period, making it a major driver for city centre business over the festive period. Similarly, single day performances of internationally renowned acts and productions at P&J Live regularly fill its 10,000 seated capacity main arena providing huge economic benefit to the area.

City venues also host regular and recurring conferences, with P&J Live at the vanguard, building its reputation as a premier venue for highly-prized regular international conferencing.

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