

Public Document Pack



To: All Members of the Council

Town House,
ABERDEEN, 16 August 2023

COUNCIL

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **WEDNESDAY, 23 AUGUST 2023 at 10.30am**. This is a hybrid meeting, therefore Members may also take part remotely.

JENNI LAWSON
INTERIM CHIEF OFFICER - GOVERNANCE
(LEGAL)

BUSINESS

ADMISSION OF BURGESSES

1.1 Admission of Burgesses

NOTIFICATION OF URGENT BUSINESS

2.1 Notification of Urgent Business

DETERMINATION OF EXEMPT BUSINESS

3.1 Determination of Exempt Business

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

4.1 Members are requested to declare any interests or connections

DEPUTATIONS

- 5.1 Deputation Requests

MINUTES OF PREVIOUS MEETING(S) OF COUNCIL

- 6.1 Minute of Meeting of Aberdeen City Council of 14 June 2023 - for approval (Pages 5 - 26)
- 6.2 Minute of Meeting of Urgent Business Committee of 7 July 2023 - for approval (Pages 27 - 30)

REFERRALS FROM COMMITTEES

- 7.1 Audit, Risk and Scrutiny Committee of 27 June 2023 - Local Government Transparency Code (Pages 31 - 42)

BUSINESS PLANNER AND OTHER MINUTES

- 8.1 Council Business Planner (Pages 43 - 50)

GENERAL BUSINESS

- 9.1 City Centre and Beach Masterplan - Annual Update - COM/23/245 (Pages 51 - 120)
- 9.2 Beachfront Public Realm Progress Report - Beach Park, Events Park and Broadhill - COM/23/270 (Pages 121 - 198)
- 9.3 Queen Street Outline Business Case - RES/23/242 (Pages 199 - 296)
- 9.4 City Centre and Beach Masterplan: **GENERATION ABERDEEN** - COM/23/269 (Pages 297 - 308)
- 9.5 Aberdeen Market - August 2023 Update - RES/23/249 (Pages 309 - 316)
- 9.6 Land Options Within the Energy Transition Zone - RES/23/287 (Pages 317 - 330)
- 9.7 Medium Term Financial Strategy for the Council's General Fund 2023 - RES/23/250 (Pages 331 - 450)
- 9.8 Council Diary and Committee Places - COM/23/233 (Pages 451 - 468)

9.9 Regional Land Use Partnership Pilot Board - COM/23/241 (Pages 469 - 480)

9.10 Public Health Scotland / North East Population Health Alliance Strategic Partnership Agreement - CUS/23/273 (Pages 481 - 496)

NOTICES OF MOTION

10.1 Notice of Motion by Councillor Kuszniir

That the Council:

1. Notes the negative impact since 2022 of the South College Street Junction Improvements Project works on the businesses based on and around Palmerston Road, Palmerston Place and The Arches on South College Street;
2. Believes that small and medium-sized enterprises are the backbone of the UK, Scottish and Aberdeen economy; and
3. Therefore, instructs the Chief Officer - Finance to prepare a report outlining the options available to Councillors in encouraging businesses to remain within the area, including but not limited, to Non-Domestic Rate discounts for approval by Council.

(Deferred from Council meeting of 14 June 2023)

EXEMPT / CONFIDENTIAL BUSINESS

11.1 No exempt/confidential business

Website Address: www.aberdeencity.gov.uk

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

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

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ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 14 June 2023

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

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

COUNCILLORS

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

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

Lord Provost David Cameron, in the Chair.

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

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

Council Meeting, Wednesday, 14 June 2023

ADMISSION OF BURGESSES

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

Colin Alexander Black, Managing Director, Aberdeen
 Robert Keiller, Consultant and Retired CEO, Aberdeen
 John Charles Otto, Consultant, Aberdeen
 Dr Irene Watt, Ethnomusicologist and Musician, Aberdeen

(B) The person undermentioned was admitted into the presence of the Council and passed as a Burgess of Guild by right of their father's/mother's status as a Free Burgess:-

Dr Lynne Taylor, Doctorate in Clinical Psychology, Aberdeen

(C) The persons undermentioned were admitted into the presence of the Council and passed as a Burgess of the Burgh of Aberdeen of their own craft only:-

Richard Cairney, Tailor, Aberdeen
 Elaine Gowans, Weaver, Aberdeen
 David Alan Ross, Baker, Aberdeen
 David Ross, Shoemaker, Aberdeen
 Ken Scott, Hammerman, Aberdeen
 Josie Steed, Tailor, Aberdeen
 David Suttie, Shoemaker, Aberdeen

NOTIFICATION OF URGENT BUSINESS

2. The Lord Provost advised that he had accepted an urgent notice of motion by Councillor Yuill (Article 25 of this minute refers) onto the agenda as a matter of urgency in terms of Section 50B(4)(b) of the Local Government (Scotland) Act 1973.

At this juncture, the Lord Provost advised that he would be bringing forward item 8.1 (Council Business Planner) and all items of General Business (items 9.1 to 9.5) ahead of the two Referrals from Committees (items 7.1 and 7.2)

DETERMINATION OF EXEMPT BUSINESS

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

11.1 Work Plan and Business Cases - Revenue - exempt appendices

Council Meeting, 14 June 2023

The Council resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 11.1 so as to avoid disclosure of exempt information of the class described in paragraph 8 of Schedule 7A of the Act.

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

4. Councillor Yuill declared an interest in relation to agenda item 10.3 (Notice of Motion by Councillor Bonsell) by virtue of his position as a Council appointed member of the Board of NHS Grampian and advised that he would leave the meeting prior to consideration of the item.

Councillor Yuill advised that he had connections in relation to agenda items 10.7 and 10.8 (Notices of Motion by Councillors Kuszniir and Thomson) by virtue of being a member of Cycling UK and also as a member of the AA (Automobile Association), however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Thomson advised that she had a connection in relation to agenda item 10.3 as a member of Unison and also as an employee at the Foresterhill site, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Watson declared an interest in relation to agenda item 10.3 by virtue of his employment by Unison as a Regional Organiser which meant he represented staff at Aberdeen Royal Infirmary, and advised that he would leave the meeting prior to consideration of the item.

Councillor Houghton advised that he had a connection in relation to agenda item 10.3 by reason of his partner being a doctor at Aberdeen Royal Infirmary, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Hutchison advised that he had a connection in relation to agenda item 10.1 (Notice of Motion by Councillor Ali) by reason of his brother being a police officer with Police Scotland, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Grant declared an interest in relation to agenda item 10.4 (Notice of Motion by Councillor Boulton) by virtue of being an employee of Aberdeen Inspired and advised that he would leave the meeting prior to consideration of the item.

Councillor Nicoll advised that he had connections in relation to agenda item 10.1 by reason of being a retired police officer and agenda item 10.6 (Notice of Motion by Councillor Brooks) as a member of the Piper Alpha Inquiry Team and his involvement in recovering, identifying and repatriating some of the victims of the Piper Alpha Disaster in his role at that time, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

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Councillor Cooke advised that he had a connection in relation to agenda item 7.2 (Finance and Resources Committee Referral) by reason of his position as an observer to the Board of Sport Aberdeen, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Bonsell advised that she had a connection in relation to agenda item 10.3 as a member of Unison, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Copland advised that he had a connection in relation to agenda item 10.1 by reason of being a retired police officer, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 26 APRIL 2023

5. The Council had before it the minute of meeting of Aberdeen City Council of 26 April 2023.

The Council resolved:-
to approve the minute.

MINUTE OF ADJOURNED MEETING OF ABERDEEN CITY COUNCIL OF 4 MAY 2023

6. The Council had before it the minute of the adjourned meeting of Aberdeen City Council of 4 May 2023.

The Council resolved:-
to approve the minute.

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 12 MAY 2023

7. The Council had before it the minute of meeting of Aberdeen City Council of 12 May 2023.

The Council resolved:-
to approve the minute.

MINUTE OF MEETING OF URGENT BUSINESS COMMITTEE OF 23 MAY 2023

8. The Council had before it the minute of meeting of the Urgent Business Committee of 23 May 2023.

The Council resolved:-
to approve the minute.

Council Meeting, 14 June 2023

COUNCIL BUSINESS PLANNER

9. The Council had before it the business planner as prepared by the Interim Chief Officer - Governance (Assurance).

The Council resolved:-

- (i) to remove item 5 (Aberdeen Christmas Village) from the business planner as it had been reported to the Finance and Resources Committee;
- (ii) to note that item 6 (Annual Procurement Performance Report) had been delayed and would be reported to the Council meeting in August 2023;
- (iii) to note that item 11 (Aberdeen Market) had been delayed and would be reported to the Council meeting in August 2023; and
- (iv) to otherwise note the business planner.

TREASURY MANAGEMENT STRATEGY - YEAR-END REVIEW - RES/23/166

10. The Council had before it a report by the Director of Resources which provided an update on Treasury Management activities undertaken during financial year 2022/23.

The report recommended:-

that the Council consider and note the Treasury Management activities undertaken in the 2022/23 financial year as detailed in the report.

The Council resolved:-

to note the Treasury Management activities undertaken in the 2022/23 financial year as detailed in the report.

PERFORMANCE MANAGEMENT FRAMEWORK (2023/24) - COM/23/168

11. The Council had before it a report by the Director of Commissioning which presented a revised Performance Management Framework which reflected the Local Outcome Improvement Plan and the Council's commissioning intentions, as set out within the Council Delivery Plan 2023/24.

The report recommended:-

that the Council approve the revised Performance Management Framework for 2023/24 as detailed in Appendix A.

The Council resolved:-

to approve the recommendation.

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WORK PLAN AND BUSINESS CASES - REVENUE - COM/23/169

12. The Council had before it a report by the Director of Commissioning which presented procurement work plans where expenditure was included for the Commissioning and Customer functions for review and sought approval of the total estimated expenditure for the proposed contracts as contained within the Procurement Business Cases appended to the report.

The report recommended:-

that the Council -

- (a) review the workplan as detailed in the appendices for the Commissioning and Customer functions; and
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contracts.

The Council resolved:-

to approve the recommendations.

ADOPTION OF THE ABERDEEN LOCAL DEVELOPMENT PLAN 2023 - COM/23/174

13. The Council had before it a report by the Director of Commissioning which informed of a Direction issued by Scottish Ministers requiring modifications to be made to the Aberdeen Local Development Plan 2023 prior to adoption and advised that accepting the modifications would allow the Council to adopt the Plan.

The report recommended:-

that the Council -

- (a) instruct the Chief Officer - Strategic Place Planning to confirm to Scottish Ministers that the planning authority would accept the modifications to the Aberdeen Local Development Plan 2023 as outlined in their Direction letter of 10 May 2023 (Appendix 1); and
- (b) instruct the Chief Officer - Strategic Place Planning to proceed to adopt the Aberdeen Local Development Plan 2023, as modified (Appendix 2) and to undertake the statutory procedures set out in paragraph 3.5 of the report.

At this juncture, the Council moved into private session to receive an update from the Chief Officer - Strategic Place Planning, following which a number of questions were asked by members and responded to by the Chief Officer - Strategic Place Planning and the Interim Chief Officer - Governance (Legal). The Council then moved back into public session.

Councillor Bouse moved, seconded by Councillor Radley:-

That the Council approve the recommendations.

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

That Council:-

- (1) instruct the Chief Officer - Strategic Place Planning to delay responding to Scottish Ministers that the planning authority will accept the modifications to

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- the Aberdeen Local Development Plan (LDP) 2023 as outlined in their Direction letter of 10 May 2023 (Appendix 1);
- (2) agree the LDP was prepared prior to NPF4 being adopted, in accordance with transitional arrangements. Therefore, agree despite these modifications this is not an LDP which has been prepared pursuant to the policies in NPF4;
 - (3) agree Members voted for the adoption of the LDP in December 2022 on the basis of NPF3 and not NPF4;
 - (4) agree that the Planning (Scotland) Act 2019 (Commencement No. 12. And Saving Transitional Provisions) Regulations 2023 states that where LDPs have reached the stage where their proposed LDP has been published in a local newspaper before 12 February 2023, they shall continue to be adopted under the provisions of the 1997 Act;
 - (5) therefore, given Councillors were only provided with legal advice on Monday 12 June at 2.45pm, Council has had no time to digest the legal advice and come to a proper conclusion on the risks associated with a possible Judicial Review; and
 - (6) instruct the Chief Officer - Strategic Place Planning to address our concerns in our amendment and to address the legal advice provided and bring back the LDP for ratification or otherwise to the Council meeting in August 2023.

On a division, there voted:-

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

For the amendment (18) - Councillors Ali, Blake, Bonsell, Boulton, Brooks, Crockett, Cross, Farquhar, Graham, Grant, Houghton, Lawrence, Macdonald, McLeod, Massey, Thomson, Tissera and Watson.

Absent from the division (1) - Councillor Malik.

The Council resolved:-
to adopt the motion.

SCHEME OF GOVERNANCE REVIEW - 2023 - COM/23/162

14. The Council had before it a report by the Director of Commissioning which summarised the annual review of the Scheme of Governance and made recommendations for improvement.

The report recommended:-
that the Council -

- (a) approve Appendix C, Committee Terms of Reference, with effect from 19 June 2023;

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- (b) approve Appendix D, Powers Delegated to Officers, with effect from 19 June 2023, and delegate authority to the Interim Chief Officer - Governance (Assurance) to make any further changes to Appendix 1 of that document necessary to reflect such approval;
- (c) approve Appendix E, Standing Orders for Council, Committee and Sub Committee Meetings, with effect from 19 June 2023;
- (d) approve Appendix F, Financial Regulations, with effect from 19 June 2023;
- (e) approve Appendix G, Procurement Regulations, with effect from 19 June 2023;
- (f) approve Appendix H, Member Officer Relations Protocol, with effect from 19 June 2023;
- (g) note that there were no changes to the Local Code of Corporate Governance;
- (h) note the minutes of the Governance Reference Group of 27 April, 9 May and 1 June 2023;
- (i) approve Appendix I, the Budget Protocol, with immediate effect, and instruct the Chief Officer - Finance to carry out a formal review of the Protocol following approval of the Council's budget for 2024/25, and report back to Council on any lessons learned;
- (j) instruct the Chief Officer - Early Intervention and Community Empowerment to review the Integrated Impact Assessment (IIA) template and related process and make any changes necessary, and thereafter arrange training for officers and elected members, including a focus on giving due regard to protected characteristics;
- (k) instruct the Interim Chief Officer - Governance (Assurance) to, following consultation with the Co-Leaders, make all other amendments to the Scheme of Governance necessary to reflect the decisions taken by the Council at this meeting in relation to this report; and also instruct that Chief Officer to review the use of the term "customer" within the Scheme of Governance and, in that regard, make changes to that Scheme as appropriate;
- (l) note the resignations referred to in paragraph 6.1 and appoint a Convener of the Planning Development Management Committee and Vice Convener of the Communities, Housing and Public Protection Committee with immediate effect;
- (m) appoint an Older People's Champion; and
- (n) agree to cease membership of KIMO UK, and by extension KIMO International, at the end of this financial year in line with paragraphs 7.2 and 7.3 of the report.

Councillor Radley moved, seconded by Councillor Greig:-

That Council -

- (i) approve Appendix C, Committee Terms of Reference, with effect from 19 June 2023;
- (ii) approve Appendix D, Powers Delegated to Officers, with effect from 19 June 2023, and delegate authority to the Interim Chief Officer - Governance (Assurance) to make any further changes to Appendix 1 of that document necessary to reflect such approval;
- (iii) approve Appendix E, Standing Orders for Council, Committee and Sub Committee Meetings, with effect from 19 June 2023;
- (iv) approve Appendix F, Financial Regulations, with effect from 19 June 2023;
- (v) approve Appendix G, Procurement Regulations, with effect from 19 June 2023;

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- (vi) approve Appendix H, Member Officer Relations Protocol, with effect from 19 June 2023, subject to incorporating the feedback from Councillor Boulton;
- (vii) note that there were no changes to the Local Code of Corporate Governance;
- (viii) note the minutes of the Governance Reference Group of 27 April, 9 May and 1 June 2023;
- (ix) subject to (x) below, approve Appendix I, the Budget Protocol, with immediate effect, and instruct the Chief Officer - Finance to carry out a formal review of the Protocol following approval of the Council's budget for 2024/25, and report back to Council on any lessons learned;
- (x) replace paragraph 9 of the Budget Protocol with: "Each elected member group will submit their balanced budget to the Council's Chief Officer - Finance (also referred to as the section 95 Officer) for the following financial year (plus 4 years should they determine that is their position) with finalised proposals submitted to the S95 Officer by 12 noon on the third working day before the budget meeting";
- (xi) instruct the Chief Officer - Early Intervention and Community Empowerment to review the Integrated Impact Assessment (IIA) template and related processes and make any changes necessary, and thereafter arrange training for officers and elected members, including a focus on giving due regard to protected characteristics;
- (xii) instruct the Interim Chief Officer - Governance (Assurance) to, following consultation with the Co-Leaders, make all other amendments to the Scheme of Governance necessary to reflect the decisions taken by the Council at this meeting in relation to the report; and also to instruct that Chief Officer to review the use of the term "customer" within the Scheme of Governance and, in that regard, make changes to that Scheme as appropriate;
- (xiii) agree that Co-Leaders may request to be included within the distribution list for report consultations, and to amend Standing Order 13.2.6 accordingly;
- (xiv) note the resignations referred to in paragraph 6.1 and appoint Councillor McRae as Convener of the Planning Development Management Committee and Councillor Henrickson as Vice Convener of the Communities, Housing and Public Protection Committee with immediate effect;
- (xv) appoint Councillor Malik as Convener of the Audit, Risk and Scrutiny Committee in place of Councillor Crockett with effect from 28 June 2023;
- (xvi) appoint the Lord Provost as Older People's Champion and Councillor MacGregor as In Bloom Champion; and
- (xvii) agree to cease membership of KIMO UK, and by extension KIMO International, at the end of this financial year in line with paragraphs 7.2 and 7.3 of the report.

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

That the Council -

- (1) approve Appendix C, Committee Terms of Reference, with effect from 19 June 2023;
- (2) approve Appendix D, Powers Delegated to Officers, as amended with effect from 19 June 2023, and delegate authority to the Interim Chief Officer -

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- Governance (Assurance) to make any further changes to Appendix 1 of that document necessary to reflect such approval.
- (3) approve Appendix E, Standing Orders for Council, Committee and Sub Committee Meetings as amended with effect from 19 June 2023;
 - (4) approve Appendix F, Financial Regulations, with effect from 19 June 2023;
 - (5) approve Appendix G, Procurement Regulations, with effect from 19 June 2023;
 - (6) approve Appendix H, Member Officer Relations Protocol with effect from 19 June 2023;
 - (7) note there are no changes to the Local Code of Corporate Governance;
 - (8) note the minutes of the Governance Reference Group of 27 April, 9 May and 1 June 2023;
 - (9) approve Appendix I, the Budget Protocol as amended, with immediate effect, and instruct the Chief Officer - Finance to carry out a formal review of the Protocol following approval of the Council's budget for 2024/25, and report back to Council on any lessons learned;
 - (10) instruct the Chief Officer - Early Intervention and Community Empowerment to review the Integrated Impact Assessment (IIA) template and related process and make any changes necessary, and thereafter arrange training for officers and elected members, including a focus on giving due regard to protected characteristics;
 - (11) instruct the Interim Chief Officer - Governance (Assurance) to, following consultation with the Co-Leaders, make all other amendments to the Scheme of Governance necessary to reflect the decisions taken by the Council at this meeting in relation to the report; note the term "customer" has been referred to at least 46 times in the Scheme of Governance and as such the Council should continue to use the word "customer" when dealing with members of the public;
 - (12) note the resignations referred to in paragraph 6.1 and appoint a Convener of the Planning Development Management Committee and Vice Convener of the Communities, Housing and Public Protection Committee with immediate effect, and agree to appoint Councillor Malik as Audit, Risk and Scrutiny Committee Convener from 28 June 2023;
 - (13) appoint an Older People's Champion; and
 - (14) agree to note the importance of KIMO UK, noting Aberdeen City Council was a founder member. Agree if the Council really cares about marine environmental issues, it will continue its membership and continue to lobby UK and Scottish Government on the importance of litter within our oceans.

Proposed changes to the Scheme of Governance:-

Powers Delegated to Officers

Change on page 55 to remove reference to Co-Leaders

Standing Orders

12.6.2 The terms of the motion would, in the opinion of the Monitoring Officer (S5 officer) be likely to result in a breach of law.

Council Meeting, 14 June 2023

24.2 To promote the effective management of the meeting, Members should seek clarification or advice on any points from officers.

29.11 A motion or amendment is incompetent if its terms would, in the opinion of the Monitoring Officer (S5 Officer), be likely to result in a breach in law.

Member Officer Relations Protocol

2.3 Where a member or officer has a concern relating to observation of the protocol, they should seek advice in the first instance from the Monitoring Officer. The Monitoring Officer will support Group Leaders, those with no Group Leader and line managers to...

3.7 Add in - Members and Officers will note the obligations placed upon them by the Ethical Standards in Public Life etc. (Scotland) Act 2000.

Budget Protocol

9. Each elected member group shall submit their budget to the Council's Chief Officer - Finance (also referred to as the section 95 Officer) for the following financial year (plus 4 years should they determine that is their position) within three days of the relevant report being published.

Additional as part of Budget Protocol to mirror obligations on Councillors

10. Officers must within their proposed budget recommendations give elected members confirmation that due regard has been given to the Public Sector Equality Duty; and

11. Officers must within their proposed budget recommendations give elected members confirmation that consideration has been given to the Integrated Impact Assessments.

During the course of debate, Councillor Hutchison advised that he had a connection by virtue of his employment by Kevin Stewart MSP, however having considered the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

On a division, there voted:-

For the motion (30) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Boulton, Bouse, Brooks, Hazel Cameron, Clark, Cooke, Copland, Cormie, Cross, Davidson, Fairfull, Farquhar, Greig, Henrickson, Houghton, Hutchison, MacGregor, McLellan, McLeod, McRae, Massey, Mennie, Nicoll, Radley, van Sweeden and Yuill.

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

The Council resolved:-

to adopt the motion.

Council Meeting, 14 June 2023

COMMUNITIES, HOUSING AND PUBLIC PROTECTION COMMITTEE OF 16 MAY 2023 - NOTICE OF MOTION BY COUNCILLOR TISSERA

15. With reference to Article 5 of the minute of meeting of the Communities, Housing and Public Protection Committee of 16 May 2023, the Council had before it a notice of motion by Councillor Tissera in the terms below, which had been referred to it by five members of the Committee in accordance with Standing Order 34.1.

That the Council:-

- (1) notes the decision taken by the Administration to deny the public a voice at the last Council meeting;
- (2) notes the Administration have agreed to shut 6 well-loved libraries in our city, 2 of which are in the ward of Councillor Hazel Cameron;
- (3) notes that libraries are community facilities with many uses, including helping teach children to read and notes Aberdeen City Council's active support for libraries on their website specifically saying children are never too young to join the library;
- (4) notes the words used by Councillor Hazel Cameron when defending library closures "that buildings will not teach your children to read" and strongly disagrees with this position; and
- (5) affirms the benefits of libraries in helping children learn to read.

The Communities, Housing and Public Protection Committee resolved to take no action.

Councillor Tissera moved, seconded by Councillor Bonsell:-

That the Council approve the notice of motion.

Councillor Radley moved as an amendment, seconded by Councillor Greig:-

That the Council take no action.

Councillor Boulton moved as a further amendment, seconded by Councillor Massey:-

- (1) agrees that the closure of the six libraries will have a detrimental impact on all demographics. Public libraries are essential in providing access to books, improving literacy, tackling social isolation and supporting mental health and wellbeing, as evidenced by the Scottish Government;
- (2) libraries play a key role in supporting the current digital strategies in Scotland by providing free access for people unable to get online at home, delivering substantial democratic, social and economic benefits to citizens and communities, as well as helping people to search and apply for jobs and welfare; and
- (3) instructs the Chief Officer - Early Intervention and Community Empowerment to include the closed libraries as part of the overall review.

There being a motion and two amendments, the Council first divided between the motion and the amendment proposing no action, in terms of Standing Order 29.20. If the amendment proposing no action carried, no further vote would take place. If the

Council Meeting, 14 June 2023

amendment proposing no action did not carry, a second vote would take place between the motion and the second amendment.

On a division, there voted:-

For the motion (13) - Councillors Ali, Blake, Bonsell, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Massey, Thomson, Tissera and Watson.

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

Decline to vote (6) - Councillors Boulton, Brooks, Cross, Farquhar, Houghton and McLeod.

The Council resolved:-

to adopt the amendment by Councillor Radley.

FINANCE AND RESOURCES COMMITTEE OF 17 MAY 2023 - NOTICE OF MOTION BY COUNCILLOR CROCKETT

16. With reference to Article 6 of the minute of meeting of the Finance and Resources Committee of 17 May 2023, the Council had before it a notice of motion by Councillor Crockett in the terms below, which had been referred to it by five members of the Committee in accordance with Standing Order 34.1.

That the Council agrees to:-

- (1) note the position with regards to Bucksburn Pool;
- (2) commend the community for their public spirited fight to keep Bucksburn Pool open; and
- (3) agree all four group leaders should seek a joint meeting with the Chief Executive of Sport Aberdeen to ensure that the pool remains open given the community have identified funding.

The Finance and Resources Committee resolved to take no action.

The Council resolved:-

- (i) to note that within "Working in Partnership for Aberdeen" the Council's commitment to support people engage with Community Asset Transfers;
- (ii) to acknowledge that the Community Empowerment (Scotland) Act 2015, created provision for community groups to request to take over publicly-owned land or buildings, such as Bucksburn Swimming Pool, if they feel they can make better use of them for the local community; and
- (iii) to instruct the Chief Executive, in consultation with Sport Aberdeen, to engage with Bucksburn and Newhills Community Council and Save Bucksburn Swimming Pool and any other relevant group and report the outcome of this engagement to the Finance and Resources Committee in September 2023.

Council Meeting, 14 June 2023

NOTICE OF MOTION BY COUNCILLOR ALI

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

Council:-

Notes the statement made by Sir Iain Livingstone (Chief Constable of Police Scotland) to the Scottish Police Authority on 25 May 2023 related to institutional racism, sexism, misogyny and discrimination.

Acknowledges how difficult it was for the Chief Constable to make this statement because of the lack of understanding around these terms.

Acknowledges this statement is not suggesting any officer is prejudiced but accepts that to improve Police Scotland as an organisation, initially a statement of the problem must be made.

Fully supports and thanks all members of staff at Police Scotland for their work in immensely difficult circumstances and, recognises their dedication and commitment to public protection.

Agrees to send a copy of this notice of motion and the Council decision to Chief Constable Sir Iain Livingstone QPM at Police Scotland.

The Council resolved:-

- (i) to approve the notice of motion; and
- (ii) to note that Police Scotland had appointed its first female Chief Constable in Jo Farrell and to congratulate her on her appointment.

NOTICE OF MOTION BY COUNCILLOR ALI

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

Council:-

Acknowledges that 31st May is the anniversary of the atrocities in Prijedor, Bosnia, which was marked with a memorial event in Aberdeen as organised by Remembering Srebrenica Scotland, Aberdeen Mosque and Aberdeen City and Aberdeenshire Councils remembering the Prijedor genocide, rape and torture of 3,173 civilians (102 children and 256 women), all Bosnian Muslims who were instructed to wear a white armband or drape a white sheet from their homes to identify their ethnicity; and recognises the hugely valuable work done by Remembering Srebrenica Scotland to share the stories of this period and combat hate speech and intolerance.

Council Meeting, 14 June 2023

Agrees to send a copy of this notice of motion and the Council decision to Remembering Srebrenica Scotland.

The Council resolved:-

to approve the notice of motion.

In accordance with Article 4 of the minute, Councillors Watson and Yuill left the meeting prior to the consideration of the following item

NOTICE OF MOTION BY COUNCILLOR BONSELL

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

That Council

1. Notes that work commenced on the new Mortuary at Aberdeen Royal Infirmary (ARI) in October 2022 and that the project is planned to complete in Spring 2024.
2. Notes that the change in land use on the ARI site has impacted hugely on the available car parking capacity available for staff and visitors.
3. Notes that public transport opportunities to the ARI site have been reduced.
4. Instructs the Chief Officer - Operations and Protective Services to report to the October 2023 meeting of the Net Zero, Environment and Transport Committee on the implications of parking capacity of ARI; the impact this is having on parking in the surrounding streets; and considers solutions, in consultation with NHS Grampian.

The Council resolved:-

- (i) to note that work commenced on the new Mortuary at ARI in October 2022 and the project was planned to complete in Spring 2024;
- (ii) to note that Unison had reported members' concerns about car parking availability for staff at the ARI site and public transport changes and reductions that were affecting staff travel to work there;
- (iii) to instruct the Chief Officer - Operations and Protective Services to investigate and report on the impact that changes in land use on the ARI site had had on the car parking capacity available for staff and visitors and the wider community;
- (iv) to instruct the Chief Officer - Operations and Protective Services to investigate and report on the public transport opportunities to and from the ARI site; and
- (v) to instruct the Chief Officer - Operations and Protective Services to report to the Net Zero, Environment and Transport Committee on the implications of parking capacity in the area; the impact this was having on parking in the surrounding streets; and consider solutions, in consultation with NHS Grampian.

Council Meeting, 14 June 2023

In accordance with Article 4 of the minute, Councillor Grant left the meeting prior to the consideration of the following item

NOTICE OF MOTION BY COUNCILLOR BOULTON

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

To instruct the Chief Officer - City Growth to work with Aberdeen Inspired to arrange for bunting on Union Street as a matter of priority, ensuring the city is welcoming for both residents and tourists. The bunting will complement the floral displays already appearing on Union Street and adjoining streets. The bunting will bring a much-needed splash of colour and vibrancy to the main artery of the city centre, acknowledging that there will need to be medium to longer term plans for the streetscape.

At this juncture, Councillors Yuill, Macdonald and Greig advised that they had a connection having volunteered to help Our Union Street in an individual capacity, however having considered the objective test none of the Councillors considered that they needed to leave the meeting during consideration of the item.

The Council resolved:-

- (i) to commend the work and efforts of Bob Keiller, Our Union Street, partner organisations and the volunteers who signed up to improve Union Street;
- (ii) to note that over 250 people attended the Our Union Street event at the Music Hall on 7 June 2023;
- (iii) to note the Aberdeen City Council budget, set on 1 March 2023, provided a three-year funding contribution to Our Union Street to allow it to bring forward and deliver creative ideas to improve Union Street and that other organisations made a similar level of commitment; and
- (iv) to confirm that the Council would work with Our Union Street and other partners to improve our city centre.

NOTICE OF MOTION BY COUNCILLOR BOULTON

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

To instruct the Director of Resources to produce options and costs for the original gates for the front of Marischal College Quad to be re-instated, combined with the reconfiguration of the entrance into the Council offices; and to report back to the Full Council meeting on 11 October 2023.

Councillor Boulton moved, seconded by Councillor Clark:-
That the Council approve the notice of motion.

Councillor McLellan moved as an amendment, seconded by the Depute Provost:-
That the Council -

Council Meeting, 14 June 2023

- (a) note that the Marischal College original gates are located at the corner of Marischal College, next to the leopard, on the corner of the Gallowgate/Littlejohn Street;
- (b) note that Marischal College is open to the public during business hours; and
- (c) agree that Aberdeen City Council's communications team publicise on social media the fact that the Marischal College quad is open to the public during business hours.

On a division, there voted:-

For the motion (3) - Councillors Boulton, McLeod and Massey.

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

Declined to vote (15) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Farquhar, Graham, Grant, Houghton, Lawrence, Macdonald, Malik, Thomson, Tissera and Watson.

The Council resolved:-
to adopt the amendment.

NOTICE OF MOTION BY COUNCILLOR BROOKS

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

That the Council take this opportunity to:

1. Extend their thoughts and prayers to all those affected by the tragic events of 6th July 1988 widely known as the Piper Alpha Disaster, especially as we approach the 35th anniversary of the loss of 167 lives;
2. Recognise and thank those - often local - men and women offshore who undertake the work of the oil and gas sector that affords us the ability to keep the lights on and to heat our homes, to name but two things;
3. Acknowledge the work of the Health and Safety Executive, OEUK and the NSTA in keeping safety and the lessons learned from the Piper Alpha disaster in the forefront of our North Sea activities as we look to ensure energy security whilst also transitioning to Net Zero by 2050;
4. Note the planting of new rose bushes together with the ongoing maintenance work and improvements to the Piper Alpha memorial and the gardens, using funding from the "Pound for Piper Trust", in time for the 35th anniversary service, as noted at the Communities, Housing and Public Protection Committee (Item 11.3 - RES/23/151, para 3.3).

Council Meeting, 14 June 2023

The Council resolved:-

- (i) to extend their thoughts and prayers to all those affected by the tragic events of 6 July 1988 widely known as the Piper Alpha Disaster, especially as we approach the 35th anniversary of the loss of 167 lives;
- (ii) to recognise and thank those - often local - men and women offshore who undertake the work of the oil and gas sector that affords us the ability to keep the lights on and to heat our homes, to name but two things;
- (iii) to recognise the work of Offshore Industrial Liaison Committee (OILC) and offshore trade unions in improving safety offshore, and the continual work of the Health and Safety Executive (Offshore Safety Case Regulations 1992, 2005 and 2015), and more recently Offshore Energy UK (OEUK), established in 2007 and the North Sea Transition Authority (NSTA) established in 2022, in keeping safety and the lessons learned from the Piper Alpha disaster in the forefront of our North Sea activities as we look to ensure energy security whilst also transitioning to Net Zero; and
- (iv) to recognise the importance of the Piper Alpha Memorial and the Garden to the families and the ongoing consultations taking place regarding the future of the garden and memorial.

NOTICE OF MOTION BY COUNCILLOR KUSZNIR

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

That the Council:

1. Notes the negative impact since 2022 of the South College Street Junction Improvements Project works on the businesses based on and around Palmerston Road, Palmerston Place and The Arches on South College Street;
2. Believes that small and medium-sized enterprises are the backbone of the UK, Scottish and Aberdeen economy; and
3. Therefore, instructs the Chief Officer - Finance to prepare a report outlining the options available to Councillors in encouraging businesses to remain within the area, including but not limited to, Non-Domestic Rate discounts for approval by Council.

The Council resolved:-

to defer consideration of the notice of motion to the August Council meeting in the absence of Councillor Kuznir.

NOTICE OF MOTION BY COUNCILLOR THOMSON

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

That the Council

1. Agrees that the traffic chaos of the last few months has been immensely frustrating for all concerned.

Council Meeting, 14 June 2023

2. Agrees that successive closures of the Bridge of Dee and George VI Bridge, either northbound or southbound, taking place at the same time (as required for contraflow purposes) as works on South College Street and the roads along both banks of the river have meant long tailbacks and delays.
3. Notes that the question that many people are asking is whether some of that chaos could have been avoided.
4. Instructs the Chief Officer - Operations and Protective Services to report to the August 2023 Council meeting providing an explanation of the timings of all these substantial projects and any lessons learned. Also to instruct the Chief Officer - City Growth to detail what the economic impact has been.

At this juncture, Councillor Boulton advised that she had a connection in relation to the item by virtue of her grandfather being involved in the construction of the King George VI Bridge, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.

Councillor Thomson moved, seconded by Councillor Watson:-
That the Council approve the notice of motion.

Councillor Yuill moved as an amendment, seconded by Councillor McLellan:-
That the Council -

- 1) note the inclusion of both the King George VI Bridge repairs and the South College Street junction improvements within the Council's Capital Programme; and acknowledge the impact the works may have had on the businesses based on and around Palmerston Road, Palmerston Place and The Arches on South College Street;
- 2) acknowledge the South College Street junction improvement project had received £10million funding through the Scottish Government's Bus Partnership Fund;
- 3) agree the South College Street junction improvements were an important step to provide a transport network to meet Aberdeen's needs, including our city centre and bus priority aspirations, as well as improving traffic flow in the area and encouraging more walking and cycling;
- 4) recognise that the works associated with this investment by the Council and the Bus Partnership Fund in our city's roads and public transport networks had at times led to frustration and travel delays for both individuals and businesses; and
- 5) instruct the Chief Officer - Operations and Protective Services to report to the Net Zero, Environment and Transport Committee on lessons learned from delivering these projects.

On a division, there voted:-

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

For the amendment (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull,

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Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

The Council resolved:-
to adopt the amendment.

URGENT NOTICE OF MOTION BY COUNCILLOR YUILL

25. The Council had before it an urgent notice of motion by Councillor Yuill in the following terms:-

That this Council:

1. Notes with great concern recent statements by Sir Keir Starmer, Leader of the Labour Party, that a Labour UK Government would block any further oil and gas exploration and development.
2. Reaffirms the Council's commitment to a Just Transition to Net Zero, and restates its ambition for Aberdeen to become the Net Zero capital of Europe.
3. Notes that the North Sea will continue to power the UK and Scottish energy sectors as they pioneer and innovate low-carbon energy solutions, including offshore wind and green hydrogen production, to protect and safeguard UK energy security.
4. Agrees that, if implemented, this Labour Party policy would place at risk a Just Transition to Net Zero, harm the livelihoods of energy workers, and do long-term economic damage to Aberdeen and the North East.
5. Instructs the Chief Executive to write to Sir Keir Starmer to invite him to Aberdeen to meet with the Co-Leaders, OEUK, ONE and Aberdeen and Grampian Chamber of Commerce to hear from them what the impact of the implementation of his policy announcement would be on investment by the energy sector in Aberdeen and the North East.

Councillor Yuill moved, seconded by Councillor Allard:-
That the Council approve the urgent notice of motion.

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

1. Reaffirms the Council's commitment to a Just Transition to Net Zero and restates its ambition for Aberdeen to become the Net Zero capital of Europe.
2. Notes that the North Sea will continue to power the UK and Scottish energy sectors as they pioneer and innovate low-carbon energy solutions, including offshore wind and green hydrogen production, to protect and safeguard UK energy security.
3. Agrees that the North Sea has and will continue to play a vital role in providing good quality jobs in Aberdeen, the North East and UK economy.

Council Meeting, 14 June 2023

4. Agrees at the next UK election oil and gas will be at the forefront of how UK plc pays for housing, NHS and other social security payment.
5. Agrees that the SNP Scottish Government policy on oil and gas puts Aberdeen at a huge disadvantage
6. Agrees that Scotland is better off financially, socially and economically as part of the UK.
7. Instructs the Chief Executive to write to Sir Keir Starmer to invite him to meet with the Co-Leaders, OEUK, ONE, Aberdeen and Grampian Chamber of Commerce, trade unions and climate action community groups to discuss how best to take forward the energy transition in Aberdeen and across the country.

At this juncture, the Council agreed to suspend Standing Order 40.2 to extend the length of the meeting.

On a division, there voted:-

For the motion (30) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Boulton, Bouse, Brooks, Hazel Cameron, Clark, Cooke, Copland, Cormie, Cross, Davidson, Fairfull, Farquhar, Greig, Henrickson, Houghton, Hutchison, MacGregor, McLellan, McLeod, McRae, Massey, Mennie, Nicoll, Radley, van Sweeden and Yuill.

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

The Council resolved:-
to adopt the motion.

In accordance with Article 3 of the minute, the Council considered the following item of business with the press and public excluded

WORK PLAN AND BUSINESS CASES - REVENUE - COM/23/169 - EXEMPT APPENDICES

26. With reference to Article 12 of this minute, the Council had before it exempt appendices relating to the Work Plan and Business Cases Revenue report.

The Council resolved:-
to note the exempt appendices.

ANNOUNCEMENTS

27. (A) The Lord Provost advised that this would be the last Council meeting for Doug Ritchie, Roads Infrastructure Manager, who was due to retire at the end of the month after serving the Council, and its predecessor authorities, for over 45 years. The Lord Provost wished Doug a happy and healthy retirement.

Council Meeting, 14 June 2023

(B) The Lord Provost noted that former Councillor Gordon Leslie had very recently passed away, recalled meeting him in a previous capacity many years ago and that Gordon had made a big impression on him. The Lord Provost expressed his condolences to Gordon's family and friends at this difficult time.

Councillors Yuill, Boulton, Nicoll and Malik each paid their own personal tributes, recollecting many stories and conversations they had enjoyed with Gordon. Councillor Yuill stated that he would remember 'wee Gordon' fondly and that despite his diminutive stature, he could be a giant of a man.

The Council resolved:-

to concur with the remarks of the Lord Provost and the various Councillors.

- **DAVID CAMERON, Lord Provost.**

DRAFT

Urgent Business Committee

ABERDEEN, 7 July 2023. Minute of Meeting of the URGENT BUSINESS COMMITTEE. Present:- Councillor Yuill, Convener; Councillor Allard, Vice-Convener; and Councillors Blake, Greig, Malik, Massey (as substitute for Councillor Houghton) and McLellan (as substitute for Councillor Radley).

Also in attendance – Councillor Boulton.

The agenda 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 Council minute and this document will not be retrospectively altered.

DETERMINATION OF URGENT BUSINESS

1. In terms of Section 1.3 of the Committee Remit and in accordance with Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Committee had to determine (1) that the item on the agenda was of an urgent nature; and (2) that the Committee required to consider the item and take decisions thereon.

The Convener moved as a procedural motion, seconded by the Vice Convener:-

That the Committee agree that the item was of an urgent nature and required to be considered this day to enable members to consider the matter at the earliest opportunity.

On a division, there voted:- for the procedural motion (4) - Convener; the Vice Convener; and Councillors Greig and McLellan; against the procedural motion (3) - Councillors Blake, Malik and Massey.

The Committee resolved:-

to agree that the item was of an urgent nature and required to be considered this day to enable members to consider the matter at the earliest opportunity.

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. The Convener advised for reasons of transparency that he was a member of both Cycling UK and the AA but that he did not consider this amounted to an interest which would prevent him from participating in the item.

CITY CENTRE SIX MONTHLY UPDATE - STREETSCAPE PROGRAMME - RES/23/209

3. The Committee had before it, by way of referral from the Finance and Resources Committee of 5 July 2023, a report by the Director of Resources which provided a six-month update on progress with the city centre streetscape programme (Union Street

Urgent BUSINESS COMMITTEE

7 July 2023

Central, Market to Guild Street and Schoolhill / Upperkirkgate), agreed by Council at its meeting on 14 December 2022.

The report recommended:-

that the Committee –

- (a) note the progress update and instruct the Chief Officer - Capital to present an update report to the Finance and Resources Committee pending completion of Financial Close of the Union Street Central project;
- (b) agree the inclusion of a segregated cycle lane in Union Street Central consistent with emerging proposals for Union Street East and Union Street West; and
- (c) instruct the Chief Officer - Capital to continue engagement with key stakeholders in the development of the RIBA (Royal Institute of British Architects) Stage 4 Technical Design.

Members asked a number of questions of officers in relation to the report.

Councillor McLellan, seconded by Councillor Greig, moved:-

That the Committee –

- (a) approve the recommendations contained within the report;
- (b) instruct the Chief Officer - Capital to continue to engage with stakeholder groups as the detail of the bus stop crossing design develops and is implemented on street, including involving them in monitoring and evaluation during first year of operation; and
- (c) agree the inclusion of any necessary underground infrastructure to accommodate the future erection of a signalised crossing should it be deemed appropriate following the post completion monitoring and evaluation.

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

That the Committee –

- (a) note the decision of the Finance and Resources Committee to refer the matter to Full Council;
- (b) note a meeting of the Urgent Business Committee will be called by the Chief Officer - Governance on the instruction of the Chief Executive where the Chief Executive and the Convener are satisfied that the relevant business is urgent, noting that the Chief Officer, the Chief Executive or the Convener did not state on 5 July at the Finance and Resources meeting that there were special circumstances which meant the matter was a matter of urgency;
- (c) agree that at both the procedural vote and the substantial vote on the City Centre Streetscape programme on 5 July at Finance and Resources Committee not one person, Officer or Elected Member said before, during or after the vote that there were special circumstances which meant the matter was a matter of urgency;
- (d) note Councillor Allard's comments in 2022 on Twitter where he said in comment about the need for 45 Councillors to make decisions, "this is why we are where we are. Democracy must return to Aberdeen.";

Urgent BUSINESS COMMITTEE

7 July 2023

- (e) agree these words are at best insulting to the 38 members he now wishes to exclude from these proceedings and / or at worst hypocritical given his decision to agree to this meeting today;
- (f) agree the paper that went to Finance and Resources Committee, referred to Council and now to this Committee could have been heard by full Council today at this time as per Section 50B 4(b) of the Local Government Scotland Act 1973 as amended had the Administration wished to do so; and
- (g) agree recommendations 2.1 and 2.3 and agree that full pedestrianisation of Union Street Central more fully meets with the City Centre Masterplan, and instruct officers to develop plans around pedestrianisation alongside the inclusion of a segregated cycle lane in Union Street Central consistent with emerging proposals for Union Street East and Union Street West.

On a division, there voted:- for the motion (4) – the Convener; the Vice Convener; and Councillors McLellan and Greig; for the amendment (3) – Councillors Blake, Malik and Massey.

The Committee resolved:-

to approve the motion.

- **COUNCILLOR IAN YUILL, Convener**

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AUDIT, RISK AND SCRUTINY COMMITTEE

27 JUNE 2023

DRAFT MINUTE EXTRACT

LOCAL GOVERNMENT TRANSPARENCY CODE - CUS/23/179

7. With reference to article 17 of the minute of meeting of Council of 22 February 2023, the Committee had before it a report by the Director of Customer Services which presented a report in response to the notice of motion from Councillor Kusznr, which requested the preparation of a feasibility study to explore the establishment of a parallel Local Government Transparency Code, similar to the one in place for local authorities in England.

The report recommended:-

that the Committee –

- (a) note the current position regarding data publication and compliance; and
- (b) note that a report from the Chief Officer – Customer Experience and People and Organisational Development will be provided pending the outcome of Scottish Government consultation and further review.

In response to a question regarding how many of the total number of requests had come from Councillors, the Customer Services Manager advised that she would liaise with colleagues to see if that data was still collected and whether it was consistent.

In response to a question regarding the number of requests for spatial data to be published, the Chief Officer – Data Insights advised that the figure was very low and that he would circulate the information via email.

In response to questions regarding why the Council could not proceed prior to the outcome of the Scottish Government consultation and the timeframe for reporting, the Chief Officer – People and Organisational Development and Customer Experience advised that the Council were required to comply with the Code, Scottish Government guidance and legislation. She further advised that there were resource implications as further changes may be required following the results of the consultation. In relation to the timeframe for reporting, it was noted that it was not currently known when the findings from the consultation would be available.

Councillor Allard, seconded by Councillor McLellan moved:-

That the Committee approve the recommendations contained within the report.

Councillor Kusznr, seconded by Councillor Massey, moved as an amendment:-

That the Committee:-

- 2.1 understands the current position regarding data publication and compliance in Scotland; and
- 2.2 instructs the chief officer – Customer Experience and People and Organisational Development to come back to committee following the

publication of the results of the recent consultation to further consider the progression of a parallel Aberdeen Taxpayers Transparency Code for approval.

On a division, there voted:- for the motion (7) – Councillors Allard, Bouse, Fairfull, McLellan, McRae, Radley and van Sweeden; for the amendment (6) – the Convener and Councillors Ali, Bonsell, Kuznir, Massey and Mrs Stewart.

The Committee resolved:-
to adopt the motion.

In terms of Standing Order 34.1, Councillor Kuznir intimated that he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Kuznir was supported by the Convener, and Councillors Ali, Bonsell, Massey and Mrs Stewart.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	27 June 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Local Government Transparency Code
REPORT NUMBER	CUS/23/179
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Isla Newcombe
REPORT AUTHOR	Lucy McKenzie
TERMS OF REFERENCE	4.4

1. PURPOSE OF REPORT

- 1.1 This report has been prepared in response to the notice of motion by Councillor Kuszniir on 22 February 2023, requesting the preparation of a feasibility study to explore the establishment of a parallel Local Government Transparency Code, similar to the one in place for local authorities in England. The report will consider the requirements of the English Code, the existing data publishing practices in Scotland, and the specific context of Aberdeen City Council.

2. RECOMMENDATION

- 2.1 That Committee:
- (i) note the current position regarding data publication and compliance.
 - (ii) note that a report from the Chief Officer – Customer Experience and People & Organisational Development will be provided pending the outcome of Scottish Government consultation and further review.

3. CURRENT SITUATION

Local Government Transparency Code 2015

- 3.1 The Local Government Transparency Code in England sets out key principles for local authorities in relation to transparency, accountability, and openness. It mandates the publication of specific data sets, including expenditure, procurement, assets, and decision-making processes.
- 3.2 The Code requires the publication of information related to the following themes:
- expenditure over £500
 - government procurement card transactions
 - procurement information (tenders and contracts)
 - waste contracts
 - grants to voluntary, community and social enterprise organisations

- organisation chart
- senior salaries
- the pay multiple
- trade union facility time
- local land assets
- social housing asset value
- parking accounts and parking spaces
- fraud
- the constitution

3.3 The Transparency Code includes accompanying guidance providing specific information around mandatory and non-mandatory data sets to be published for each category. The Transparency Code also expects data to be updated at regular intervals (quarterly for some datasets, annually for others). Details of the Transparency Code 2015 can be accessed at www.gov.uk/government/publications/local-government-transparency-code-2015

3.4 There is no direct equivalent to the English Transparency Code for local authorities in Scotland.

Model Publication Scheme

3.5 As a local authority in Scotland, Aberdeen City Council's approach to proactive publication is outlined by the Freedom of Information (Scotland) Act 2002 (FOISA) legislation, as governed by the Scottish Information Commissioner's Office (OSIC).

3.6 Section 23 of FOISA currently requires each authority to adopt and maintain a publication scheme setting out information to be published by that authority. Publication schemes must be approved by the OSIC, and authorities thereafter have a duty to publish the information in accordance with the approved scheme.

3.7 The Model Publication Scheme (MPS), developed by the Scottish Information Commissioner's Office, is a framework that encourages transparency and access to information within public authorities in Scotland. The Model Publication Scheme requires public authorities to:

- Publish the classes of information that they make routinely available.
- Tell the public how to access the information and what it might cost.

3.8 The Scheme involves a 'Guide to Information', which each authority tailors to their own circumstances. The guide should include:

- The classes of information the authority publishes or intends to publish.
- How this information can be accessed.
- Whether there's a charge for the information.

3.9 The MPS requires authorities to publish information in nine classes, if such information is held by the authority.

- **Class 1: About the authority:** Information about the authority, who we are, where to find us, how to contact us, how we are managed and our external relations.
 - **Class 2: How we deliver our functions and services:** Information about our work, our strategies and policies for delivering our functions and services and information for our service users.
 - **Class 3: How we take decisions:** and what we have decided Information about the decisions we take, how we make decisions and how we involve others.
 - **Class 4: What we spend and how we spend it:** Information about our strategy for, and management of, financial resources (in sufficient detail to explain how we plan to spend public money and what has actually been spent).
 - **Class 5: How we manage our human, physical and information resources:** Information about how we manage our human, physical and information resources.
 - **Class 6: How we procure goods and services from external providers:** Information about how we procure goods and services and our contracts with external providers.
 - **Class 7: How we are performing:** Information about how we perform as an organisation and how well we deliver our functions and services.
 - **Class 8: Our commercial publications:** Information packaged and made available for sale on a commercial basis and sold at market value through a retail outlet e.g., bookshop, museum or research journal.
 - **Class 9: Our open data:** The open data we make available as described by the Scottish Government's Open Data Strategy and Resource Pack, available under an open licence.
- 3.10 In Scotland, local authorities have some discretion about exactly what to publish under each category, but they have an obligation to consider the public interest.
- 3.11 Details of the Aberdeen City Council publication scheme and how our customers can access information about us, can be found on the website www.aberdeencity.gov.uk/services/council-and-democracy/access-information/what-information-available. This includes links to the Contracts Register as a statement of current and future contract opportunities; the Public Contracts Scotland portal where all tenders are publicly advertised; and the Council's unaudited accounts, including remuneration information, which are published annually for transparency and public awareness.
- 3.12 The table in Appendix A provides information around where there is alignment with the Transparency Code 2015. Where met/partially met, the information is

published on the Council website, although the specific details and frequency of publication may differ to the English Transparency Code. Where not met, analysis has not identified a recognisable public interest in the data.

3.13 OSIC have approved the Council’s publication scheme and have confirmed ongoing compliance when undertaking periodical reviews.

3.14 The information the local authority releases in accordance with the publication scheme represents the minimum that must be disclosed. If a member of the public wants information not listed in the scheme, they can still ask for it. Customers seeking information have a variety of channels to do so including Freedom of Information and Environmental Information Regulations. Where personal information is involved, customers can request information under Subject Access Request, Data Protection Request and Education Regulations Request procedures.

3.15 Data outlining the total volume of requests for each of category and compliance in meeting statutory timescales in 2022/23 are detailed below.

	Received	On Time	Compliance Rate
Freedom of Information Request (FOI)	1399	1178	84.2%
Environment Information Regulation Request (EIR)	252	209	82.9%
Subject Access Request (SAR)	382	250	65.4%
Subject Erasure Request (SER)	8	8	100.0%
Subject Processing Objection (SPO)	1	1	100.0%
Subject Portability Request (SPR)	2	2	100.0%
Subject Processing Restriction Request (SPRR)	1	1	100.0%
Subject Rectification Request (SRR)	14	13	92.9%
Education Regulations Request (ERR)	14	13	92.9%

Open Data

3.16 In Scotland, the Scottish Government has published an Open Data Strategy, which encourages public sector bodies to make their data open and accessible. Aberdeen City Council have a public platform <https://spatialdata-accabdn.opendata.arcgis.com/> providing access to open data sets. The platform continues to be developed and customers can submit a data request if there are spatial data sets that they believe may be of value.

Potential Changes

- 3.17 A consultation from Scottish Government relating to Access to information rights in Scotland took place recently, seeking feedback on OSIC proposals to strengthen the current publication scheme. This includes the introduction of a new statutory duty to publish information, supported by a new enforceable Code of Practice on Publication. The Code would set out certain key requirements and principles for all authorities such as:
- what must be published (if held by the authority);
 - how the published information must be made available and searchable;
 - how long it should be available for.
- 3.18 It is proposed that the Code would be updated as necessary in light of developments in Scottish public authorities' use of information, developments in technology etc. making it more future proof than the current model. The Commissioner would prepare the code and continue to provide guidance and oversight to authorities in terms of compliance.

Next Steps

- 3.19 As described above, there is commonality between the Transparency Code 2015 and the MPS. While both schemes aim to increase transparency and accountability of public bodies, they have slightly different focuses. The MPS is broader and deals with the publication of various types of information, whereas the Transparency Code is more specific and focuses heavily on datasets that enable citizens to scrutinise local authority performance and expenditure.
- 3.20 The Council are compliant with statutory requirements in Scotland. All information released through FOI is published on the disclosure log and through our requirements under the Model Publication Scheme. As a local authority, the Council also proactively publish information under other statutory duties, such as the Environmental Information Regulations. The approach will be strengthened further through the proposed introduction of an enforceable Code.
- 3.21 Given the resource implications of proactively publishing data – which includes the collection, management and publication of data as well as ensuring compliance with a Code, it is important that the data published is of value to the public and that there is sufficient demand so that any resource implications are offset by the benefit to the public and to the local authority. Our current approach provides flexibility and includes a section on 'Commonly Requested Information' which allows for any data sets, including potentially those outlined in the English Transparency Code, to be published should demand require this.
- 3.22 The Scottish Government consultation closed on 14 March 2023. The Council is open to improvement and will undertake a review once the response to the consultation is published. This includes consideration of the Transparency Code 2015 approach, should legislation allow.

4. FINANCIAL IMPLICATIONS

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

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

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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	Low (L) Medium (M) High (H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	If we do not promote openness and transparency around our actions and decision making, then there is risk that we do not meet our strategic objectives.	Support in handling access to information requests and publishing data is available to responding officers through a variety of methods and there is a centralised team in place to monitor compliance. Decision reviews are carried out by senior staff.	L	Yes
Compliance	The OSIC is the regulatory body for local authorities in Scotland. If we are non-compliant in publication requirements, or in our handling of access to information	Support in relation to access to information is available to responding officers through a variety of methods. In addition, all FOVEIR responses are also	L	Yes

	requests, then there is risk that this is highlighted by the OSIC.	quality assured to ensure that responses are appropriate. Officers receive full training to ensure they have the necessary knowledge.		
Operational	There are resource implications associated with the proactive publication of data. This includes the collection, management and publication of data as well as ensuring compliance with a Code, which all place additional resource pressure on the council impacting our ability to undertake other duties.	There are robust operational models in place to manage access to information requests. Ongoing engagement with services around the proactive publication of data. The Council has responded to consultations highlighting that any changes in approach must come with appropriate financial support to ensure resource is in place to meet requirements.	L	Yes
Financial	Where information is publicly available to customers this reduces the need for access to information requests which is avoidable contact. It is important to ensure that the data published is of value to the customer as the proactive publication of data is also costly. It is important to correctly handle access to information requests as it is more costly to the organisation to deal with reviews and appeals. There is	The proactive publication of data to reduce access to information requests procedure is encouraged across the organisation and trends identified centrally. A disclosure log and online tool is available to customers to find relevant information provided in previous requests without the need to submit a new request. There is guidance and training in place to support staff in effective access to	L	Yes

	also risk of financial penalty in relation to data protection requests if we fail to meet statutory requirements.	information request handling to avoid escalations. The financial benefit of early resolution is highlighted to responding officers in training.		
Reputational	Non-compliance carries reputational risk. Customer perception of the council could also be negatively impacted if the organisation is seen to not be open and transparent. This includes where access to information requests are not handled correctly.	There is a centralised Access to Information team responsible for ensuring that requests are being handled consistently and appropriately across the council. Staff across the organisation receive comprehensive training to ensure requests are handled correctly and there is a robust model in place to ensure information is available to the public.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
Impact of Report	
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Place Stretch Outcomes	The proposals within this report support the Prosperous Place Theme within the LOIP. FOI/EIR information engages and informs the public by promoting openness and transparency in the policies, procedures and undertaking of Aberdeen City Council and the shaping of Aberdeen City.

9. IMPACT ASSESSMENTS

Assessment	Outcome
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Integrated Impact Assessment	Full impact assessment not required.
Data Protection Impact Assessment	Not required.
Other	None

10. BACKGROUND PAPERS

10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

Appendix A – Table outlining alignment with the Transparency Code 2015

12. REPORT AUTHOR CONTACT DETAILS

Name	Lucy McKenzie
Title	Customer Services Manager
Email Address	LucyMcKenzie@aberdeencity.gov.uk

Appendix A

Data Set	Met / Partially Met	Not Met
Expenditure over £500		✓
Government procurement card transactions		✓
Procurement information (tenders and contracts)	✓	
Waste contracts	✓	
Grants to voluntary, community and social enterprise organisations		✓
Organisation chart	✓	
Senior salaries	✓	
The pay multiple		✓
Trade union facility time	✓	
Local land assets	✓	
Social housing asset value		✓
Parking accounts and parking spaces	✓	
Fraud	✓	
The constitution*	✓	

*Does not apply in Scotland. However, the Standing Order and Terms of Reference for Aberdeen City Council are published.

	A	B	C	D	E	F	G	H	I
1	COUNCIL BUSINESS PLANNER The Business Planner details the reports which have been instructed by the Council as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3	23rd August 2023								
4	Review of Community Council Governance and Boundaries - Stage 1	To present the Revised Scheme for the Establishment of Community Councils including boundary proposals for various Community Councils and to seek approval for the documents to be issued for public consultation.	A report is on the separate agenda	Karen Finch	Governance	Commissioning	19		
5	City Centre and Beach Masterplan	At its meeting of 25 August 2022, the Council approved the City Centre and Beach Masterplan 2022, noting that it was a live document, and instructed the Chief Officer - Strategic Place Planning to keep the report under review, with progress reported to Full Council after 12 months.	A report is on the agenda	Claire McArthur	Strategic Place Planning	Commissioning	21		
6	Beachfront Masterplan - Branding Options	At the adjourned Council meeting of 4 May 2023, the Council instructed the Chief Officer - Commercial and Procurement to report to the Council's August meeting on alternative branding options.	A report is on the agenda	Craig Innes	Commercial and Procurement	Commissioning	21		
7	101-103 Union Street	At its meeting of 14 December 2022, the Council noted the content of the Strategic Outline Case Upper Floor use options at 101-103 Union Street and instructed the Chief Officer - Corporate Landlord to continue to review and report back by August 2023.		Stephen Booth	Corporate Landlord	Resources	21	D	Due to continued uncertainty over development costs and returns there has been no significant change to the risk in the development appraisal. On this basis officers would seek seek authority to delay any further reporting until December 2024.
8	Queen Street - Outline Business Case	At its meeting of 14 December 2022, the Council agreed the Strategic Outline Case for Queen Street and instructed the Director of Resources to progress the short-listed options into an Outline Business Case which would identify a preferred option and report back to Council in August 2023.	A report is on the agenda	Sandy Beattie	Director of Resources	Resources	21		
9	Beachfront Masterplan Phase A Works Full Business Case	At its meeting of 14 December 2022, the Council instructed the Chief Officer - Commercial and Procurement to take the Beachfront Masterplan Phase A Works to Full Business Case (FBC) and report the FBC to Council on 23 August 2022.	A report is on the agenda	Craig Innes	Commercial and Procurement	Commissioning	21		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
10	Annual Procurement Performance Report	To present the annual procurement performance report		Mel Mackenzie	Commercial and Procurement	Commissioning	24.16	D	Delayed to October 2023. Confirmation from the Scottish Government Procurement Portal (Spikes Cavell) has only just been received that the data has been published and additional time is required to analyse/produce infographics for the report.
11	Council Diary 2024 and Committee Places	To present the Council Diary for 2024 for approval and to consider the allocation of committee places following the resignation of Councillor Crockett from the Labour group.	A report is on the agenda	Martyn Orchard	Governance	Commissioning	7 and 18		
12	Aberdeen Market	At its meeting of 14 December 2022, the Council noted the business case for Aberdeen Market and instructed the Director of Resources following consultation with the Chief Officer - Corporate Landlord to proceed with the negotiation and execution of contracts for delivery and report progress back to Council on a six monthly basis.	A report is on the agenda	Stephen Booth	Corporate Landlord	Resources	21		
13	Regional Land Use Partnership Board	To provide the background on the establishment of a Regional Land Use Partnership (RLUP) Pilot Board for the North East of Scotland and seek the appointment of two elected Members to the Board.	A report is on the agenda	David Berry	Strategic Place Planning	Commissioning	General 8.2		
14	Medium Term Financial Strategy	At its meeting of 1 March 2023, the Council instructed the Chief Officer - Finance to refresh the Medium Term Financial Strategy and report to the Council by the end of December 2023.	A report is on the agenda	Jonathan Belford	Finance	Resources	21		
15	Public Health Scotland/North East Population Health Alliance Strategic Partnership Agreement	To seek approval for the signing off of a strategic partnership agreement between Aberdeen City Council and Public Health Scotland (PHS), as one of nine organisations comprising the North East Population Health Alliance (NEPHA).	A report is on the agenda	Martin Murchie	Data and Insights	Customer	24.5		
16	Energy Transition Zone	To provide Council with an updated position on the planning status of sites under Council ownership at Aberdeen South Harbour. The report presents options to collaboratively develop three strategic sites within a strategic partnership with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (POA) to drive a transition towards renewable energy technologies and sustainable practices.	A report is on the agenda	Stephen Booth	Corporate Landlord	Resources	Introduction 6		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
17	11th October 2023								
18	Broad Street	At its meeting of 14 December 2022, the Council instructed the Chief Officer - Operations and Protective Services to report back to Council on the implications of closing permanently the section of Broad Street between Queen Street and Upperkirkgate to all vehicles.	A meeting was held with First Group and Stagecoach and both operators were asked to come back with feedback on the proposed closure. This will then be considered in the context of repair work to Broad Street and a report on next steps will be brought to the Council meeting in the Autumn.	David Dunne	Strategic Place Planning	Commissioning	21		
19	Electoral Boundaries	To seek approval of potential changes to polling districts for Aberdeen North and Aberdeen South following a review by the Electoral Boundary Commission of the Westminster constituency boundaries.		David Gow	Governance	Commissioning	21		
20	Council Delivery Plan Annual Report	To present the annual report in respect of progress against the Council Delivery Plan		Alex Paterson	Data and Insights	Customer	13		
21	ALEOs Options Appraisal	At the meeting of the Finance and Resources Committee of 5 July 2023, the committee instructed the Chief Executive to carry out an options appraisal on all potential working arrangements with our ALEOs and develop an Outline Business Case with the output from that options appraisal, and for that Outline Business Case, accompanied by a draft project plan underpinning the preferred option(s), to be submitted to Full Council at its meeting on 11 October 2023.		Angela Scott	Chief Executive	Chief Executive	21		
22	Population Needs Assessment	To present the Population Needs Assessment every two years to understand the needs which public bodies must address.		Martin Murchie	Data and Insights	Customer	24.1		
23	CPA Annual Outcome Improvement Report 2022/23	To present the annual report for the Local Outcome Improvement Plan		Michelle Crombie	Data and Insights	Customer	24.4		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
24	Locality Annual Outcome Improvement Reports 2022/23 for North, South and Central Localities	To present the Annual Outcome reports 2022/23 against the North, South and Central Locality Plans published in July 2021. The plans underpinned the refreshed Aberdeen City Local Outcome Improvement Plan, as well as individual partner plans, to cement a joint and coordinated approach between public services and local communities to improve outcomes city wide and at a locality level.		Michelle Crombie	Data and Insights	Customer	24.11		
25	13th December 2023								
26	Review of Community Council Governance and Boundaries - Stage 2	To present the Revised Scheme for the Establishment of Community Councils including boundary proposals for various Community Councils and to seek approval for the documents to be issued for public consultation.		Karen Finch	Governance	Commissioning	19		
27	Children's Services Structural Model	At its meeting on 13 October 2022, the Council instructed the Chief Executive to review the Scottish Government's preferred structural model for Children's Services when it is published (anticipated to be later in 2023) and report back to Council, providing advice on the implications for the Council, and specific proposals in relation to the requirements for the Council's organisational structure going forward; including the impact on the Interim Director of Children's and Family Services role.		Angela Scott	Chief Executive	Chief Executive	21		
28	City Centre - Streetscape Programme	At its meeting of 14 December 2022, the Council instructed the Director of Resources to progress with developing the remaining streetscape programmes, including options for the provision of physically segregated cycle tracks/lanes, and bring forward for consideration and approval an update to the Full Business Case following conclusion of design, planning and consultation stages on the following programmes by December 2023: (a) Union Street East and Castlegate and Justice Street; (b) Union Street West and West End; (c) Market Streetscape Phases 2 and 3 Further design work to be funded from the City Centre and Beach Masterplan budget.		Steve Whyte	Director of Resources	Resources	21		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
37	Aberdeen Local Development Plan - Draft Aberdeen Planning Guidance and Supplementary Guidance	At its meeting of 14 December 2022, the Council approved the draft Aberdeen Planning Guidance and Supplementary Guidance documents and instructed the Chief Officer - Strategic Place Planning to publish them, subject to any minor drafting changes, for a six-week period of public consultation and report the results of the consultation and any proposed revisions to Members at a subsequent meeting of Full Council within 12 months of the consultation ending.		David Dunne	Strategic Place Planning	Commissioning	21		
38	Sport Aberdeen	At its meeting of 1 March 2023, the Council instructed the Director of Commissioning in conjunction with the Director of Resources to begin discussions with Sport Aberdeen to review their assets and their business delivery model, with a view to Sport Aberdeen becoming financially independent from the Council and to report back to Council before the end of the financial year 2023/24.		Gale Beattie	Commissioning	Commissioning	21		
39	Funding to Cultural Organisations	At its meeting of 1 March 2023, the Council instructed the Chief Officer - City Growth, in consultation with partner organisations, such as Aberdeen Performing Arts (APA), to bring back a report on how best to allocate funding to cultural organisations from both the General Fund and Common Good budgets and to report back to Council before the end of the financial year 2023/24.		Richard Sweetnam	City Growth	Commissioning	21		
40	Beach Connectivity Project - Full Business Case	At the adjourned Council meeting of 4 May 2023, the Council instructed the Chief Officer - Commercial and Procurement in conjunction with the Chief Officer - Capital to join Justice Street, Beach Boulevard and Commerce Street/Beach Boulevard junction projects into a single Beach Connectivity Project and to progress detailed design and other preparatory work for the Beach Connectivity Project and provide a Full Business Case within an indicative timeline of 12-18 months.		Craig Innes	Commercial and Procurement	Commissioning	21		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2	Beachfront Masterplan - Castlegate	At the adjourned Council meeting of 4 May 2023, the Council noted that "Working in Partnership for Aberdeen" included the objective of making the Castlegate a gateway to our city's beachfront and instructed the Chief Officer - Strategic Place Planning to carry out consultation with key stakeholders on creating an active travel and public transport link through the Castlegate to deliver this objective as part of the Beach Connectivity Project and to report to a future Council meeting on this		David Dunne	Strategic Place Planning	Commissioning	21		
41									

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	City Centre and Beach Masterplan – Annual Update
REPORT NUMBER	COM/23/245
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Claire McArthur
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 Council on 25 August 2022 approved the City Centre and Beach Masterplan 2022 and instructed the Chief Officer – Strategic Place Planning to keep the report under review and to report on progress after 12 months. This report provides Members with an update on this basis.

2. RECOMMENDATIONS

That Council:

- 2.1 Note the progress made over the last 12 months to advance a wide range of projects contained within the City Centre and Beach Masterplan, and agree the updates provided to Sections 6, 8 and Appendix 1 of the Masterplan report (Appendix 1).
- 2.2 Note the expected activity to be undertaken over the next 12 months, as set out in paragraph 3.19 of this report and within Section 8 of Appendix 1.
- 2.3 Instruct the Chief Officer – Strategic Place Planning to continue to keep the Masterplan report under review, and to provide another progress report to Full Council after 12 months.
- 2.4 In relation to Phase 2 of the Beach area, note the summary of comments received on the initial public consultation exercise on how people currently use these areas, and instruct the Chief Officer – Strategic Place Planning to prepare a Development Framework for the Phase 2 areas, which will be reported back to Full Council before the end of 2024.

3. CURRENT SITUATION

3.1 Aberdeen City Council at its meeting in August 2022 agreed the Aberdeen City Centre and Beach Masterplan 2022 (CCBMP). The Masterplan was developed to serve the following purposes:

- An investment tool that showcases the city;
- A live programme that can be flexible in responding to current and future trends/needs;
- A communications tool to enable understanding; and
- A reference document to identify priorities, next steps and monitor progress.

3.2 The City Centre and Beach Masterplan is a strategic, place-led, project-focused, overview which sits above the existing suite of more site specific masterplan reports. The City Centre Masterplan and Beachfront Development Framework have not been superseded by this strategic report, but rather sit underneath the CCBMP as ‘daughter’ documents. This strategic relationship is illustrated in Figure 1.

3.3 The CCBMP was shortlisted in the “Best Plan” category at the recent RTPi Scotland Awards for Planning Excellence 2023.

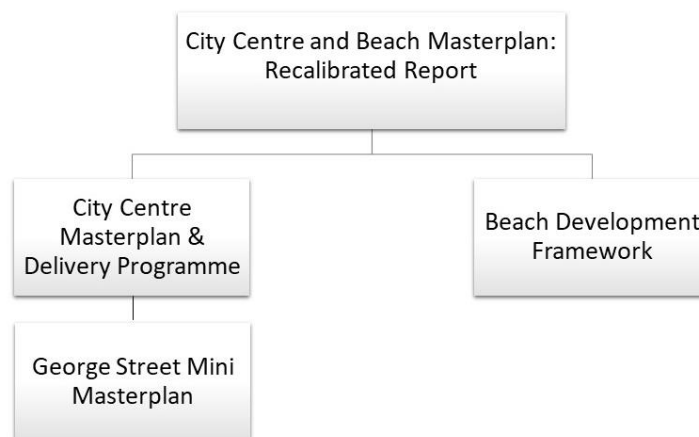


Figure 1: Strategy Relationships

Progress Report 2023

Project Work

3.4 Over the past year, significant progress has been made on a number of high priority projects from the City Centre and Beach Masterplan, and a number of new projects have been further scoped following the approval of the Beachfront Phase 1 Development Framework in May 2023. Given the relatively short time frame since original approval of the Masterplan, the focus of this update report is on Sections 6 and 8 of the Masterplan, along with Appendix 1. An update to these specific sections is provided as Appendix 1 to this report.

3.5 The updated Section 6 provides a summary of the key Masterplan projects being taken forward by the City Council and includes a “Current Status” and “Looking Ahead” section at the top of each project page. Highlights from the last 12 months as detailed in this Section include:

- Aberdeen Market – site demolition complete, preferred operator onboard, revised planning application submitted and Heads of Terms nearing completion.
- Union Street Central, Market Streetscape (Phase 1) & Schoolhill / Upperkirkgate – full business case approved, funding in place and progressing to a start on site in early 2024.
- Union Street East / Castlegate & Justice Street, Union Street West & West End and Market Streetscape (Phases 2 and 3) - continued progression of the remaining streetscape projects further to December 2022 instruction from Full Council that cycle lane provision should be investigated.
- Union Street Empty Shops - action plan of interventions to target empty shops on Union Street approved by Council in December 2022. To support these interventions a £500,000 grant scheme aimed at reconfiguring vacant ground floor units to enable reoccupation by new businesses and tenants was launched in July 2023.
- Queen Street – Strategic Business Case approved in December 2022, with an Outline Business Case and preferred option being presented to this same August 2023 Full Council meeting.
- George Street – Draft Mini Masterplan approved in December 2022, with public consultation undertaken on the document in early 2023. ,
- Beachfront Development Framework – the Development Framework for Phase 1 of the Beach area was approved by Council in May 2023.
- Beach Public Realm - progress on Public Realm Phase 1A Projects reported to Council in December 2022, with a Full Business Case being presented to this same August 2023 Full Council meeting. Outline Business Case for Justice Street Roundabout approved in May 2023. Strategic Business Case on Phase 1C Project and Coastal Management work reported to Full Council in April 2023.
- Beach Proposed Stadium and Leisure – Outline Business Case for integrated stadium and leisure development reported to Council in December 2022.
- Beach Ballroom – Concept work undertaken to fully establish project brief.

- 3.6 As the above projects have progressed, a broad range of statutory and non-statutory consultees have been engaged on all the main aspects of the key projects and regular reviews are being carried out. Specialist accessibility and inclusivity advice has also been provided on a number of detailed projects, including the City Centre Streetscape proposals and Aberdeen Market, and Accessibility Audits undertaken. The outcome of these consultations, along with any additional evidence gathered, will be fed into integrated impact assessments for the individual projects and made available to inform any future decisions.
- 3.7 There are two projects where less progress has been made than anticipated. Applications to the planning authority were due to be submitted late last year in order to establish the permanent introduction of external spill-out spaces for cafes, restaurants and bars within the Belmont Quarter area. Trader representatives from the area were however keen to investigate wider scale changes to traffic management arrangements to allow more flexibility in the location of spill-out zones. Initial discussions with Police Scotland and the Scottish Fire and Rescue Service have been undertaken on this basis and the Council's Traffic Management Team will continue to liaise with property owners in the area to determine what access and service requirements property's have to try and reach a proposal that, as far as possible, satisfies all users. It will also be important to ensure that future proposals for the Belmont Quarter are considered alongside the construction programme for Union Street Central and any access requirements that may be required.
- 3.8 Over the last 12 months consultation with property owners has also been undertaken as part of the Union Street Façade Works project. Feedback to date has been supportive of carrying out both repair and improvement works, however owners have highlighted that they would have difficulty contributing financially to these works. As such, Private Sector finance / grant funding is still being sought to help move forward the project but until this is achieved progress will continue to be constrained.
- 3.9 In March 2023 "Our Union Street", a community-led organisation with the objective of bringing businesses and people back to Union Street, was launched. Aberdeen City Council acts as a partner in Our Union Street, alongside other key stakeholders such as Aberdeen & Grampian Chamber of Commerce, Aberdeen Inspired and Opportunity North East. In June 2023 a White Paper was launched by Our Union Street and set out 17 key areas to inform a future Action Plan. A number of these key areas are relevant to the projects defined within the City Centre and Beach Masterplan, and the Council's City Growth Officers are in regular discussion with the organisation on future steps.

Beach Phase 2

- 3.10 At the August 2022 Council meeting, Members noted a revised Beach Masterplan boundary to include the Footdee Conservation Area and the area north to the River Don, and agreed that any new development associated with the Beach Masterplan should seek to enhance the setting of the historic settlement of Footdee and protect the valuable natural habitat and open space.

- 3.11 Officers were subsequently instructed to explore opportunities, as part of a Phase 2 of the Beach Masterplan, to improve active travel and public transport connectivity between Footdee and other parts of Aberdeen, and to consult on this at a later date as may be necessary.
- 3.12 An initial public consultation exercise on Phase 2 of the Beach area took place over 6 weeks in May-June 2023. The consultation was launched as an early fact finding exercise to determine how people currently use the areas identified within Phase 2, to identify what people consider are the positive and negative features within these areas, and to put forward suggestions on how these areas could be improved in the future. A report summarising the consultation feedback is available at Appendix 2.
- 3.13 The consultation was publicised by the Council's communications team and was available online via the Citizen Space consultation hub. Key stakeholders were contacted directly via email, and posters were displayed locally with a freephone number to call for those who couldn't access information electronically. Local traders were visited, and meetings held with interested stakeholders. A total of 675 responses were received with 70% of those responding describing themselves as from the wider Aberdeen area.
- 3.14 For the area described as Phase 2 North (north from roughly Accommodation Road to the River Don) 59% of respondents noted that they current drive to this area, with 15% walking and 19% using a combination of travel modes. The most popular reasons for visiting this area are shown in Figure 2, with the top 3 reasons noted as:
- access to the beach and sea
 - use of promenade, and
 - making use of the adjoining greenspaces.

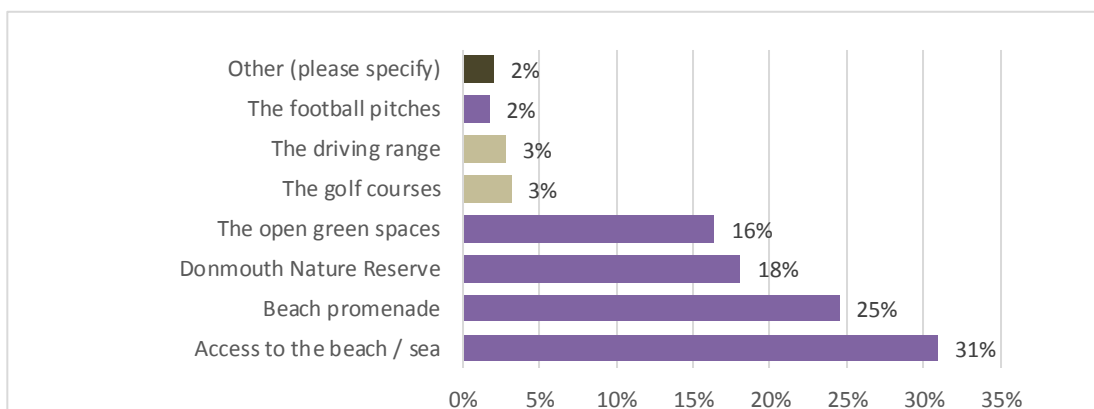


Figure 2: Phase 2 North – Most Popular Reasons For Visiting

- 3.15 The top suggestions for improvements to this area are shown in Figure 3, with the top 3 suggestions being to improve biodiversity, improve access to beachfront and improve footpaths. Other comments requested better

facilities e.g. toilets and changing, more businesses and improved maintenance and access.

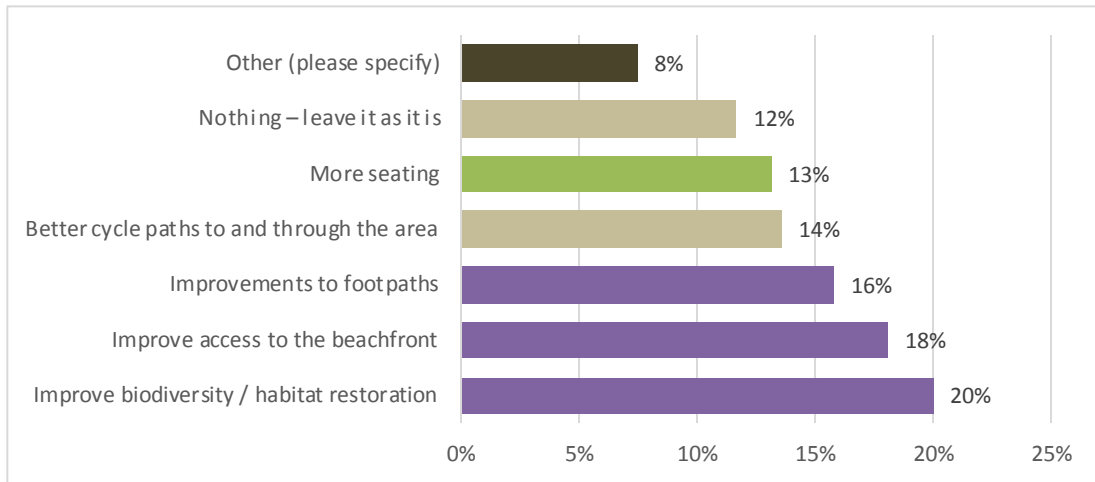


Figure 3: Phase 2 North – Most Popular Suggestions for Future Improvement

3.16 For the area described as Phase 2 South (south from roughly Queen’s Links to Footdee / River Dee) 62% of respondents noted that they current drive to this area, with 14% walking and 18% using a combination of travel modes. The most popular reasons for visiting this area are shown in Figure 4, with the top 3 reasons noted as:

- access to the beach and sea,
- using the promenade,
- the café / foodtrucks and leisure facilities.

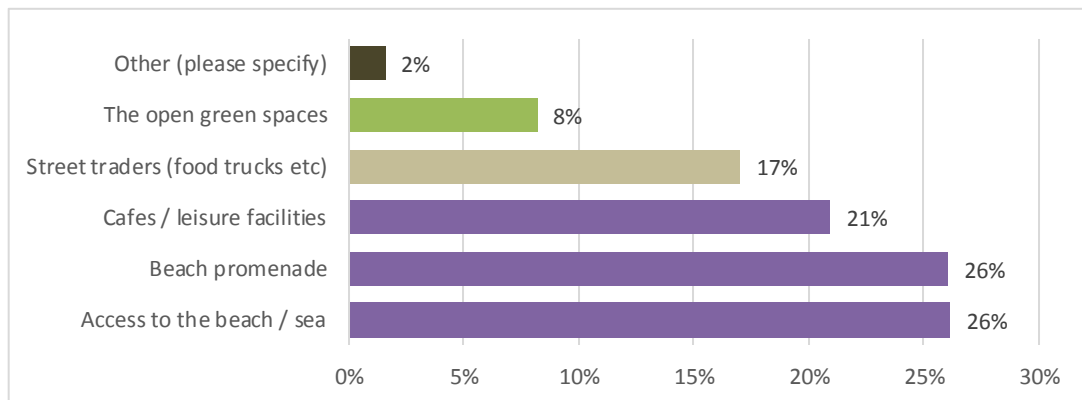


Figure 4: Phase 2 South – Most Popular Reasons For Visiting

3.17 The top suggestions for improvements to this area are shown in Figure 5, with the top 3 suggestions being to make more of the street trading environment, to improve access to the beachfront and to improved seating. Other comments

requested improved toilets and changing facilities, retention of car parking, and improved public transport.

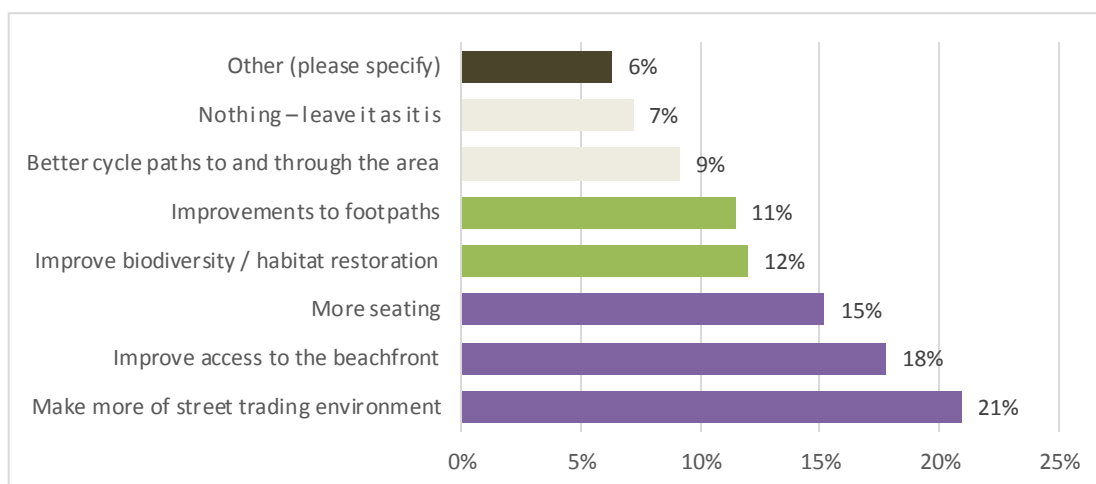


Figure 5: Phase 2 South – Most Popular Suggestions for Future Improvement

3.18 In terms of next steps for the Beach Phase 2 areas, it is recommended that Officers prepare a Development Framework for these areas. This exercise would reflect on the responses to the recent engagement exercise and consider at a high level a defined spatial framework for Phase 2 of the Beach, directly related to the proposals within Phase 1 which have already been through a similar strategic masterplanning exercise. The Framework exercise would review and appraise local context in order to create a vision for the future of these areas, as part of the wider City Centre and Beach Masterplan context, and would also take cognisance of the Aberdeen Harbour Masterplan prepared by the Port of Aberdeen in 2020. The precise red line boundary of Phase 2 would be established as part of this exercise. The Framework would also take into account the recent report to the Licensing Committee on the street traders / foot trucks in Phase 2 South (COM/23/189) and consider what opportunities may be available to build on the success of this area in the future.

Programme

3.19 Looking ahead, Section 8 of the CCBMP Update includes a review of the indicative delivery programme and estimated timelines for project delivery. Members are asked to note that the detail in this section will evolve as project detail progresses, likely resulting in projects being delivered in sequence rather than simultaneously, as impacts on city centre operations are mitigated. Bi-annual reports to the Council's Finance and Resources Committee will provide further progress updates on the first phase of City Centre streetscape projects (Union Street Central, Market Streetscape (Phase 1) and Upperkirkgate / Schoolhill) as these move towards starting on site next year.

3.20 In terms of the next 12 months and beyond, the Masterplan sets out the following key steps / programme:

- Aberdeen Market – determination of revised planning application and, if permission granted, progression of technical design work to allow start on site in 2024.
- Union Street Central, Market Streetscape (Phase 1) & Schoolhill / Upperkirkgate – Union Street Central start on site anticipated early 2024, with commencement of Market Streetscape (Phase 1) and Schoolhill / Upperkirkgate works to follow.
- Union Street East / Castlegate & Justice Street, Union Street West & West End and Market Streetscape (Phases 2 and 3) - Full Business Case to be reported back to Full Council in December 2023.
- Union Street Empty Shops – commencement of short-term interventions identified in the Action Plan and establishment of the Union Street Empty Shops Grant Scheme Review Panel to make, manage and disburse funding awards to successful applicants under the Scheme.
- Queen Street – subject to Outline Business Case and preferred option being approved (see separate agenda item) then work will begin on a Full Business Case including more detailed market engagement.
- George Street – a Final Mini Masterplan will be reported to Full Council by December 2023 and will include recommendations on priority projects.
- Beach Public Realm – subject to Full Business Case for Phase 1A being approved (see separate agenda item), start on site scheduled for late 2023 / early 2024. Continued progress on Full Business Case and contract close for the Public Realm Phase 1B, plus Outline Business Case for Phase 1C. Progression of City-Beach Connectivity Project.
- Beach Ballroom – working towards production of Outline Business Case.
- Proposed Stadium and Leisure – working towards production of a Full Business Case, with demolition of existing leisure facility programmed for early 2024.

Monitoring

- 3.21 Monitoring the City Centre and Beach Masterplan helps us to evaluate the efficiency and effectiveness of the strategies, projects and actions outlined within the document and is also important to ensure accountability and transparency. Monitoring can provide valuable data and insights, allowing us to highlight what is working/progressing well and to identify emerging trends, but also allow us to consider any challenges that may not have been initially anticipated.

- 3.22 Monitoring progress requires an understanding of the baseline conditions and what the key objectives are that the Council wants to achieve. A set of SMART (Specific Measurable Achievable Relevant Timely) Objectives with metrics and owners was therefore included in the City Centre and Beach Masterplan in order to deliver against the four Masterplan strategic objectives of Economy, Inclusion, Net Zero and Quality. The full suite of SMART Objectives were included in Appendix 1 of the Masterplan report, and a review exercise has been undertaken to look at what current data is available in comparison with the baseline, and to establish if any trends can be identified. This update is presented in Appendix 1 to this report. In summary, it is too early to comment on any established trends due to limited data availability. However, there is some early evidence of reductions in both CO2 and NO2 emissions, In future reports we will comment in more detail on trends as they become evident.
- 3.23 It is the intention of officers to continue to treat the City Centre and Beach Masterplan as a “live” document and ensure it is kept under review. Should report recommendation 2.3 be approved then officers will provide a further update report to Full Council after the next 12 months.

4. FINANCIAL IMPLICATIONS

- 4.1 The original funding commitment made by the Council Budget meeting on 10 March 2021 was for £150m from the General Fund Capital Programme over financial years 2021/22 to 2025/26 to ensure the Council transforms the City Centre and the Beach area. This £150m funding commitment was used as match funding to secure the £20m from the UK Government’s Levelling Up Fund in 2021.
- 4.2 Updated financial modelling approved by the Council Budget meeting in March 2023 amended the financial envelope for Phase 1 of the City Centre and Beach Masterplans to £143m. Ongoing costs for the review and monitoring of the City Centre and Beach Masterplan, and costs for the preparation of a Development Framework for Phase 2 of the Beachfront, will be met from these existing budgets. Additional budgets for further phases have been modelled into the 15 year long term capital planning up to 2037/38 and will be subject to future Council budget decisions.
- 4.3 The Council will continue to facilitate the next phase of design works with Hub North Scotland Limited and the supply chain of current contractors who will undertake works relating to two or more workstreams allowing lower cost.

5. LEGAL IMPLICATIONS

- 5.1 The City Centre and Beach Masterplan informs the consideration of planning applications, but each application will be decided on a case-by-case basis by the Planning Authority.
- 5.2 As project proposals from the Masterplan report progress, they will be examined and managed within the professional scope of property / conveyancing industry

accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.

5.3 Any work that is recommended to a property not owned by the Council will require effective dialogue and the owner's consent before it can commence. Other local authority consents, such as planning permission and listed building consent, may also be required for works to buildings.

5.4 All changes to vehicular movement on the road network are subject to statutory processes.

6. ENVIRONMENTAL IMPLICATIONS

6.1. The City Centre and Beach Masterplan has been screened through the Strategic Environmental Assessment (SEA) process and the consultation authorities have confirmed that no Environmental Report specific to this overarching Masterplan is required. Individual plans, programmes and strategies falling out of the Masterplan will be considered individually, as will any requirements for project-specific Habitat Regulations Appraisals (HRAs).

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Not delivering CCMP and Beach projects	Full programme of works developed, funding approvals in place at key stages	L	Yes
Compliance	ETRO/TRO challenges	Manage through ongoing engagement programme	M	Yes
Operational	Sufficient capacity of resources within Councils teams to meet programme objectives	Forward planning through CCMP and Beach project delivery programme Resource review ongoing and augmented support through the PMO	M	Yes

Financial	Budget pressures due to current market volatility	Robust budgets established. Independent monitoring process established. With PMO early supply chain mitigations action plan established across the programme	M	Yes
Reputational	Continued debate without decision, ongoing uncertainty over city centre and beach future	Agree and implement projects, clear communications, articulate vision	M	Yes
Environment / Climate	Air quality improvement Active travel Local material supply	Incorporated into project proposals. Early engagement underway with material suppliers	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. 1. – Continue to maximise community benefit from major developments.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 - 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 - Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.
Prosperous Place Stretch Outcomes	Supports Outcome 14 - Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate Supports Outcome 15 38% of people walking

	and 5% of people cycling as main mode of travel by 2026.
Regional and City Strategies	<p>The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.</p> <p>The report supports the National, Regional and Local Transport Strategies, particularly the Sustainable Travel Hierarchy, which prioritises the needs of those walking, wheeling and cycling above other road users, and the 4 pillars identified in the recent Regional Transport Strategy, Nestrans 2040: Equality, Climate, Prosperity and Wellbeing.</p> <p>It also supports the Aberdeen Active Travel Plan and Sustainable Urban Mobility Plan, both of which seek to improve conditions for people walking and cycling in Aberdeen, particularly to, from and within the City Centre, through the provision of more and safer infrastructure.</p> <p>Measures to reduce unnecessary vehicle traffic in the City Centre will support the Air Quality Action Plan, Climate Change Plan, Net Zero Action Plan and Low Emission Zone by contributing to emissions reduction.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Undertaken as part of separate project update reports
Data Protection Impact Assessment	N/A
Other	Strategic Environmental Assessment

10. BACKGROUND PAPERS

- Report to Adjourned Meeting of Full Council, 25 August 2022
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MId=8436>
- Decisions of Adjourned Meeting of Full Council, 25 August 2022
<https://committees.aberdeencity.gov.uk/documents/g8436/Decisions%2025th-Aug-2022%2014.00%20Council.pdf?T=2>
- City Centre & Beach Masterplan
<https://committees.aberdeencity.gov.uk/documents/s135130/CCMP%20-%20Appendix%20-%20-%20City%20Centre%20Beach%20Masterplan%202022.pdf>
- City Centre Masterplan
<https://www.aberdeencity.gov.uk/sites/default/files/2018-06/Aberdeen%20City%20Centre%20Masterplan%20and%20Delivery%20Programme.pdf>
- Beachfront Phase 1 Development Framework
Part 1:
<https://committees.aberdeencity.gov.uk/documents/s143975/Appendix%201%20Final.reduced%20part%201.pdf>
Part 2:
<https://committees.aberdeencity.gov.uk/documents/s143976/Appendix%201%20Final.reduced%20part%202.pdf>

11. APPENDICES

Appendix 1: City Centre and Beach Masterplan – Updates to Section 6, 8 and Appendix 1

Appendix 2: Beach Development Framework Phase 2 – Consultation Report

12. REPORT AUTHOR CONTACT DETAILS

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6.0 MASTERPLAN PROJECTS

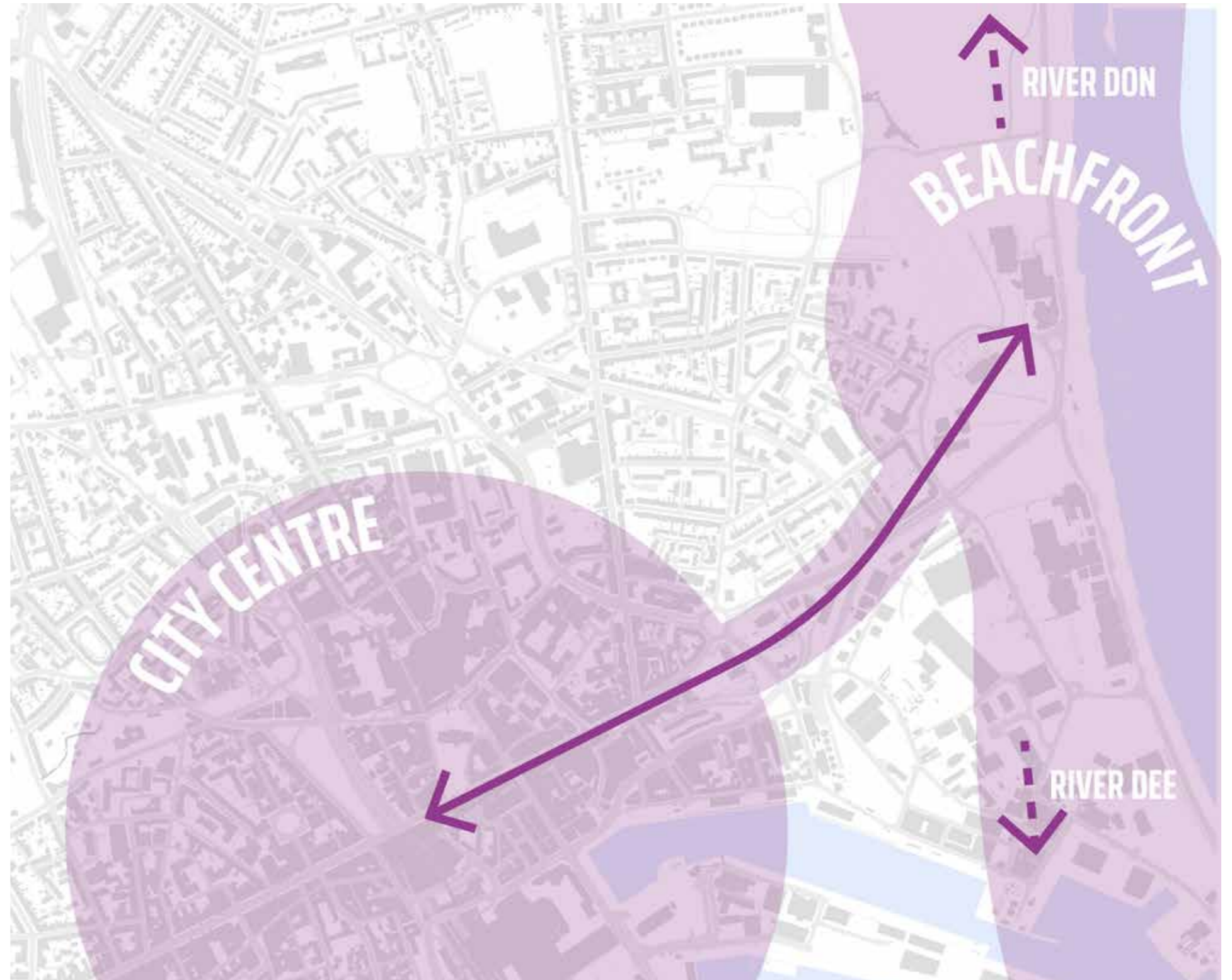
6.1 OVERVIEW

The development of Aberdeen's City Centre and Beach is driven by the global significance of Aberdeen as a metropolitan hub and the energy capital of Europe, but also recognises the need to ensure that the City Centre serves the needs and aspirations of local people. The City Centre and Beach Masterplan therefore takes a coordinated approach to future development across the city centre and beachfront areas which prioritises active travel and spaces for people, with a focus on environmental and economic sustainability.

The Masterplan strategy focuses on facilitating better connections by linking the city centre and beachfront via the Beach Boulevard, revitalising Union Street as a primary east/west connecting spine and creating an extensive programme of streetscape works proposed for key city neighbourhoods. These enhancements made to the public realm will support increased levels of active travel, such as walking and cycling, which promote healthier lifestyles and lower levels of emissions.

The proposed interventions in Aberdeen's City Centre and Beachfront have the potential to change the way that current and potential future residents and visitors experience and view the city. Key projects, as noted overleaf, will deliver a series of enhanced public realm areas, buildings, event and experience spaces that seek to revive the unique historic core of Aberdeen whilst creating a forward looking, distinctive and welcoming City. This will support economic recovery and growth following the impacts of the Covid-19 pandemic and support the continued diversification from oil and gas-based industries to green infrastructure, emerging technologies and renewables.

This Masterplan will undoubtedly enhance the prosperity of the City Centre and beachfront areas, whilst improving the quality of life of those that live, work and visit. This can serve as a catalyst to increase visitor spend in Aberdeen's retail, leisure and hospitality businesses, and could encourage more people to live in and invest in the city.



CITY CENTRE AND BEACH CONCEPTUAL DIAGRAM

6.0 MASTERPLAN PROJECTS

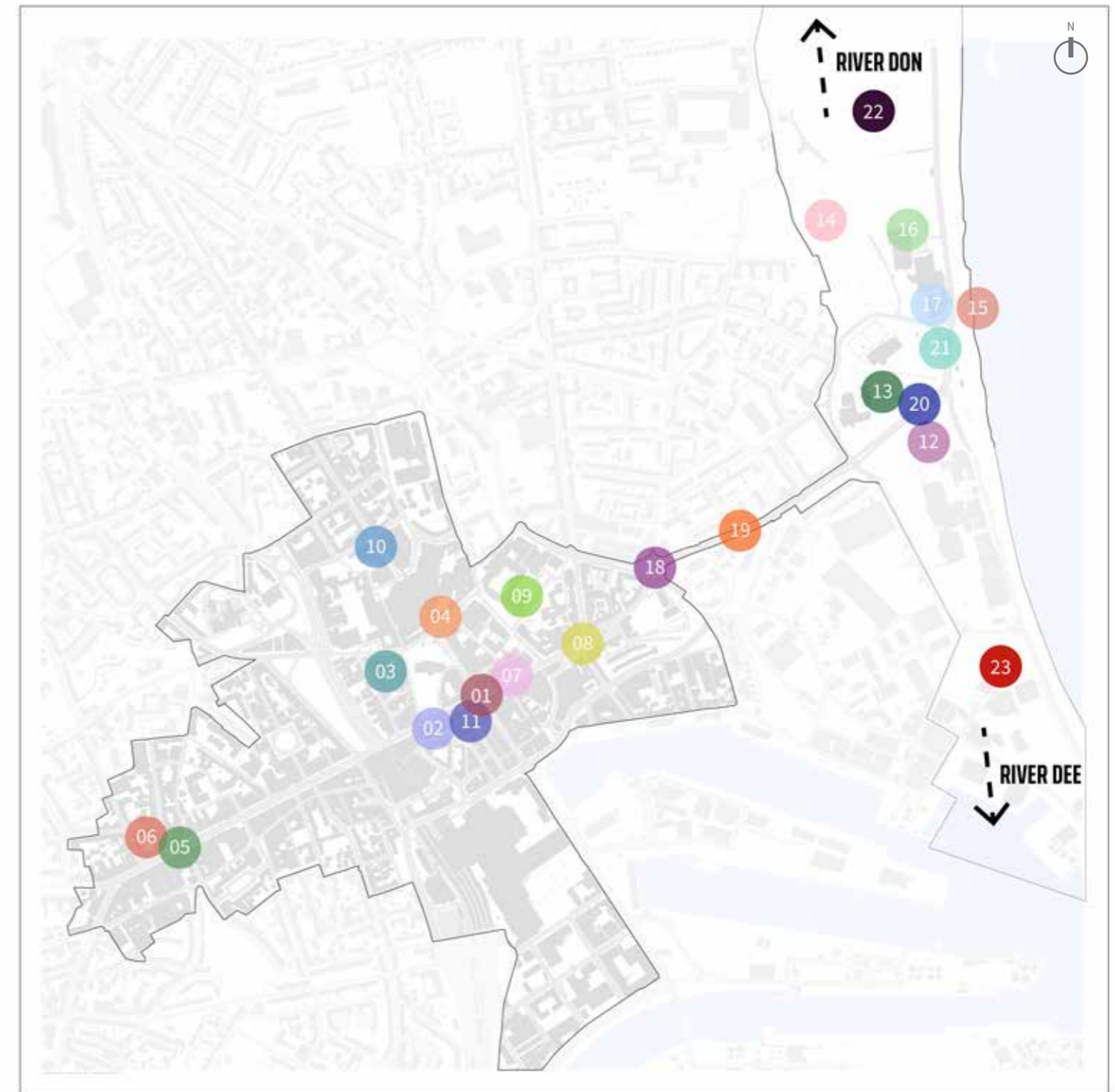
6.2 KEY PROJECTS

The City Centre and Beach Masterplan is defined by a number of key projects, each with their own character, uses, relationships, connections and contribution to the wider Masterplan. All have been identified following extensive public consultation and review against the overall Masterplan vision and SMART (Specific Measurable Achievable Realistic Timely) objectives. These exciting projects are described over the following pages to explain their vision, qualities and current status of design and/or implementation.

The location of the key projects are shown opposite and are defined as follows:

- | | |
|-------------------------------|---|
| 01 UNION STREET CENTRAL | 12 BEACH PARK |
| 02 MARKET STREETSCAPE | 13 EVENTS PARK |
| 03 BELMONT QUARTER | 14 BROADHILL |
| 04 SCHOOLHILL + UPPERKIRKGATE | 15 RECONFIGURED BEACH LANDSCAPING |
| 05 UNION STREET WEST | 16 NEW LEISURE / POTENTIAL STADIUM |
| 06 WEST END | 17 BEACH BALLROOM |
| 07 UNION STREET EAST | 18 JUSTICE STREET ROUNDABOUT |
| 08 CASTLEGATE | 19 BEACH BOULEVARD |
| 09 QUEEN STREET | 20 PEDESTRIAN SPINE |
| 10 GEORGE STREET | 21 BEACH BALLROOM PLAZA |
| 11 ABERDEEN MARKET | 22 BEACH PHASE 2 (NORTH) - FUTURE PHASE |
| 12 BEACH PARK | 23 BEACH PHASE 2 (SOUTH) - FUTURE PHASE |
| 13 EVENTS PARK | |

In addition to the list above, bus, taxi/private hire and cycle priority will be implemented on Bridge Street, Market Street and Guild Street to achieve the safe and efficient movement of active travel and public transport users through the city centre.



KEY PROJECT LOCATIONS

6.0 MASTERPLAN PROJECTS

6.2.1 UNION STREET CENTRAL PUBLIC REALM

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that this project progress to technical design and construction. In July 2023 the Council agreed that a segregated cycle lane be included.

LOOKING AHEAD: In line with the programme shown on page 51, construction is planned to commence in quarter 1 of 2024.

The programme of streetscape projects will deliver improvements to the public realm across the city centre and towards the beachfront. Proposals for Union Street Central will create a focal point in the heart of the City Centre between Bridge Street and Market Street, as well as improving connections between The Market, Union Terrace Gardens and The Art Gallery. The proposals for Union Street Central have been designed as to allow for the maximum degree of flexibility to ensure that they are adaptable to current and future needs of the City of Aberdeen. The design is adaptable to enable full pedestrianisation in the future should this be desired.

The existing streetscape will be reapportioned to favour pedestrians, cyclists and public transport over vehicles. This involves narrowing the carriageway to allow pavements to be widened where possible. This approved layout also includes creation of a segregated cycle route, which will incorporate various design methods to ensure safety between cyclists and pedestrians at bus stop locations, with changes in level, materials, width and crossing points all means of ensuring cyclists give way to pedestrians. Proposals also include the introduction of incidental play, planting, art and lighting within the space, further enhancing the activity and bringing animation to the public realm.

The Union Street Building Improvement Survey report issued in February 2022 identified a pilot project to prioritise improvement works to the area between Market Street to Bridge Street. This has been selected to complement the proposed works to Union Street streetscape, Union Terrace Gardens and the forthcoming new Aberdeen Market building. This will set the tone for the remainder of the street and give a clear indication to the occupiers, landlords and tenants of the properties on Union Street how improvements may be simplified, made more cost effective and set out what support Aberdeen City Council could offer to assist in the process. This is discussed further in Section 6.2.12.



LOCATION PLAN



PROPOSED STREETScape VISUAL

6.0 MASTERPLAN PROJECTS

6.2.2 ABERDEEN MARKET

2023 STATUS: Application submitted to amend planning permission originally approved in May 2022 (Application Reference 211517/DPP) following discussions with preferred operator. Site clear for redevelopment.

LOOKING AHEAD: Determination of planning application and, if permission granted, progression to RIBA Stage 4 Technical Design to allow production of all design information required to construct the new building. Some enabling works on site may take place this year.

The new Aberdeen Market will be a destination venue and new attraction in the heart of the city centre featuring an international-style food and drink outlet promoting local produce and goods alongside continental style delicatessens and cafés. A key element of the new Market building will be to improve connectivity and accessibility between Union Street and the bus and rail stations at Union Square. Frontage will be created on Union Street and will incorporate the infrastructure and streetscape works programme.

The design will feature a mixture of fixed indoor units of various sizes alongside event space for temporary and pop-up facilities allowing for increased variety and flexible to seasonal requirements. An external, multi use event space is provided to welcome different activities and uses at different times of the year. The overall development will provide opportunities to develop and grow local businesses, particularly within the key food and drink sector.

Demolition of the old Market and BHS building is complete and the site is secure. Following a national search for an operator carried out by property advisors, a preferred market operator has been chosen by Aberdeen City Council and heads of terms discussions are being finalised around the commercial aspects of the occupation and running of the new Aberdeen Market. As part of these discussions, the development layout has been updated and a revised Planning Application is being submitted for approval.

Construction of the Market will commence in early 2024, and last for a period of approximately 98 weeks.



LOCATION PLAN



INDICATIVE VIEW OF THE ABERDEEN MARKET LOWER FOOD HALL

6.0 MASTERPLAN PROJECTS

6.2.3 ABERDEEN MARKET TO GUILD STREET PUBLIC REALM

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case for Phase 1 and instructed that this initial phase of the project progress to technical design and construction. Progress will be reported biannually to the Council's Finance & Resources Committee.

LOOKING AHEAD: Options for the provision of physically segregated cycle provision within Phase 2 and 3 are currently being considered, with a updated Business Case to be reported back to Council by December 2023.

The area around Aberdeen Market and The Green retains much of its historical character and feel, whilst forging a strong identity as a centre for high quality street art. Currently, the market area and The Green are 'off the beaten track' and are more likely to be stumbled across when exploring the city than as key destinations. However, the redevelopment of Aberdeen Market will see a much greater footfall in the area, altering the existing character into a safe, vibrant and exciting area of Aberdeen City Centre.

The scope area is split into four projects which can be undertaken within different time-scales. The key project is creating the connection between Union Street, the Market and down to the station via Carmelite Street. This will improve the through-route from the Market across Hadden Street, down Carmelite Street onto Wapping Street, Guild Street and into the train and bus stations. The second project is the regeneration of Carmelite Lane, implementing street greening and enhanced lighting along with improved surfacing for ease of access. Rejuvenating Carnegie's Brae and the restoration of East Green also forms part of this phase.

The third phase will see Hadden and Market Street works progressed giving the Market building a civic presence to Market Street. The fourth project deals with the widening of footways and improvement of surfacing to allow easier accessibility on Correction Wynd. It will also deal with the rationalisation and coordination of various spill out spaces on The Green along with the re-conditioning of the Union Street staircase.



LOCATION PLAN



INDICATIVE VIEW

6.0 MASTERPLAN PROJECTS

6.2.4 BELMONT QUARTER

2023 STATUS: Over the past 6 months design options workshops have been held with Belmont Street Area businesses to ensure designs are operationally fit for purpose and also to review options for vehicle movement in the area which businesses have raised as an issue.

LOOKING AHEAD: Review of traffic management in the area to consider how best to balance business requirements with the needs of other users. Review of recent changes to national planning regulations to consider what permissions will be required before delivery of the project commences.

Within the Belmont Street Quarter, the proposals rationalise the carriageway to allow for the permanent introduction of external spill-out spaces for cafés, restaurants and bars along with public seating whilst allowing for service vehicle access to be maintained.

Public seating is introduced at key locations within the streetscape which allow for people to rest, dwell or have lunch, whilst taking in the unique character and atmosphere of the area.

Spill-out spaces have been carefully curated to ensure that a degree of uniformity in keeping with the historic nature of the area is maintained throughout.

The proposals allow for the incorporation of play, public art and feature lighting at key locations in the area. Street greening is included in zones associated with the public seating and cafe spill-out areas.



LOCATION PLAN



INDICATIVE VIEW OF NORTH BELMONT STREET

6.0 MASTERPLAN PROJECTS

6.2.5 SCHOOLHILL + UPPERKIRKGATE

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that this project progress to technical design and construction. Progress will be reported biannually to the Council's Finance & Resources Committee

LOOKING AHEAD: In line with the programme shown on page 51, construction is planned to commence in late 2024.

Located immediately north of the Union Street Central zone, Schoolhill and Upperkirkgate is an area of the city containing a number of landmark buildings and visitor attractions including the Kirk of St Nicholas and Aberdeen Art Gallery.

The Schoolhill and Upperkirkgate streetscape project will provide improved public realm which prioritises pedestrians with reduced vehicular access and enhanced experience for walking and wheeling. Where possible, carriageway widths will be reduced to allow footways to be widened. This will extend the implemented works around the War Memorial and Art Gallery and create a permanent space for street activities and public art at Upperkirkgate.

Upperkirkgate will be pedestrianised between Harriet Street and Flourmill Lane, with a plaza space created outside the Aberdeen Art Gallery at Schoolhill. Proposals to enhance the setting of the Gallery include public seating, space to allow for street spill-out including external cafe space and the civic and cultural activities associated with the Gallery, enhanced public realm, street greening and sustainable urban drainage in the form of a rain garden.



LOCATION PLAN



INDICATIVE BIRDS EYE VIEW OF THE PROPOSED PLAZA FROM ABERDEEN ART GALLERY

6.0 MASTERPLAN PROJECTS

6.2.6 UNION STREET WEST

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that options for physically segregated cycle provision along this stretch of Union Street be developed. Further design work and key stakeholder consultation on these options currently ongoing.

LOOKING AHEAD: An updated Business Case with options around physically segregated cycle provision to be reported back to Council by December 2023.

The western end of Union Street forms a gateway to the city and has seen significant commercial investment with the construction of both the Capitol and Silver Fin office buildings.

The streetscape around Union Street West shall be improved through rationalising the carriageway and widening footpaths, with the opportunity to increase street greening and seating. This will maximise pedestrian space along the length of Union Street creating appropriate settings for safe on street activity.

The proposals will see the space within the existing streetscape reappropriated in favour of pedestrians, cyclists and public transport, whilst still allowing for service vehicle access. Clutter-free plaza spaces are proposed at key locations, such as outside the Music Hall, to celebrate the City's rich heritage.



LOCATION PLAN



INDICATIVE VIEW OF UNION STREET WEST

6.0 MASTERPLAN PROJECTS

6.2.7 WEST END

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that options for physically segregated cycle provision in this area be developed. It will be important to link proposals for this area to Union Street West, and work around this is currently ongoing.

LOOKING AHEAD: An updated Business Case with options around physically segregated cycle provision to be reported back to Council by December 2023.

The proposals seek to enhance the unique character of the West End to create welcoming and comfortable spaces within which to dwell for extended periods of time. This will be achieved largely by reappropriating carriageway space within Rose Street, Thistle Street and Chapel Street to better respond to, and service the needs of the area.

Clear, unobstructed footways will be maintained, whilst space from the carriageways will be allocated to flexible 'service zones' either side of these. These flexible zones within the streetscape are designed to potentially accommodate cafe spill-out areas, disabled parking, taxi ranks and elements of street greening where appropriate.

The apportioning of space within the 'service zones' will be further considered through appropriate engagement during the next stages of the project.

In addition to the provision of space for external spill-out areas, the proposals seek to further enrich the public realm through the considered placement of planting and feature lighting within the streetscape. The designs propose the introduction of feature catenary lighting creating a 'ceiling of lights' over the streets, further enhancing the unique qualities of the area whilst bringing a human scale to the streetscape.



LOCATION PLAN



INDICATIVE VIEW OF WEST END ENTRANCE FROM UNION STREET TO CHAPEL STREET

6.0 MASTERPLAN PROJECTS

6.2.8 GEORGE STREET

2023 STATUS: Draft George Street Mini Masterplan approved for public consultation by Council in December 2022. Public consultation and stakeholder engagement undertaken in early 2023.

LOOKING AHEAD: Final Masterplan will be reported to Full Council by December 2023 and will include recommendations on priority projects.

The George Street neighbourhood is located towards the northern boundary of the City Centre Masterplan zone. George Street itself runs North to South, forming a key link between the city centre core and areas to the north of the city. The area is dominated by the Bon Accord Centre and bounded to the West by Robert Gordon College.

In December 2022 a Draft Mini Masterplan was approved and was subject to public consultation in early 2023. To inform this Mini Masterplan a comprehensive engagement process was carried out by Aberdeen City Council in 2022, to understand local stakeholder and community members views and aspirations for the George Street area. The Vision presented for George Street by the Draft Mini Masterplan is centred around a “vibrant, creative and inclusive city centre community at the heart of reinvention” recognising the area as “an authentic neighbourhood, offering an evolution of George Street: a place for people to come together, with spaces that link activities, aspirations and ideas.”

Feedback on the draft Mini Masterplan comprised 101 responses to the online survey, along with other separate key stakeholder feedback, including dedicated sessions with children and young people. Responses were generally in support of the Masterplan, ranging from 53% - 80% agreement depending on the topics presented.

Detailed analysis of the feedback and comments received during the public consultation period is currently being undertaken and will inform production of a final Mini Masterplan which will be presented to Council later this year.



LOCATION PLAN



ASPIRATIONS FOR CHANGE DIAGRAM

6.0 MASTERPLAN PROJECTS

6.2.9 QUEEN STREET

2023 STATUS: A Strategic Business Case for the Queen Street project was approved by Aberdeen City Council in December 2022. A short list of future options for the site was identified as part of this report

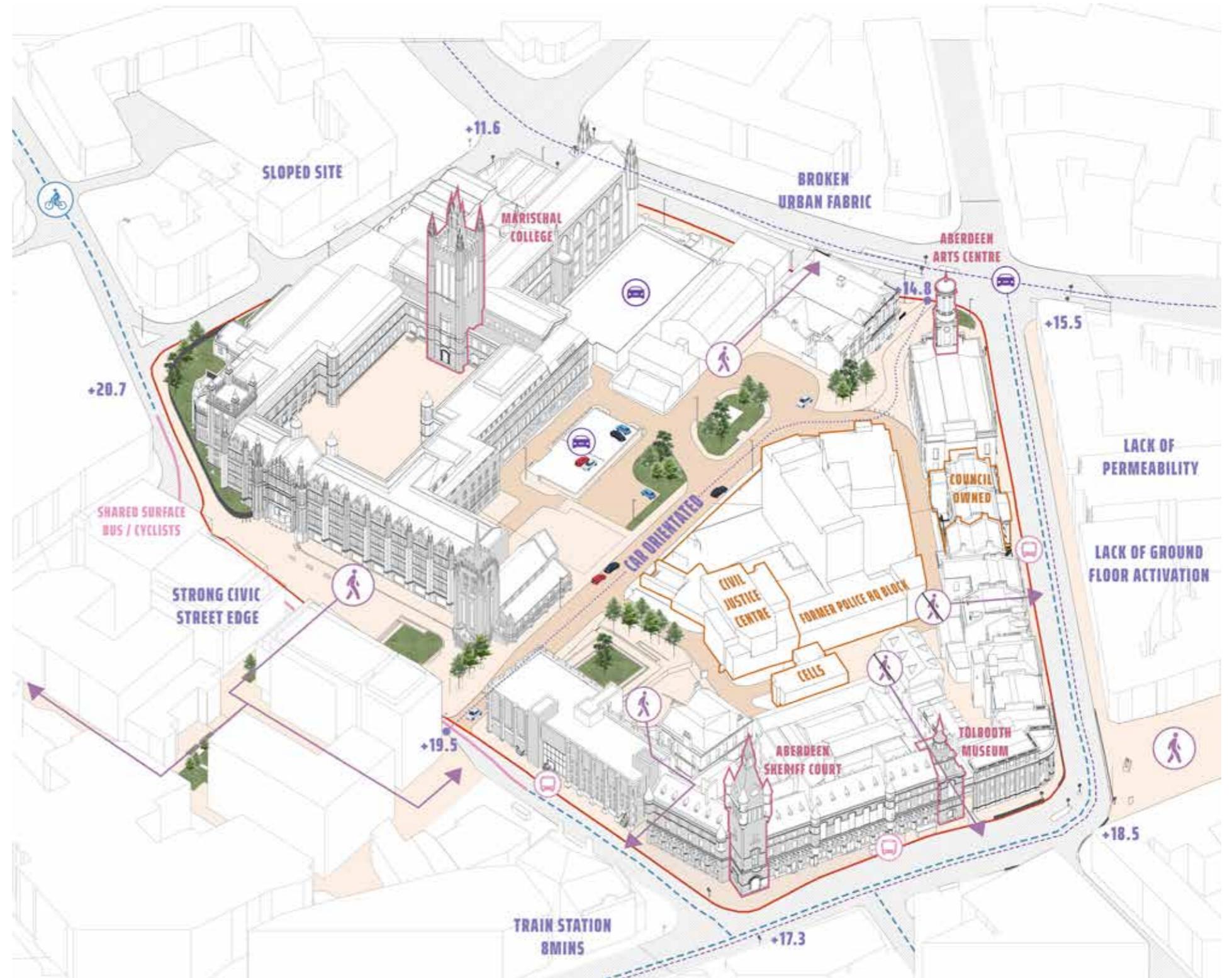
LOOKING AHEAD: An Outline Business Case to allow selection of a preferred option for the site will be reported in Council in August 2023.

The Queen Street neighbourhood, located to the east of the city centre, is defined by three key zones: the city's administrative centre at Marischal College, the Marischal Square mixed-use development and the cluster of buildings to the south of Queen Street. Queen Street will be a focus for a new Urban Park and high-quality public realm for the city that could include (if ACC wish), elements of contemporary urban living and cultural activity:

- Complement Marischal Square and Broad Street, providing a new Urban Park and public realm space that will increase well-being by including active travel and green infrastructure, endeavouring to deliver a net-zero development and create the conditions for sustainable urban living.
- Provides the opportunity to address several unsightly and inefficient buildings, whilst enabling significant improvements to public realm, opportunities to increase green space and encourage well-being in the city centre, increase inclusivity and complement the established improvements to Broad Street and Marischal Square.
- The surrounding area is home to key civic, commercial, and cultural assets in the city and benefits from a wonderful quality of architecture such as Marischal College and the Town House.



LOCATION PLAN



CONCEPT 3D: BEACH PARK

6.0 MASTERPLAN PROJECTS

6.2.10 UNION STREET EAST

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that options for physically segregated cycle provision along this stretch of Union Street be developed. Further design work and key stakeholder consultation on these options currently ongoing.

LOOKING AHEAD: An updated Business Case with options around physically segregated cycle provision to be reported back to Council by December 2023.

Union Street East's location to the east of the city centre provides immediate links to the Harbour and forms a gateway to the City when approached from the Beach via Castlegate.

The Union Street East streetscape project shall provide enhanced public realm along Union Street from Market Street to where it joins the Castlegate. The proposals will see the space within the existing streetscape reappropriated in favour of pedestrians and public transport whilst still allowing for service vehicle access. Where possible, carriageways have been reduced in width as to allow footways to be widened.

The proposed reappropriation of space within the street allows for the introduction of public seating at key locations along Union Street East which will offer welcoming amenity to all and opportunities for rest for the less able whilst encouraging a wide range of visitors to the city centre. The proposals allow for the incorporation of play, public art, and feature lighting at key locations along Union Street East. These proposals which will be developed at the next stage of the project will be carefully considered as to ensure a commonality of approach with respect to Union Street West, Central and East.



LOCATION PLAN



INDICATIVE VIEW EAST TOWARDS CASTLEGATE FROM CASTLE STREET / EXCHEQUER ROW

6.0 MASTERPLAN PROJECTS

6.2.11 CASTLEGATE

2023 STATUS: In December 2022 Aberdeen City Council agreed a Full Business Case and instructed that options for physically segregated cycle provision in this area be developed. It will be important to link proposals for this area to Union Street East and connectivity to the Beach as part of the Beach Connectivity Project. Work around this is currently ongoing.

LOOKING AHEAD: An updated Business Case with options around physically segregated cycle provision to be reported back to Council by December 2023.

The proposals seek to create a flexible public space to connect Union Street to the Beachfront via Justice Street, and enhance the unique historic qualities of the area.

The proposal will create a clutter-free, flexible space at the heart of the square, which forms a setting to the historic Mercat Cross. This will be an inviting and comfortable place for people to occupy on a day to day basis, whilst being able to accommodate larger scale events, pageants and gatherings when required.

The square will incorporate Sustainable Drainage System (SuDS) where possible, alongside trees and herbaceous planting to create shade and shelter, as well as a welcoming, habitable space for people to be in and enjoy.

Connectivity to the Beach will be improved, along with the opportunity for increased public seating and spill out spaces to help animate the square.



LOCATION PLAN



INDICATIVE VIEW OF PROPOSED CASTLEGATE CIVIC SPACE

6.0 MASTERPLAN PROJECTS

6.2.12 UNION STREET PROPERTIES

2023 STATUS: Consultation with owners as part of the Union Street Façade Works project has been undertaken over the last 12 months. An action plan of interventions to target empty shops on Union Street was also approved by Council in December 2022, with a £500,000 grant scheme aimed at reconfiguring vacant ground floor units launched in July 2023.

LOOKING AHEAD: Continue to work with building owners and other key stakeholders to determine how private sector finance and other funding for façade and other general building improvements can be obtained. Commence short-term interventions identified in the Empty Shops Action Plan and establish Empty Shops Grant Scheme Review Panel to make, manage and disburse funding awards to successful applicants.

In response to public feedback during the 'The Future of Aberdeen City Centre and the Beach' public engagement exercise in June-July 2021, a high-level façade inspection of properties on Union Street was carried out. A 'Pilot Project' at 107-131 Union Street has involved carrying out further external condition surveys for this block which has informed works which may be required to each of the properties.

Consultation has taken place with the eleven owners/occupiers of 107-131 Union Street, seeking their thoughts on carrying out repair/improvement works. Feedback to date has been supportive of carrying out both repair and improvement works, however owners have highlighted that they would have difficulty contributing financially. Owners/occupiers have highlighted that they would prefer to see incentives such as rate reduction or support with energy costs to reduce overall occupational costs and thereby increase occupancy rates. Private Sector finance is therefore still being sought to help move forward the Union Street Façade Improvement works project. Grant funding will continue to be monitored as a further potential source of funding the works.

In December 2022, the Council approved the Union Street Empty Shops Action Plan. To support delivery of the Action Plan, £500,000 has been allocated to a grant scheme which will enable reconfiguration of empty shops on Union Street for reoccupation. The scheme will run over two financial years 2023/24 and 2024/25.



LOCATION PLAN



INDICATIVE VIEW OF PROPOSED UNION STREET FAÇADE WORKS PILOT PROJECT

6.0 MASTERPLAN PROJECTS

6.2.13 BEACH PHASE 1 DEVELOPMENT FRAMEWORK

2023 STATUS: A Development Framework for Phase 1 of the Beachfront area was approved by Aberdeen City Council in May 2023, informed by both public and stakeholder consultation.

LOOKING AHEAD: Individual projects outlined within the Framework will now be progressed, as detailed on the next few pages.

The Beachfront is an area unique to the city of Aberdeen and its development offers an exciting opportunity to create a transformational new waterfront destination for the City of Aberdeen.

The Beachfront forms a significant part of the City's public realm offer to residents and visitors. It is linked to the city centre primarily by the Beach Boulevard via the Justice Street Roundabout, and there exists significant potential to better connect these areas via active travel routes to Castlegate and Union Street beyond.

The 2022 'Beachfront Development Framework' sets out a vision and key design principles for a world class sport, leisure and tourism destination with an innovative landscape-led approach. Within the Development Framework area a series of distinct character areas have been identified including, the Beach Ballroom, Events Park + Field, Core Play Park, Esplanade and Beach, Beach Boulevard, Broad Hill, Potential Stadium and Leisure and Beach Village.

At the heart of the proposals is the redevelopment of the iconic Beach Ballroom, alongside an enhanced public realm setting, potential new Stadium and Leisure complex and a dynamic new Beach Park. This people-focused environment will be inclusive for all, creating a real community asset and bringing the 'wow' factor back to the Beachfront.



LOCATION PLAN



PHASE C PROJECT LOCATION PLAN

6.0 MASTERPLAN PROJECTS

6.2.14 BEACH PUBLIC REALM PHASE A PROJECTS

2023 STATUS: Initial concept design work has been undertaken in parallel with the Development Framework exercise.

LOOKING AHEAD: A Full Business Case for the projects in Phase 1A will be reported to Council in August 2023.

The heart of the open space provision within the proposed masterplan is focussed on the beach park, a central landscape space, approximately 5.5ha, designed to accommodate multiple uses. The Beach Park is composed of two main character areas, the Core Play area and the Events Park + Field, joined by the Pedestrian Spine (former Beach Boulevard east), with nodes of key civic plazas providing locations of orientation, wayfinding and gathering within high quality public realm areas.

A public park must be accessible for everyone. The richness of the park will come in its form and uses. Play and games are an obvious part of this mix and creating the physical environment for this to flourish is key. The whole park should be seen as incorporating elements of play opportunity, with areas that are more focused and defined along with the more natural and incidental play integrated throughout the park.

Proposed insertions within the beach park space include:

- Civic plazas
- An external **Amphitheatre** with canopy located adjacent to the Beach Ballroom
- A large **Events Field** capable of hosting events and day-to-day use
- A **Gateway** building located at entrance to Beachfront area giving sense of arrival
- A bespoke play structure unique to Aberdeen (**Rope Factory**) located at the centre of the core play area
- A **Hub building** located at centre of site offering a place to engage and refresh
- **Canopy** features offering shelter and seating across the site
- Water features to bring drama and animation to spaces

PHASE A PROJECTS: • Core Play • Events Park • Broad Hill



LOCATION PLAN



3D VISUALISATION OF THE ROPE FACTORY CONCEPT LOCATED IN THE CORE PLAY AREA

6.0 MASTERPLAN PROJECTS

6.2.15 BEACH PUBLIC REALM PHASE B PROJECTS

2023 STATUS: Initial concept design work has been undertaken in parallel with the Development Framework exercise. Transport appraisal work to inform an Outline Business Case for the Commerce Street / Beach Boulevard roundabout junction was approved by Council in May 2023.

LOOKING AHEAD: A Full Business Case for the infrastructure projects in Phase 1B will be reported to Council sometime in the next 12-18 months.

Phase B focuses proposes expansion and upgrades to the active travel network, capitalising on the proximity of the Beachfront to the city centre. It will prioritise the needs of pedestrians and cyclists; a step-change from the current situation where opportunities for walking and cycling are shaped around a traffic-led environment. Measures include:

- Reconfiguration of the A956 / Beach Boulevard roundabout junction
- Reallocation of road space on Beach Boulevard in favour of active travel modes
- Development of a wayfinding strategy to aid users in their journey between the city centre and the Beachfront.
- Pedestrian and cycle links around the edge of the park
- Incorporation of Active travel hubs to the beach park
- Reallocating space to active travel modes will address severance at the waterfront

The repurposed Beach Boulevard forming a new Pedestrian Spine and Esplanade sections making them suitable for more intensive 'street' and civic type uses both independently and in support of any programmed events with the Park & Field.

PHASE B PROJECTS

- Beach Boulevard
- Pedestrian Spine
- Ballroom Externals
- Road Infrastructure
- Beach Interface (former Temporary Landscape)
- Leisure



LOCATION PLAN



PROPOSED STREETSCAPE WORKS TO BEACH BOULEVARD



INDICATIVE BEACH BOULEVARD VISION

6.0 MASTERPLAN PROJECTS

6.2.17 BEACH PUBLIC REALM PHASE C PROJECTS

2023 STATUS: Initial concept design work has been undertaken in parallel with the Development Framework exercise. A Strategic Outline Case was approved by Aberdeen City Council in May 2023. This Phase represents the last element of Phase 1 and so further work on agreeing project outcomes and spatial requirements is still to be undertaken.

LOOKING AHEAD: Brief for this area to be further developed, with the intention to report an Outline Business Case to Council to Council by December 2023

The Rope Works strategy allows all individual elements of the concept Masterplan to flow together organically, while offering maximum flexibility for future design development. The Design Team have explored a number of complementary architectural opportunities within the Phase C Masterplan area, including:

1. Esplanade
2. Boardwalk
3. Beachfront Interface
4. Satellite Facilities
5. Beach Village, Pavilion & Slipway
6. Potential New Footdee Club House

Phase C focuses on the Beachfront portion of the proposed masterplan, the **Esplanade** creates a people focused environment with opportunity for an active frontage at the beachfront with the **Boardwalk** functioning as it's extension. The **Beach Interface** further enhances this approach by creating an accessible beachfront with the proposed regrading of the existing levels, building over the sea wall through a series of ramps and walkways. The potential **Beach Village** is envisaged as a centre for various beachfront activities with the beach pavilion located at it's centre promoting safe water usage as well as providing an active frontage. The proposed new **Slipway** would provide access to the water below the **Esplanade**. **Satellite Facilities** are proposed at key points along the length of the Esplanade to provide places for changing, toilets, shower facilities and observation points by utilising the sites' elevation. The potential **Footdee Club House** located at the south end of the beachfront could provide facilities for the Surf Club, Wild Swimmers and Surf Life Saving Club.



LOCATION PLAN



PHASE 1C BOARDWALK SKETCH

6.0 MASTERPLAN PROJECTS

6.2.16 PROPOSED STADIUM AND LEISURE

2023 STATUS: Outline Business Case for integrated stadium and leisure development reported to Council in December 2022.

LOOKING AHEAD: Continued work towards production of a Full Business Case, with demolition of existing leisure facility programmed for late 2023 / early 2024.

The Development Framework for Phase 1 of the Beach area includes provision for potential new Stadium and Leisure Facilities, located north of the Beach Ballroom. The objectives for these facilities are to place sport, physical activity, health, and well-being at the very heart of the community.

Each facility in this zone would help activate the city, increase opportunities for people to participate in physical activity and sport, invest in the City's infrastructure of people and places and be inclusive to provide the opportunity to become and stay active, as well as helping to improve physical and mental well-being. The new facilities would offer the opportunity to participate in sport, leisure, recreation, and community activities within a comfortable, modern, and safe environment.

The facilities would be attractions in their own right and act as a hub for visiting other parts of the beach area.



CONCEPT PROPOSAL



LOCATION PLAN

6.0 MASTERPLAN PROJECTS

6.2.18 BEACH BALLROOM

2023 STATUS: Initial concept design work has been undertaken in parallel with the Development Framework exercise.

LOOKING AHEAD: progressing to RIBA stage 2, concept design aligning architectural proposals to ongoing brief development.

The Beach Ballroom is to be considered as a primary focal point in the new Development Framework proposals, due to its central position and its cultural significance. Any opportunity for the regenerating the Beach Ballroom and its environs would respect the heritage and memories to ensure it can continue to contribute to the lives of those who visit it.

The proposed renovation and extension of the B-listed Beach Ballroom will seek to respect the heritage and memories defined by this iconic space to ensure to can continue to contribute to the lives of those who visit it. Those historic aspects of the interior and exterior of the building will be retained and revitalised through an extensive programme of renovation. Potential new extensions to the building will be considerate and of an appropriate scale and style to compliment the Ballroom.

In addition to the renovation and reworking of the ballroom, there is the potential to create improved public spaces in the immediate vicinity, for example:

- A potential civic plaza space with water features forming a grand setting for the building. This civic plaza will provide a location for wider orientation, wayfinding and gathering within high quality public realm.
- A potential sunken garden area to the rear of the ballroom which would provide a dedicated external space for use by the ballroom and serve to link the wider public space between the ballroom and a potential leisure facility adjacent.



LOCATION PLAN



3D EXTERNAL VISUALISATION OF BEACH BALLROOM CONCEPT

6.0 MASTERPLAN PROJECTS

6.2.19 BEACH PHASE 2 NORTH

2023 STATUS: In August 2022 Aberdeen City Council agreed to extend the Beach Masterplan area north, to the River Don, and south, to the River Dee. Initial consultation on these areas was undertaken in May / June 2023.

LOOKING AHEAD: A future Phase 2 Development Framework exercise to be prepared and reported back to Council.

Public Consultation in relation to a potential Beach Development Framework Phase 2 was undertaken from 26th May -26th June 2023. The aim of the consultation was to better understand how people currently use the space outlined in orange and what, if any, improvements they would like to see to this area.

The consultation was publicised by the Council’s communications team and was available online via the Citizen Space consultation hub. Key stakeholders were contacted directly and posters were displayed locally with a freephone number to call for those who couldn’t access information electronically. Local traders were visited and meetings held with interested stakeholders. A total of 675 responses were received with 70% of those responding describing themselves as from the wider Aberdeen area. In terms of getting to the area, 59% drive, 15% walk and 19% use a combination of travel modes.

The most popular reasons for visiting are:

- access the beach & sea
- use of promenade, and
- making use of the adjoining greenspaces.


The top three suggestions for improvement are to improve biodiversity, improve access to beachfront and improve footpaths.


Other comments requested better facilities e.g. toilets and changing, more businesses and improved maintenance and access.




LOCATION PLAN



BEACHFRONT DEVELOPMENT FRAMEWORK PHASE 01 

BEACHFRONT DEVELOPMENT FRAMEWORK PHASE 02 (NORTH & SOUTH) 

CITY CENTRE MASTERPLAN (CCMP) 

6.0 MASTERPLAN PROJECTS

6.2.20 BEACH PHASE 2 SOUTH

2023 STATUS: In August 2022 Aberdeen City Council agreed to extend the Beach Masterplan area north, to the River Don, and south, to the River Dee. Initial consultation on these areas was undertaken in May / June 2023.

LOOKING AHEAD: A future Phase 2 Development Framework exercise to be prepared and reported back to Council.

Public Consultation in relation to a potential Beach Development Framework Phase 2 was undertaken from 26th May -26th June 2023. The aim of the consultation was to better understand how people currently use the area outlined in orange and what, if any, improvements they would like to see to this area.

The consultation was publicised by the Council’s communications team and was available online via the Citizen Space consultation hub. Key stakeholders were contacted directly and posters were displayed locally with a freephone number to call for those who couldn’t access information electronically. Local traders were visited and meetings held with interested stakeholders. A total of 675 responses were received with 71% of those responding describing themselves as from the wider Aberdeen area. In terms of getting to the area, 62% drive, 14% walk and 18% use a combination of travel modes.

The most popular reasons for visiting are:

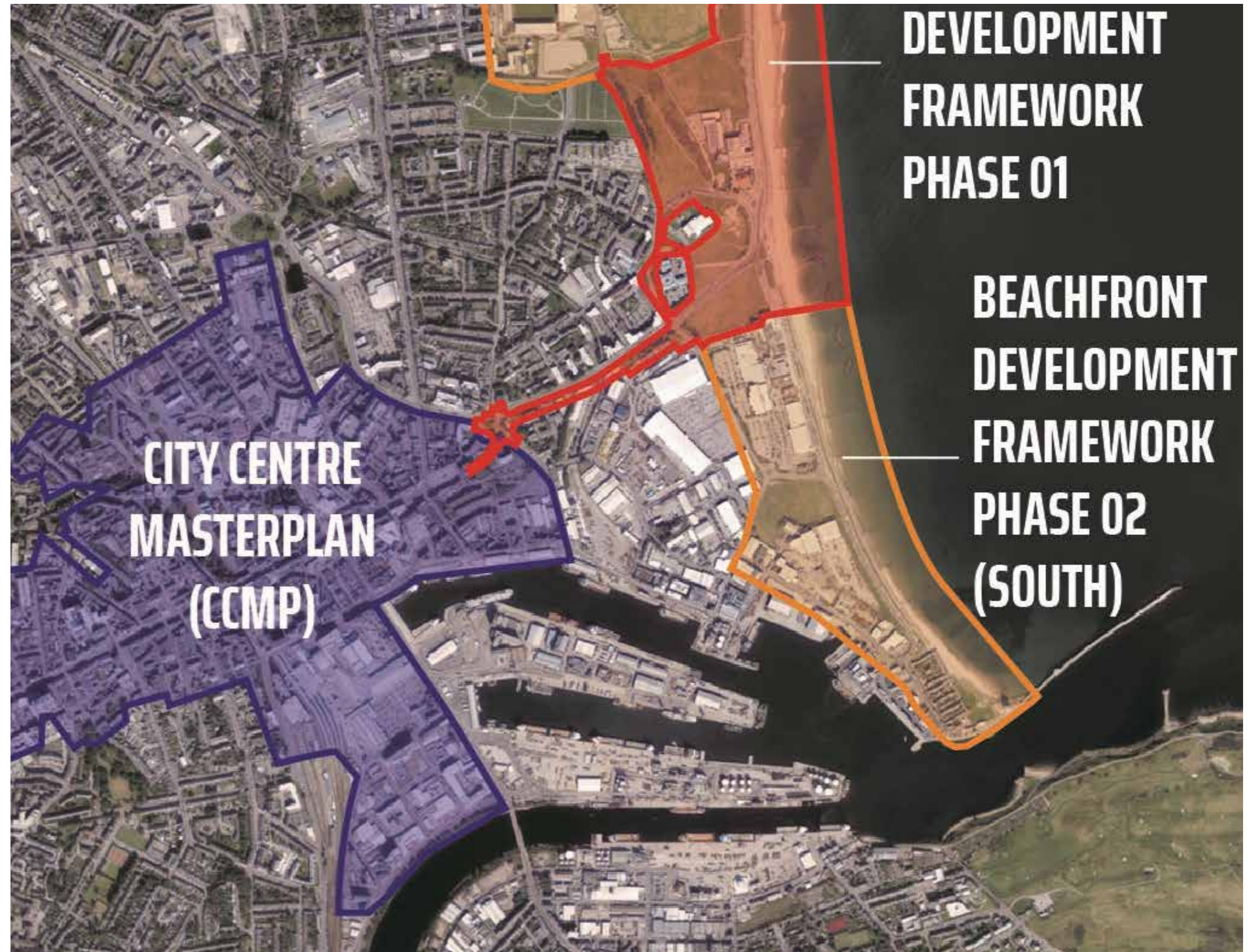
- access to the beach/sea,
- using the promenade,
- and the café/foodtruck and leisure facilities.

The top three suggestions for improvement are to make more of the street trading environment, improve access to the beachfront and improved seating.

Other comments included requests for improved toilets and changing, retain car parking, and improved public transport.



LOCATION PLAN



BEACHFRONT DEVELOPMENT FRAMEWORK PHASE 01 ▬

BEACHFRONT DEVELOPMENT FRAMEWORK PHASE 02 (NORTH & SOUTH) ▬

CITY CENTRE MASTERPLAN (CCMP) ▬

**DEVELOPMENT
FRAMEWORK
PHASE 01**

**BEACHFRONT
DEVELOPMENT
FRAMEWORK
PHASE 02
(SOUTH)**

8.0 DELIVERY PROGRAMME + PRIORITIES

8.1 DELIVERY PROGRAMME

The adjacent, high-level Programme Summary (as of June 2023) shows the timeline and key stages through Business Case development to design and construction for the City Centre, Market, Beach and Queen Street Development Zone projects.

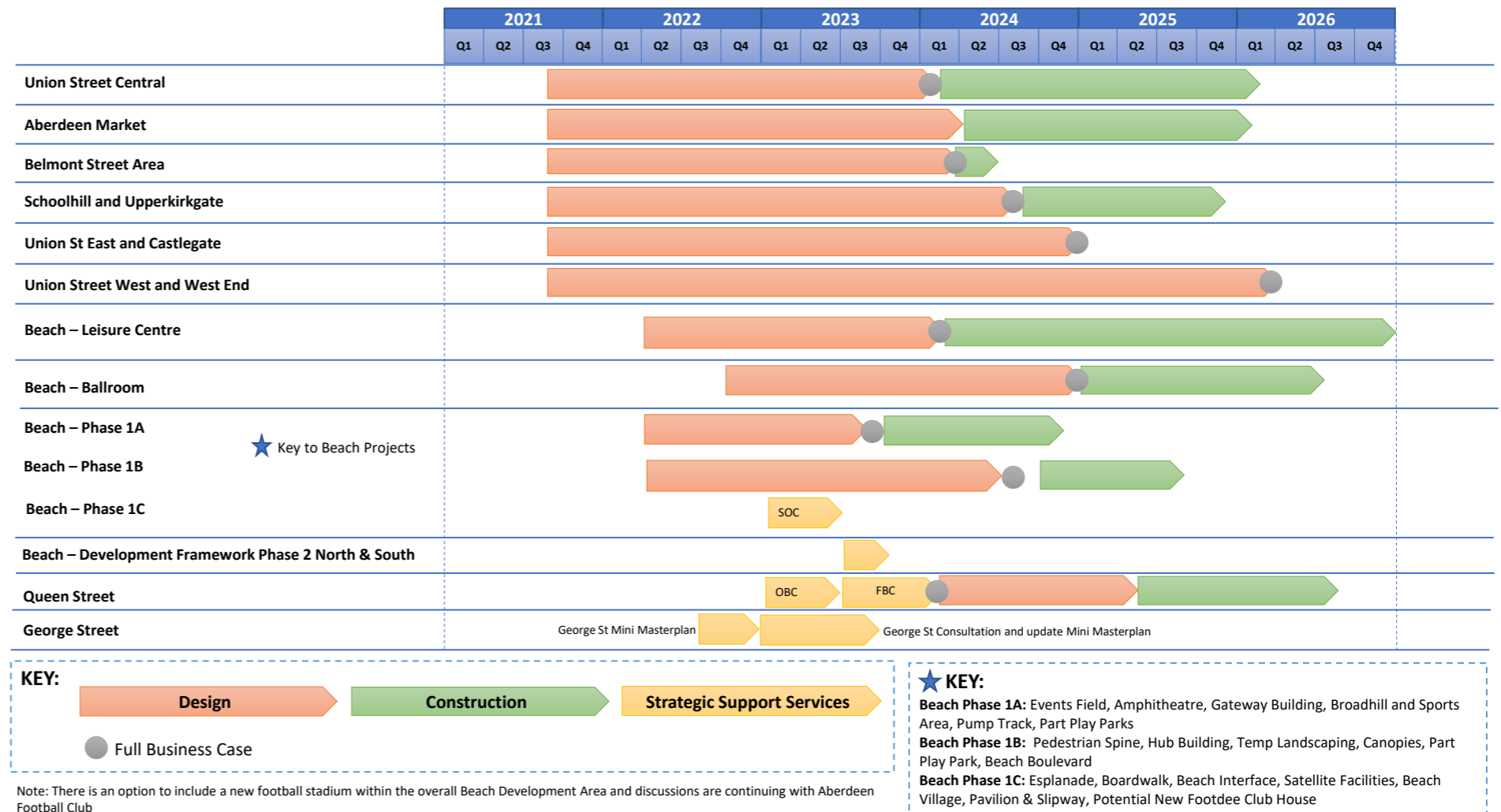
Summary Overview

Over the past year, significant progress has been made in moving on at pace the projects in the City Centre and Beach Masterplan and adding new projects on the second phase of the Beach Development Framework.

Significant highlights included:

- Aberdeen Market – site demolition complete, Planning Application proceeding, Preferred Operator onboard and Heads of Terms nearing completion
- Union Street Central, Market Streetscape Phase 1, Belmont Street and Schoolhill/Upperkirkgate – Full Business Case approved, funding in place and progressing to a start on site in early 2024
- Developing the remaining Streetscape projects at Union Street East/Castlegate and Justice Street, Union Street West and West End and Market Streetscape Phases 2 and 3
- Queen Street – Strategic Outline Business Case approved, and Outline Business Case with Preferred Option being presented to August Committee
- George Street – Public consultation carried out on draft Mini Masterplan
- Beach Public Realm - Outline Business Case for Public Realm Phase A Projects approved and Preparation and Brief approval agreed for both Public Realm Phase B and C
- Developing the Outline Business Case for Justice Street Roundabout
- Beach Leisure – design progressing incorporating swimming, fitness and ice rink facilities. Developed to consider the wider Beach Masterplan and will interface neatly with the Beach Ballroom and Public Realm spaces

Aberdeen City Centre and Beach Masterplan - Programme Overview



INDICATIVE PROGRAMME OVERVIEW

N.B. This Programme should be treated as indicative and provides the current thinking on milestones/decision points for ACC and delivery of the key Masterplan projects. It is very much dependant on the Statutory Consent and Planning Application processes required, which both may impact on the timescales currently envisaged.

8.0 DELIVERY PROGRAMME + PRIORITIES

8.2 LOOKING AHEAD

PROJECT	SEPT 2023 - NOV 2023	DEC 2023 - FEB 2024	MARCH 2024 - MAY 2024	JUNE 2024 - AUG 2024
Aberdeen Market	Finalise RIBA Stage 4 design	Agree Costs	Construction starts on site	Construction
<ul style="list-style-type: none"> Streetscape Works on Union Street Central Schoolhill/Upperkirkgate Belmont Street 	Union Street Central designs	<ul style="list-style-type: none"> Union Street Central construction starts Schoolhill/Upperkirkgate designs 	<ul style="list-style-type: none"> Union Street Central construction Belmont Street construction starts Schoolhill/Upperkirkgate designs 	<ul style="list-style-type: none"> Union Street Central construction Belmont Street construction Schoolhill/Upperkirkgate designs
<ul style="list-style-type: none"> Union Street East, Castlegate and Justice Street Union Street West West End & Market Streetscape Phases 2&3 	Preparing Designs	<ul style="list-style-type: none"> Full Business Case update to December Full Council Preparing Designs 	Preparing Designs	Preparing Designs
Beach Public Realm Phase A	Planning Submission	Construction starts on site	Construction	Construction
Beach Public Realm Phase B	Outline Business Case to October Full Council	Develop Designs	Full Business Case to April Full Council	Construction starts on site
Beach Public Realm Phase C	Prepare Outline Business Case	Outline Business Case to December Full Council	Develop Designs	Develop Designs
Beach Leisure	Prepare Full Business Case	<ul style="list-style-type: none"> Demolition of existing Leisure Centre Planning Submission for new Leisure facilities Full Business Case to February Full Council 	Demolition of existing Leisure Centre	Demolition of existing Leisure Centre
Beach Ballroom Refurbishment	Developing Outline Business Case	Outline Business Case to February Full Council	<ul style="list-style-type: none"> Planning submission Preparing Designs 	Preparing Designs
Beach Development Framework Phase 2 North & South	Scoping and designing	Scoping and designing	Scoping and designing	Scoping and designing
Queen Street	Develop designs for Urban Park to north west of site, Soft Market Engagement exercise for South-east site	Develop designs for Urban Park to north west of site, identify a preferred development use for the Southeast site	Agree preferred option for Southeast site	Full Business Case for Southeast site to August Full Council
Queen Street Police HQ	Soft strip, asbestos removal and services separation	Soft strip, asbestos removal and services separation	Soft strip, asbestos removal and services separation	Preparation for demolition
George Street	Masterplan taken to October 2023 Full Council for approval	Developing Business cases for George Street priority projects (subject to funding)	Developing Business cases for George Street priority projects (subject to funding)	Developing Business cases for George Street priority projects (subject to funding)
City Centre & Beach Masterplan				2024 Update to August Council

8.0 DELIVERY PROGRAMME + PRIORITIES

8.3 ENGAGEMENT AND COMMUNICATIONS

PROJECT	SEPT 2023 - NOV 2023	DEC 2023 - FEB 2024	MARCH 2024 - MAY 2024	JUNE 2024 - AUG 2024
Aberdeen Market				
<ul style="list-style-type: none"> Streetscape Works on Union Street Central Schoolhill/Upperkirkgate Belmont Street 	Union St Central Pre Construction Business & Stakeholder engagement Ongoing engagement with Belmont St businesses and residents	Union Street construction communications Schoolhill/Upperkirkgate stakeholder engagement	Union Street construction communications Belmont St Construction Communications Schoolhill/Upperkirkgate stakeholder engagement	Union Street construction communications Schoolhill/Upperkirkgate stakeholder engagement
<ul style="list-style-type: none"> Union Street East, Castlegate and Justice Street Union Street West West End & Market Streetscape Phases 2&3 	Stakeholder engagement	Stakeholder engagement	Stakeholder engagement	Stakeholder engagement
Beach Public Realm Phase A	Stakeholder engagement	Construction communications	Construction communications	Construction communications
Beach Public Realm Phase B		Stakeholder engagement	Stakeholder engagement	Construction communications
Beach Public Realm Phase C	Stakeholder engagement		Stakeholder engagement	Stakeholder engagement
Beach Leisure	Stakeholder Engagement	Demolition Communications Public Consultation	Demolition Communications	Demolition Communications
Beach Ballroom Refurbishment	Stakeholder Engagement		Stakeholder Engagement Planning Application Communications	Stakeholder Engagement
Beach Development Framework Phase 2 North & South				
Queen Street	Stakeholder engagement & public consultation as required	Stakeholder engagement & public consultation as required	Construction Communications Stakeholder engagement as required	Stakeholder engagement & public consultation as required
Queen Street Police HQ				Demolition Communications
George Street	Ongoing Stakeholder Engagement as required	Ongoing Stakeholder Engagement as required	Ongoing Stakeholder Engagement as required	Ongoing Stakeholder Engagement as required
City Centre & Beach Masterplan				

APPENDIX 01

SMART OBJECTIVES



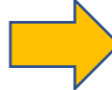
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ACC City Vision: SMART OBJECTIVES Update

R-A-G (Red - Amber - Green) rating is the comparison of current data with the baseline,

Red Worse	Amber Similar	Green Better
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Trend is how the data is currently trending,

Improving 	Declining 	Steady/Fluctuating 
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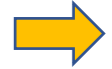

For consistency, two concurrent periods of data, post baseline, will be used to determine the RAG status and trend.

For example, the second objective Increased GVA, has two concurrent periods of data, post baseline, so we can say that the R-A-G status is similar, as the current data point is similar to the baseline, and the data is currently trending steady/ fluctuating, with no clear trend at the moment. Another example is, City Centre population growth, this only has one period, post baseline, therefore we cannot determine a trend but we can give it a R-A-G as the one data point is similar to the baseline.


NA => Data is currently not available, but will be in future updates.

HNSL (NOTE* - table end)
ACC (Not currently monitored by ACC Economic Team however will be with the input of others such as the Operators of the Market and Beach Leisure.)

The table below shows the SMART Objectives for the City Centre and Beach Masterplan projects and progress around gathering baseline data, current data, the source of the data, along with a RAG status and where possible how the trends are evolving.

Objective	What does success look like?/Metric	Baseline Data	Current Data	Source	R-A-G Status	Trend
City Centre Masterplan						
City Centre population growth	3,000S extra people living in the city Centre by 2040	16,858 2020	16,293 2021	National Records Scotland		NA
Increased GVA	£s per annum	£41,100 2019	£40,540 2021	Office for National Statistics		
Reduction in crime	30% fewer young people (12 to 17) charged with an offence and a crime by 2026	127 2017/18	29 2020/21	Scottish Government		
	2% fewer people reconvicted within one year by 2026	30.4% 2018/19	NA	Scottish Government	NA	NA
	1 point increase (4.31 -> 5.31) (/7) in the mean score for people who "Feel safe in the city Centre throughout the day and night" by 2026	4.31 2021	NA	City Voice	NA	NA
Increased footfall in City Centre	10% increase in daily average footfall in the City Centre by 2026	55,519 Feb 22	54,813 Feb 23	Springboard		NA
Reduced office vacancy rates in the City Centre	2% decrease in the office vacancy rate in the City Centre by 2026	18.1% 2022	NA	CoStar	NA	NA
Reduced retail vacancy rates in the City Centre	1% decrease in the retail vacancy rate in Aberdeen City by 2026	6.6% 2022	NA	CoStar	NA	NA

Increased journeys by walking and cycling into the City Centre	75% of people walking and 25% cycling as part of their usual mode of transport into the City Centre by 2026	64.3% 2021 Walking	NA	City Voice	NA	NA	
		17.6% 2021 Cycling	NA	City Voice	NA	NA	
Increased ease of walking and cycling around Aberdeen	2-point increase in the mean (/7) (3.7 -> 5.7) of people who say they can easily walk and cycle around the City Centre using good quality routes	3.7 2021	NA	City Voice	NA	NA	
Increase in cycling in the City Centre	30% increase in average daily cycling in the City Centre by 2026	1,244 2019	1,556 2020	Department for Transport		NA	
Reduction in car journeys in the City Centre	20% reduction in average daily traffic flow by 2026	93,380 2019	63,186 2020	Department for Transport		NA	
Reduction in CO2 emissions	By at least 61% by 2026 and NZC by 2045	46,371 2015/16	26,159 2022/23	Aberdeen City Council		↑	
Reduction in NO2 (ug/m3)	Reduce NO2 to <35ug/m3 annual mean in the City Centre by 2026	40.6 2019	29.6 2021	Aberdeen City Council		↑	
Increased educational attainment, skills, and life-long learning	6% absolute increase in the number of people (16-64) receiving job related training in the last 13 weeks by 2026	18.8% 2021	17% 2022	Annual Population Survey		NA	
	4% (52% ->56%) increase in working age population (16-64) with NVQ4+ Qualifications by 2026	52% 2019	54.2% 2021	Annual Population Survey		→	
	3% (6.5% -> 3.5%) decrease in working age population (16-64) with no NVQ Qualifications by 2026	6.5% 2019	4.7% 2021	Annual Population Survey		↑	
	A 1% decrease in the percentage of people aged 16-19 not participating in education, employment, or training	4% 2021	4.9% 2022	Skills Development Scotland		NA	
	To match or be under Scotland's density of skills gaps in each occupation groupings (High Skilled, Middle Skilled, Service and Labour Intensive) by 2026	6% AC vs 2.6% Scotland 2020 High Skill	NA	NA	Scottish Employer Skills Survey	NA	NA
		5% AC vs 4% Scotland 2020 Middle Skill	NA	NA	Scottish Employer Skills Survey	NA	NA
		2.6% AC vs 5.8% Scotland 2020 Service Intensive	NA	NA	Scottish Employer Skills Survey	NA	NA
		5.4% AC vs 4.6% Scotland 2020 Labour Intensive	NA	NA	Scottish Employer Skills Survey	NA	NA
City Centre Interventions							
Creation of new public realm space leading to increased satisfaction with the City Centre	62,559 m2 new public realm space	NOTE*	NOTE*		NOTE*	NOTE*	
	Increased life satisfaction in Aberdeen - 1 point increase (7.21 ->8.21) in the level of "Life Satisfaction" in Aberdeen residents by 2026	7.21 2020/21	7.44 2021/22	Office for National Statistics		NA	
	Increased happiness in Aberdeen - 1 point increase (7.17-> 8.17) in the level of "Happy" in Aberdeen residents by 2026	7.17 2020/21	7.47 2021/22	Office for National Statistics		NA	

	Increased green space for city residents - 1 point (5.2 ->6.2) increase in the level Aberdeen Central Residents score for "Can you regularly experience good quality natural space? This includes a wide variety of environments from parks and woodlands to green space alongside paths and streets"	5.2 2021	NA	City Voice	NA	NA
Creation of Construction jobs over the build period (Public Realm & Market)	60 - 120 new Construction Jobs – Public Realm	NOTE*	NOTE*		NOTE*	NOTE*
	150 - 175 new Construction Jobs – Market	NOTE*	NOTE*		NOTE*	NOTE*
Creation of new jobs directly associated with the Market (catering, cleaning, management, and operations)	250 new Market Jobs	NA	NA		NA	NA
Attracting regional and local businesses into the new Market	20 – 40 new businesses	NA	NA		NA	NA
Reduction in city centre congestion	Buses generally on time 75% (64% -> 75%) of the time	64% 2019	76% 2021	Transport Scotland		
Materials sourced from the local area	30 - 50% of net Construction Costs to be local material	NOTE*	NOTE*		NOTE*	NOTE*
Contractor's labour from the local area	60% Local labour employed	NOTE*	NOTE*		NOTE*	NOTE*
Beach Interventions						
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	100% Footfall and 100% revenue increases (Leisure only)	NA	NA		NA	NA
	100% Footfall and 100% revenue increases (Ballroom only)	59,307 2022/23	NA	ACC	NA	NA
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	2,000 m2	NOTE*	NOTE*		NOTE*	NOTE*
	Decrease in the average distance (m) for City Centre Residents to nearest Park, Garden or Playing Field.	459.29m 2020	NA	Office for National Statistics	NA	NA
Reduction in car journeys at the Beachfront	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront, daily average	12,552 2019	NA	Aberdeen City Council	NA	NA
Creation of Construction jobs over the build period	200 new Construction Jobs	NOTE*	NOTE*		NOTE*	NOTE*
Creation of new jobs directly associated with new Leisure offering at the Beach	30 new Leisure Jobs by 2025	NA	NA		NA	NA
Materials sourced from the local area	20 to 30% of net Construction Costs to be local materials	NOTE*	NOTE*		NOTE*	NOTE*
Contractor's labour from the local area	50% Local labour employed	NOTE*	NOTE*		NOTE*	NOTE*

NOTE* => HNSL SMART objective measures have been shared with the Tier 1 Contractors where they have been appointed on projects within this Masterplan. These are discussed at the Social Impact meetings with the Tier 1 Contractors and will be measured at the appropriate time in the construction phases. Baseline data is being gathered as the projects develop.

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streets-uk



Beach Development Framework Phase 2

Consultation Report

10th Aug 2023

fiona.robertson@streets-uk.com

Tel: 07771 978577

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1.0 Introduction

Background & Context

Public Consultation in relation to a Phase 2 Beach Development Framework was undertaken from 26th May -26th June 2023. The plan opposite shows the areas consulted on shaded orange along side the Phase 1 Beach Development Framework area shaded red. Phase 1 has been approved by Council and the first projects from this are progressing.

The consultation for Phase 2 was available online at the Council's [consultation hub](#), and posters were displayed locally with a freephone number to call. In addition, local businesses were visited to ensure they were aware of the consultation and of progress with Phase 1 plans.

Relevant stakeholders received an email and where requested, follow up meetings were arranged. The Council's communications team issued a press release and promoted the consultation on social media. **675 responses were received to the consultation.**

Engagement Scope & Scale

The consultation was undertaken to better understand how people currently use the spaces shaded orange, what they like about them and what, if any, improvements they would like to see to these areas.

Consultation Summary

For the area to the north, the **most popular reasons for visiting are:**

- access the beach & sea
- use of promenade
- making use of the adjoining greenspaces

The **top three suggestions for improvement are to improve:**

- biodiversity
- improve access to beachfront
- improve footpaths

For the area to the south, The **most popular reasons for visiting are:**

- access to the beach/sea,
- using the promenade,
- the café/foodtruck and leisure facilities.

The **top three suggestions for improvement:**

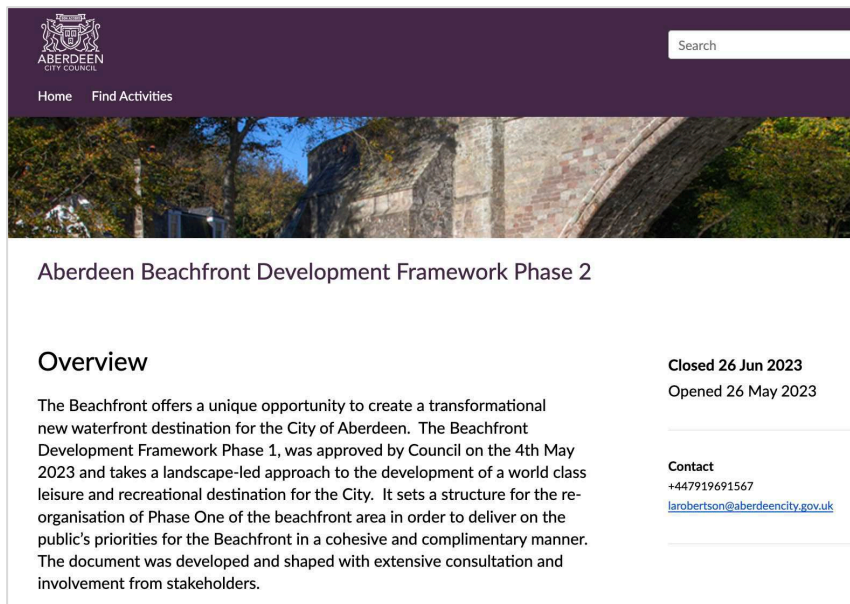
- make more of the street trading environment
- improve access to the beachfront
- improved seating



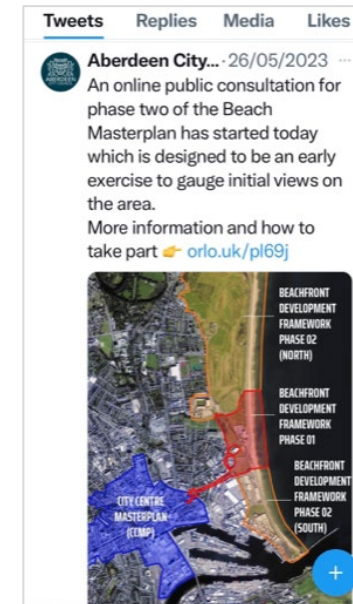
Promoting the Consultation



Poster displayed locally



Consultation Hub



Press release & Social Media



Local businesses visited

Promoting the Consultation

Stakeholders Contacted

The table opposite summarises recent contact.

Castlehill & Pittodrie Community Council	Email 31/5 offering to meet. Follow up email 20/6
Seaton & Linksfield Community Council	Email 31/5 offering to meet
Footdee Community Trust	Email 31/5 offering to meet. Follow up email 15/6 and F Robertson met members of committee informally on 15/6
ACTUP	Attended ACTUP meeting on 8/6
AWSG	Email 31/5 offering to meet
Aberdeen Surf Lifesaving Club	CC Innes and C McArthur met 28/6
Aberdeen Inspired	Update given to interested businesses 15/6
Aberdeen Harbour Board	Email 31/5 offering to meet. Met on 3/7 with Craig Innes
DEP	Stage 2 designs presented by design team on 23/5 and Stage 3 on 14/8 (rearranged from 31/7)
Neighbours	
Transition Extreme	Email 31/5 offering to meet. Follow up meeting to be arranged / Meeting to review updated plans w/c 21/8
Science Museum	Email 31/5 offering to meet
Cadonas	Email 31/5 offering to meet. Met 20/6 and a follow up meeting to be arranged / Meeting to review updated plans w/c 21/8
Café owners and food trucks (see below)	Visited on 12/6 and 15/6
Retail Park	Email 31/5 offering to meet
Others	
Sport Aberdeen (Alasdair Robertson)	TBC
Chamber of Commerce (craig will pick up with R Borthwick)	TBC
Stakeholder Forum	TBC
Café's/Food Trucks visited	
Beach Ballroom	Poster given
Innoflate	Poster given
Promenade fish and chips	Poster given
Buzz Gelato	Poster given
Pavilion Café	Poster given
Inversnecky Café	Poster given
The Pier	Poster given
Cartoos	Poster given
Barking Mad	Poster given
Turkish Kitchen	Poster given
Food Trucks	
The highland cafe bus	Poster given
Little Molly's Cheesecakes	Poster given
LA Sunny Food	Poster given
Project Pizza	Poster given
Cairn	Poster given
Toots @ the Beach	Poster given
Foodstory	Poster given

2.0 Summary of consultation

Summary - Area to North (Accommodation Road to River Don)

The following table summarises the key outputs

Question	Summary Output
Q1 What is your relationship with this area of the Beachfront?	<ul style="list-style-type: none"> Whether local or wider resident, business or visitor - this area is used for walking, cycling, family recreation time, walking the dog, and used by surfers and swimmers. People visit to enjoy the beach and its wildlife and biodiversity - some just enjoying a drive and a sit in the car to the more extreme pastimes. Others use the area for parking to visit other local attractions or for football matches
Q2 Do you visit this area of the Beachfront at present?	<ul style="list-style-type: none"> Yes 94% No 6%
Q3 If you visit this area, how do you currently get there?	<ul style="list-style-type: none"> 59% of people drive to the beach. Some do use car or bus for part of their journey and continue on foot or bike. Some are accessing for walking / running
Q4 What do you like most about this area?	<ul style="list-style-type: none"> The most popular reasons for visiting are to access the beach and the promenade and making use of the adjoining greenspaces / Donmouth Nature Reserve.
Q5 What would improve this area?	<ul style="list-style-type: none"> The top three suggestions for improvement are to improve biodiversity, improve access to beachfront and improve footpaths.
Q6 Other comments	<ul style="list-style-type: none"> Access by vehicle seen as important by many - Road layout and access need addressed - clearer lane definition / issues around speeding vehicles It's a valued area of the city and should be better looked after The natural green spaces and the views are both important parts of the landscape. Kings Links Golf Course is an under-utilised asset / some views stating that it should be removed and replaced with facilities for all Visiting needs to be a positive and enjoyable experience, with lots of places to sit outside, have a meal or coffee Consider nightlife options through use of scenic outdoor lighting and balance outdoor/indoor options for people Sports and Leisure facilities - area could be developed as world class Access to and from surrounding areas important - e.g., links to Donmouth Activities, things to do and see for ALL ages.

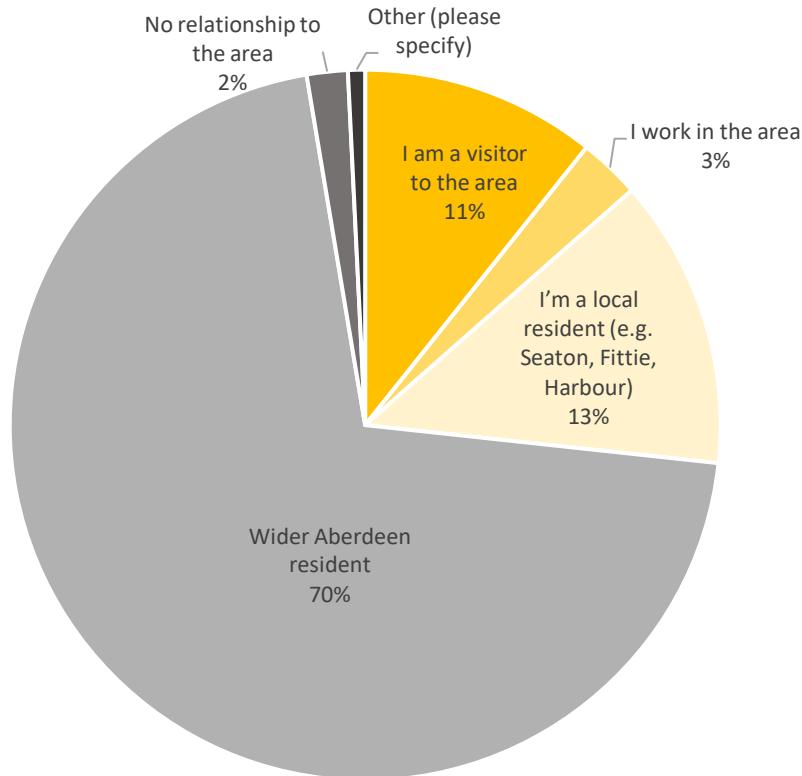
Summary - Area to South (Codona's to River Dee)

The following table summarises the key outputs

Question	Summary Output
Q1 What is your relationship with this area of the Beachfront?	<ul style="list-style-type: none"> • People visit to enjoy the beach, to walk or partake in water sports, or just to sit and relax • It's a great place to watch the boats and the dolphins and the people on the beach.
Q2 Do you visit this area of the Beachfront at present?	<ul style="list-style-type: none"> • Yes 96% • No 4%
Q3 If you visit this area, how do you currently get there?	<ul style="list-style-type: none"> • 62% currently drive to the Beach • Some use car or bus for part of their journey and continue on foot or bike. • Some are accessing for walking / running.
Q4 What do you like most about this area?	<ul style="list-style-type: none"> • The most popular reasons for visiting are access to the beach, using the promenade and the café/leisure facilities & Street traders (food trucks etc.)
Q5 What would improve this area?	<ul style="list-style-type: none"> • The top three suggestions for improvement are make more of the street trading environment, improve access to the beachfront and improved seating.
Q6 Other comments	<ul style="list-style-type: none"> • Access by vehicle seen as important by many • It's a much loved and valued area of the city and should be better looked after. • Area is looking very tired as general maintenance has been neglected over recent years - resulting in accessibility issues. • Make it fun and cater for all ages and abilities. Make it a place for locals to be proud of and tourists to love and be envious of. • General view would be for buildings to be more in keeping with Beachfront destination - Food outlets, the promenade, seating, wildlife habitats, surf school and traditional beachfront venues like Codonas are in keeping. Retail parks, football stadiums, ice rinks etc. are not. • Concerns on budget spend - other more pressing areas within city. • Need to consider impact upon the economy vs. the money expended (including that required for ongoing maintenance). Aberdeen does not have significant tourist accommodation to catalyst visitors to the beachfront which is likely to limit any associated economic gain. • Access to and from surrounding areas important - e.g., Torry, St Fitticks / Wider connections via public transport (train, bus, tram)

3.0 Output - Area to North (Accommodation Road to River Don)

Q1 What is your relationship with this area of the Beachfront?



Summary

Whether local or wider resident, business or visitor - this area is used for walking, cycling, family recreation time, walking the dog, and used by surfers and swimmers.

People visit to enjoy the beach and its wildlife and biodiversity - some just enjoying a drive and a sit in the car to the more extreme pastimes.

Others use the area for parking to visit other local attractions or for football matches

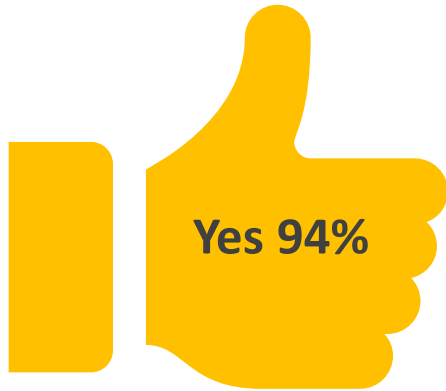
As a child I stayed near the beach and visited the beach , original beach baths, Broad hill, cafes, carnival, Fittie, Bridge of Don river mouth, Beach Ballroom etc the 50/60's atmosphere was brilliant.

I still regularly visit the beach area - **the atmosphere is different but still very good and very popular.** I'm concerned that the council are maybe trying to over develop an already popular area with new ideas!

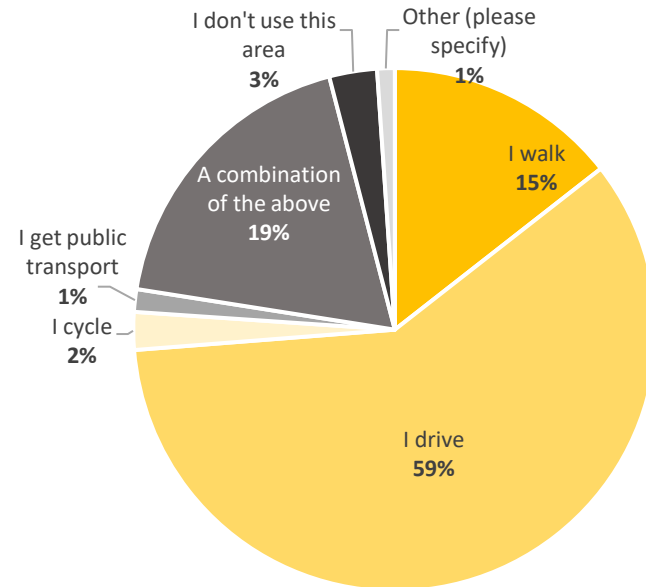
I live in the city but **regularly use the beachfront area recreationally with my family** - walking our dog, walking with my husband and children.

Historically my children have used and very much enjoyed the facilities at the beach leisure and ice-skating rink, and my daughter climbs weekly at Transition Extreme so we are regular users of this area.

Q2 Do you visit this area of the Beachfront at present?



Q3 If you visit this area, how do you currently get there?



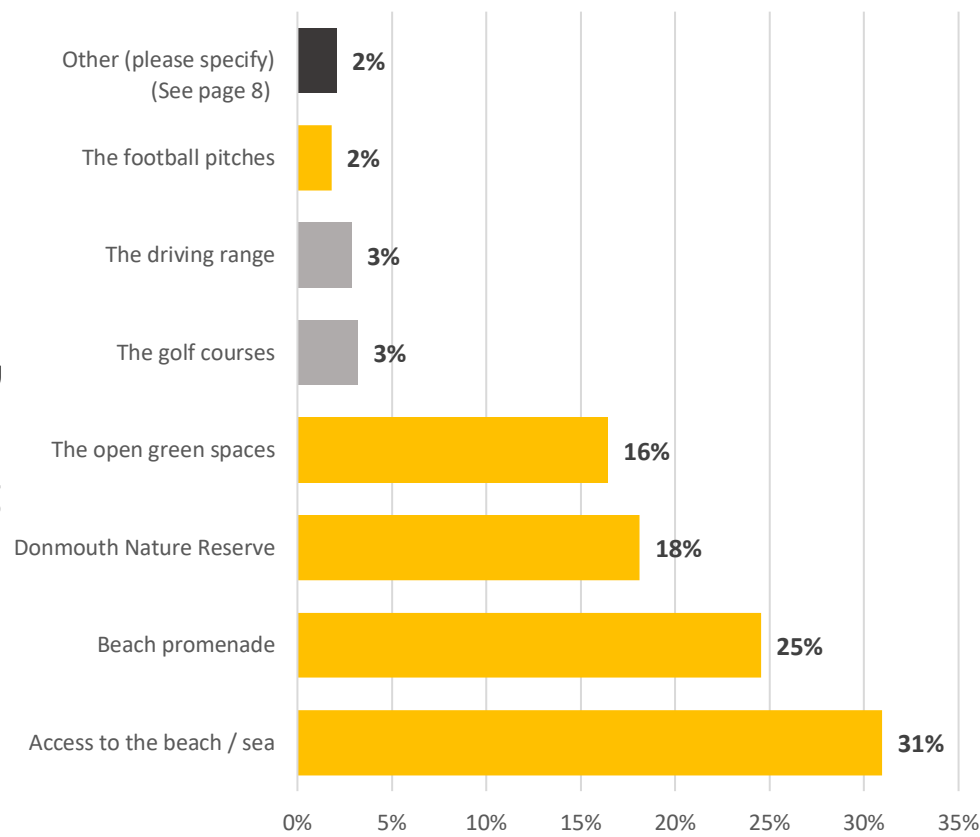
Summary

Generally, when accessing the area, **people will use one or another mode depending on reason for visit.**

Some do use car or bus for part of their journey and continue on foot or bike.

Some are accessing for walking / running and will either walk, run, bus or drive to the area.

Q4 What do you like most about this area?



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The Donmouth Nature Reserve is so important to many types of wildlife & must be protected from unnecessary building or development disturbing the area. Nothing needs done, except maybe some extra hides for bird watching.

The whole Beach Promenade needs protected from unnecessary building & development. Already too much has been interfered with.

The wide-open green space makes a great view to the City, also important for wildlife & people using it for various activities.

I love the beach and would love is to be more cosmopolitan and bustling. Businesses such as bars, cafes and shops. Would love it to be accessible in way other than cars.

The unrestricted promenade which should be maintained in good condition, grass areas cut etc.

I like all aspects of this area. It is a lovely green space with great access for all residents. Great for walking, cycling and access to the beach.

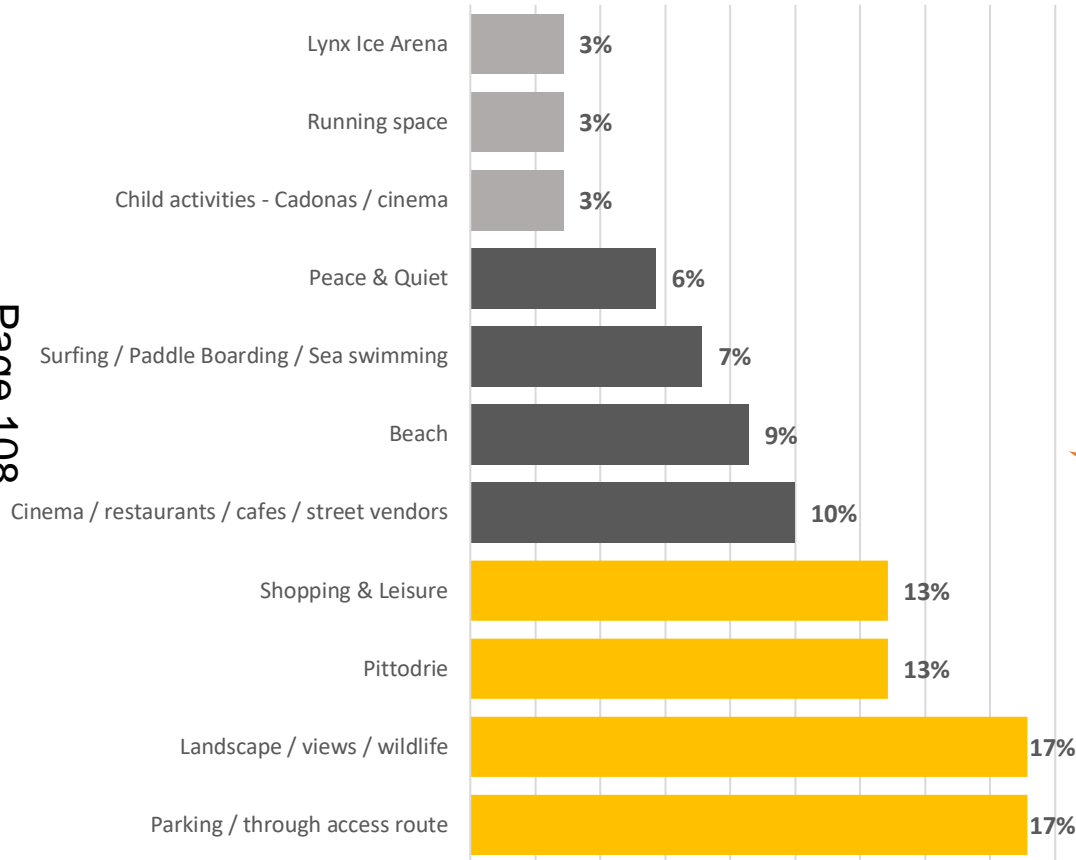
People who have vehicles need to continue to have access to the beach promenade as well because if cars are banned from this area it will just put people off from coming down to the beach area and they would go elsewhere, myself included.

Access to the beach, however the ramps and stairs need major upgrades. Huge sections of the beach are inaccessible if you walk on the beach due to the height of ramps and erosion of sand.

Output - Area to North (Accommodation Road to River Don)

Q4 What do you like most about this area? Other Reasons....

Area to North (to River Don) - What do you like most about this area? - Other reasons



The beachfront itself lacks facilities for people to simply take a walk. It should be a wider area for all to enjoy.

The road takes too much of the space, and the north part of the sea lacks spaces for restaurants and facilities in general, such as toilets.

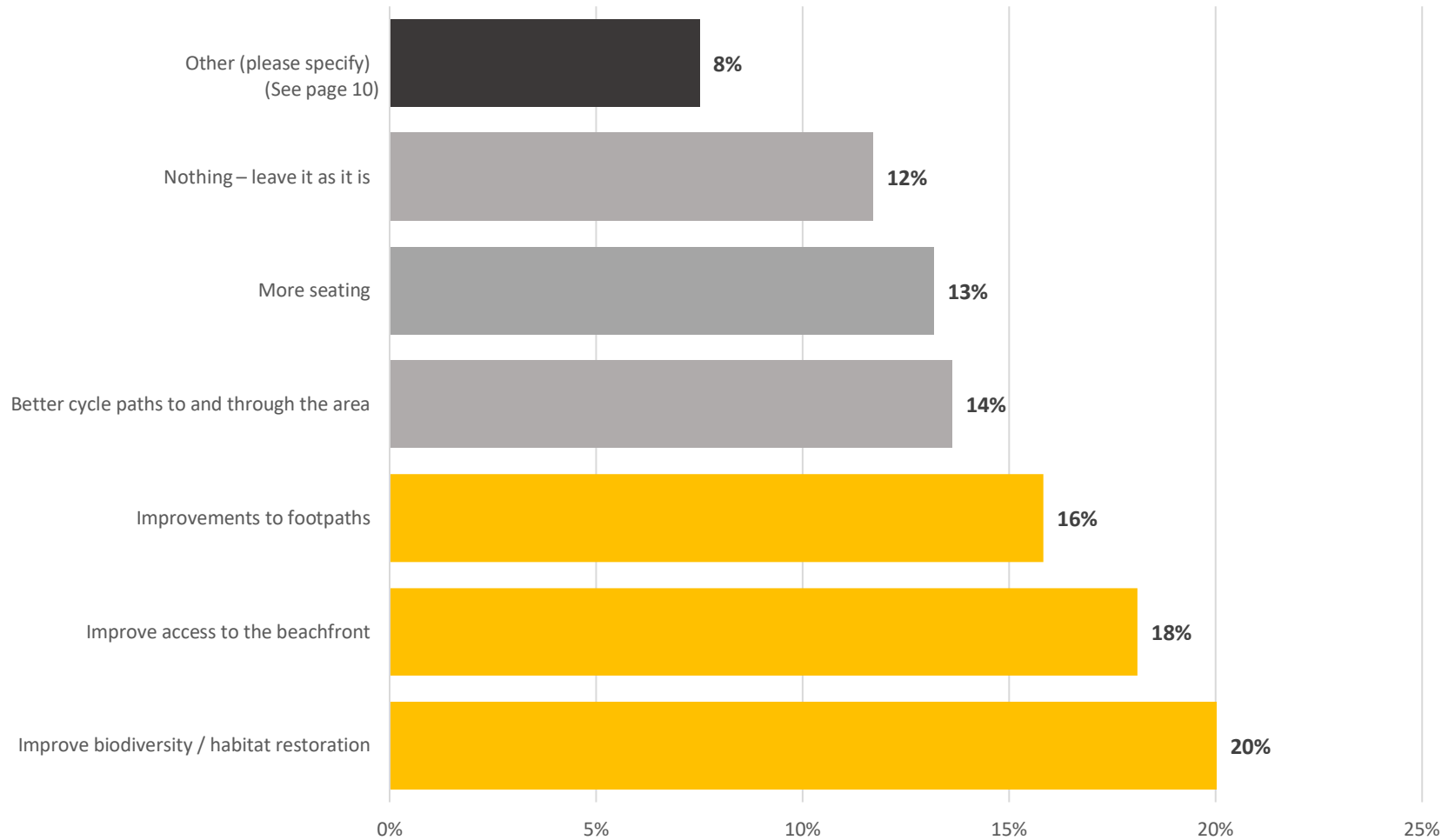
It should be improved for people that do not necessarily want to come by car, have infrastructure favoring both pedestrians and bikes.

The area has lots of potential with already good links to the beach and long stretches of wide paths at different levels for walking and cycling.

It's a nice area to walk, but there is a complete lack of scenery to look at once you pass the beach ballroom. The place needs some trees, fountains, some points of interest.

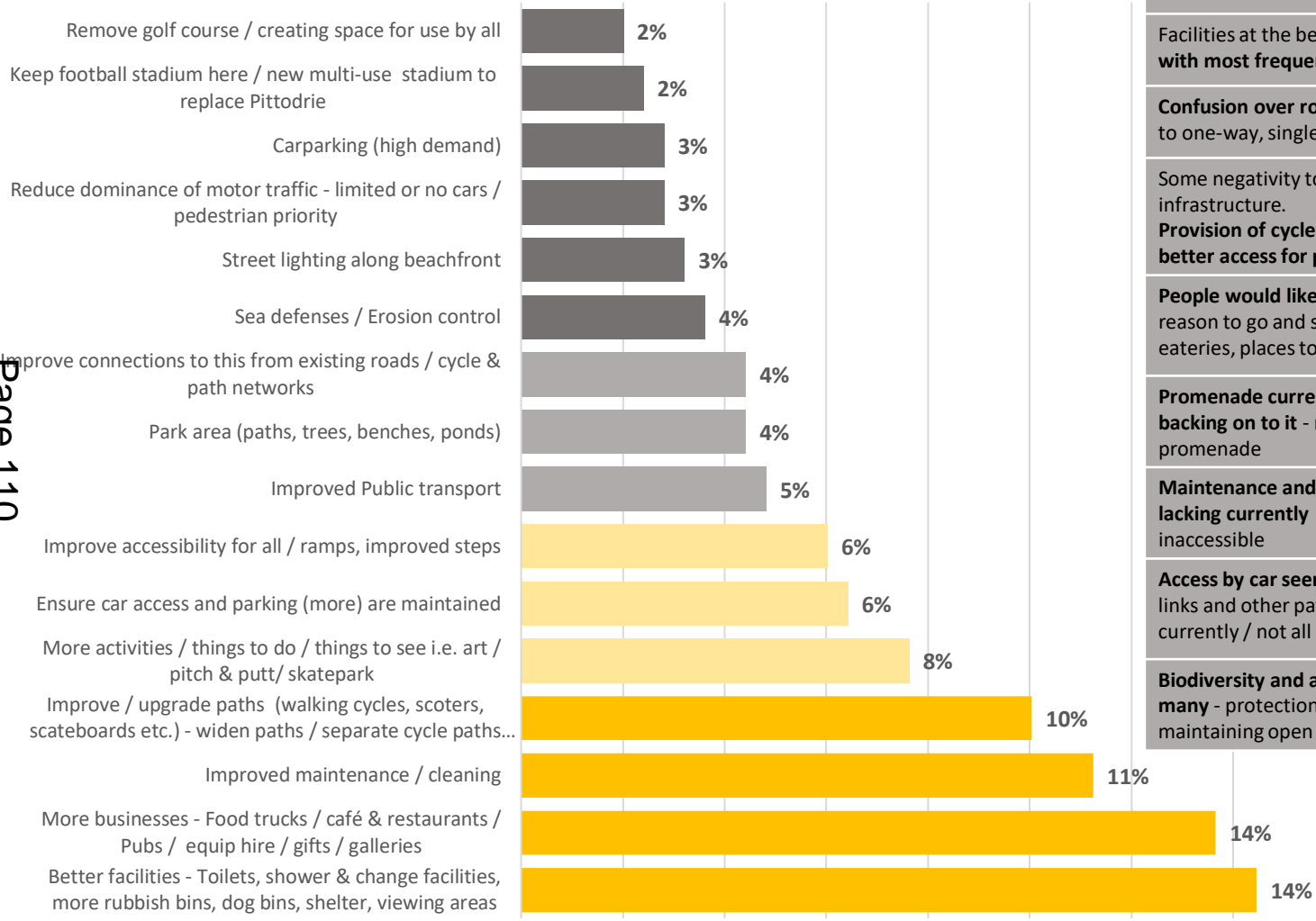
Aberdeen already has over 10 golf courses. This area should be made into a nice forest park, with play areas and for sunny outdoor cafes.

Q5 What would improve this area?



Output - Area to North (Accommodation Road to River Don)

Q5 What would improve this area? Other comments



Notes / Summary:

In relation to facilities, **people commented on dog free areas on beach / increase in dog bins**

Facilities at the beach - **toilets and bins mentioned with most frequency**

Confusion over road layout at present - decision as to one-way, single file, dual lane required

Some negativity towards provision of cycle infrastructure.
Provision of cycle infrastructure at high level / better access for pedestrians at lower level

People would like to see life brought to the area, a reason to go and spend more time there, cafes, eateries, places to rest and enjoy the scenery

Promenade currently undesirable with buildings backing on to it - need to make more of the promenade

Maintenance and cleaning are factors seen as lacking currently / sand on walkways making them inaccessible

Access by car seen as important - public transport links and other path / cycle networks in adequate currently / not all can access without a car

Biodiversity and access to wildlife are important to many - protection of this is paramount, whilst maintaining open views of both coast and the City.

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Q6 Other comments

High level summary:

Access by vehicle seen as important by many - Road layout and access need addressed - clearer lane definition / issues around speeding vehicles

It's a **valued area of the city and should be better looked after**

The **natural green spaces and the views are both important parts of the landscape.**

Kings Links Golf Course is an under-utilised asset / some views stating that it should be removed and replaced with facilities for all

Visiting needs to be a positive and enjoyable experience, with lots of places to sit outside, have a meal or coffee

Consider nightlife options through use of scenic outdoor lighting and balance outdoor/indoor options for people

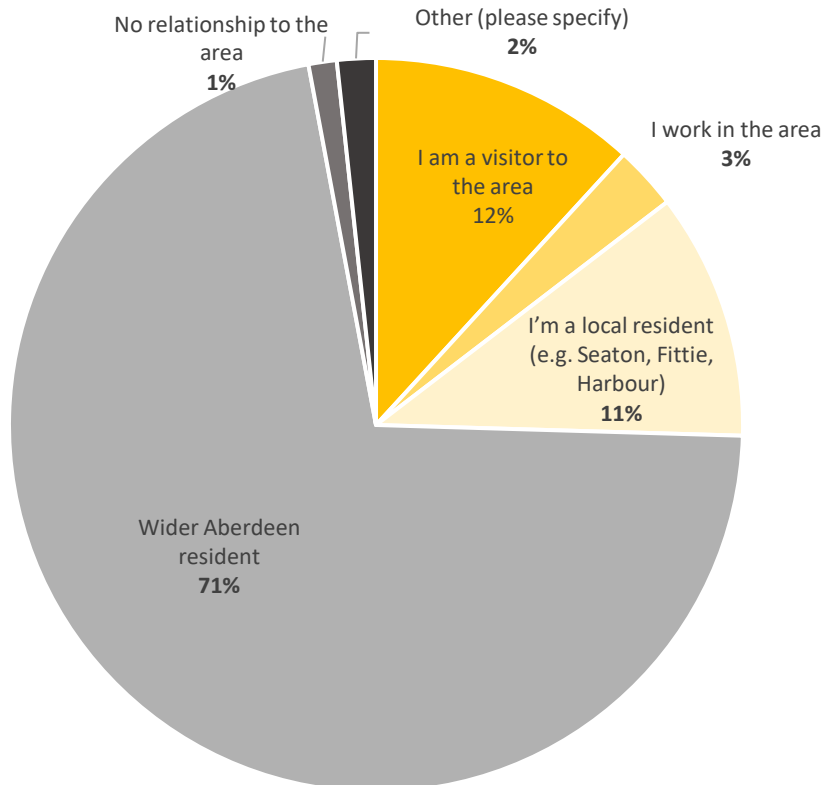
Sports and Leisure facilities - area could be **developed as world class**

Access to and from surrounding areas important - e.g. links to Donmouth

Activities, things to do and see for ALL ages.

4.0 Output - Area to South (Codona's to River Dee)

Q1 What is your relationship with this area of the Beachfront?



Summary

People visit to enjoy the beach, to walk or partake in water sports, or just to sit and relax - It's a great place to watch the boats and the dolphins and the people on the beach.

Feel a deep connection with Aberdeen beach, grew up going there regularly.

Grandfather opened the first cafes on the Promenade selling ice creams & teas.

Father took over, I enjoyed all my special time on / at the beach when young, then working with the family there. I want to protect the Promenade area from unnecessary building projects.

Where better to watch the Sunrise?

Swim Free Aberdeen experienced swimmers use length of beach over summer, but majority of users stick to Fittie end which is significantly safer for swimming or dipping due to the protection of the harbour wall.

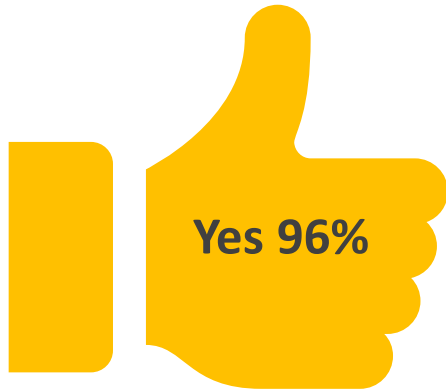
There is a vibrant, friendly, much-loved community of water users (including swimmers, surfers, paddle boarders, hydrofoilers at Fittie.

I live in Bridge of Don and regularly drive to the Donmouth entrance and walk the length of the beach to Fittie and back, which usually involves grabbing something to eat/drink in this area.

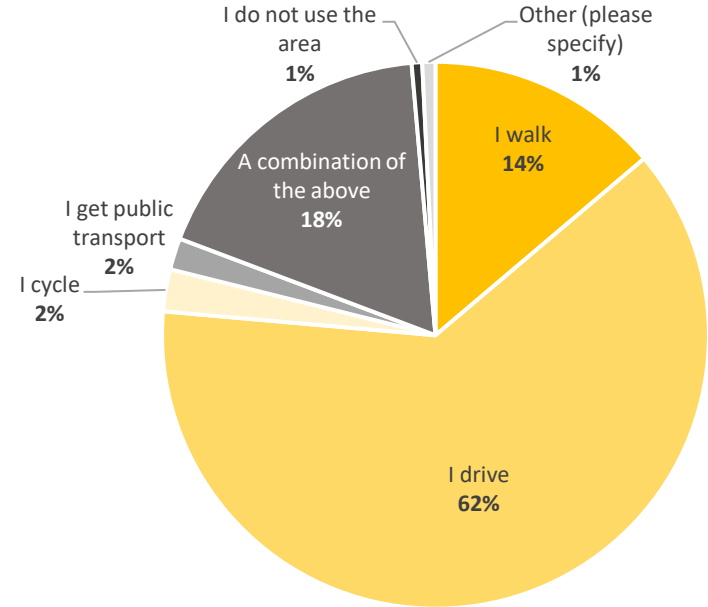
The roads could be doing with being opened fully again to help with the flow of traffic.

Do not close it to traffic or you are preventing all of us accessing what is currently one of the few free pleasures left.

Q2 Do you visit this area of the Beachfront at present?



Q3 If you visit this area, how do you currently get there?



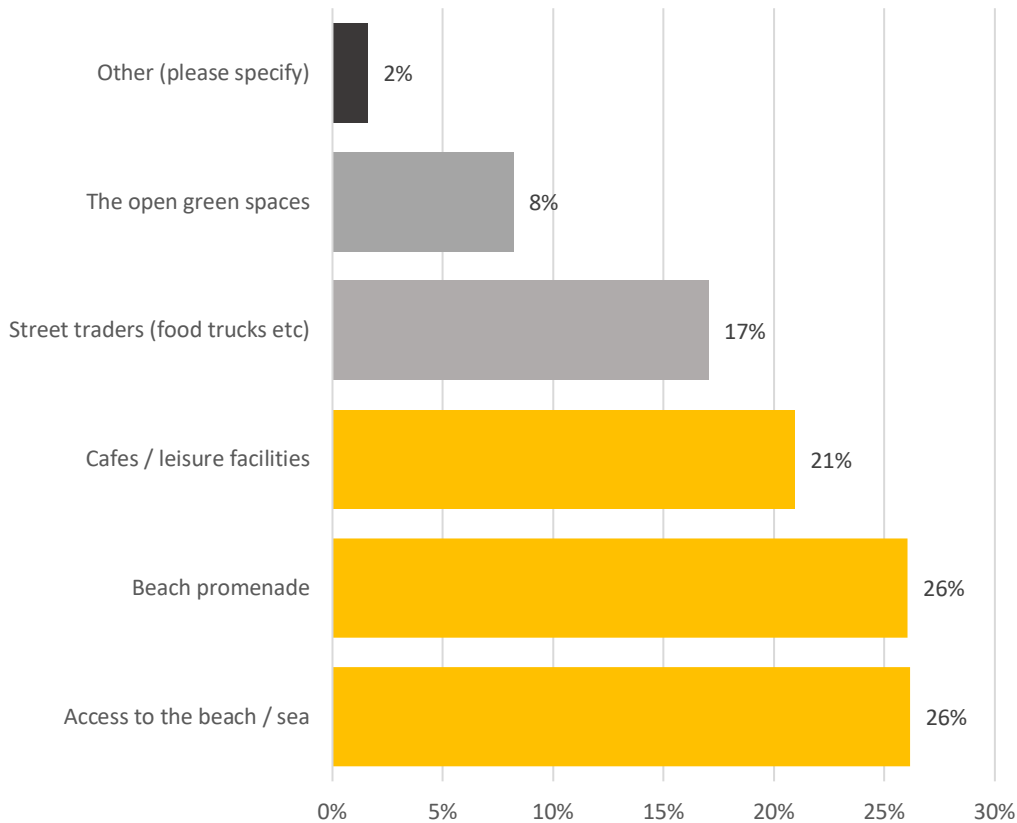
Summary

Generally, when accessing the area, **people will use one or another mode depending on reason for visit.**

Some do use car or bus for part of their journey and continue on foot or bike.

Some are accessing for walking / running and will either walk, run, bus or drive to the area.

Q4 What do you like most about this area?



I like to go to a number of the restaurants in this area. I do not have the same concerns as expressed above with future parking restrictions - **although I am sure any person with walking restrictions would have difficulty.**

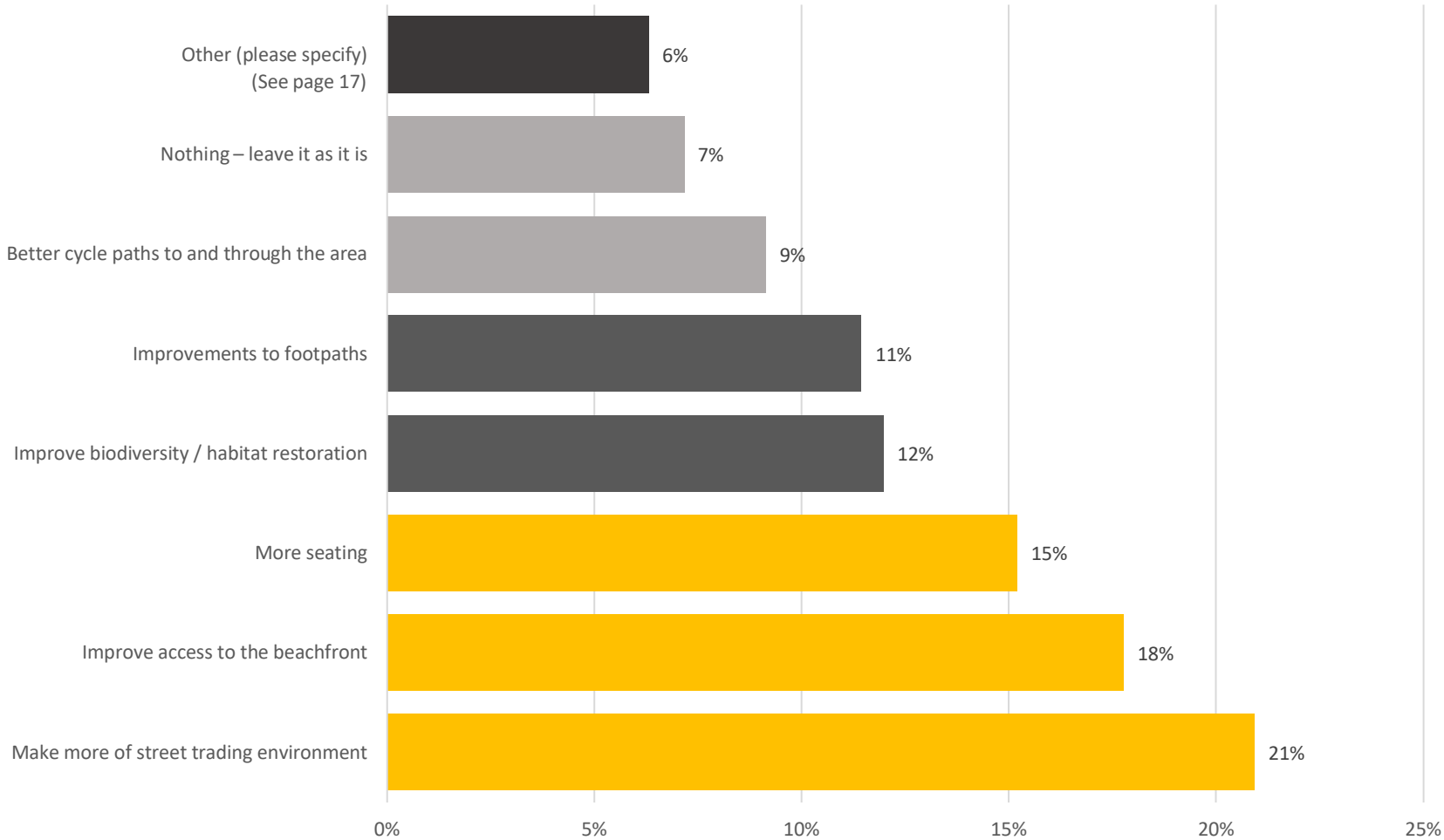
I go sometimes there to drink a coffee and walk around Fittie

I regularly surf in this area and visit to walk on the beach. This is the main area where Aberdeen surf lifesaving club trains (4x per week)

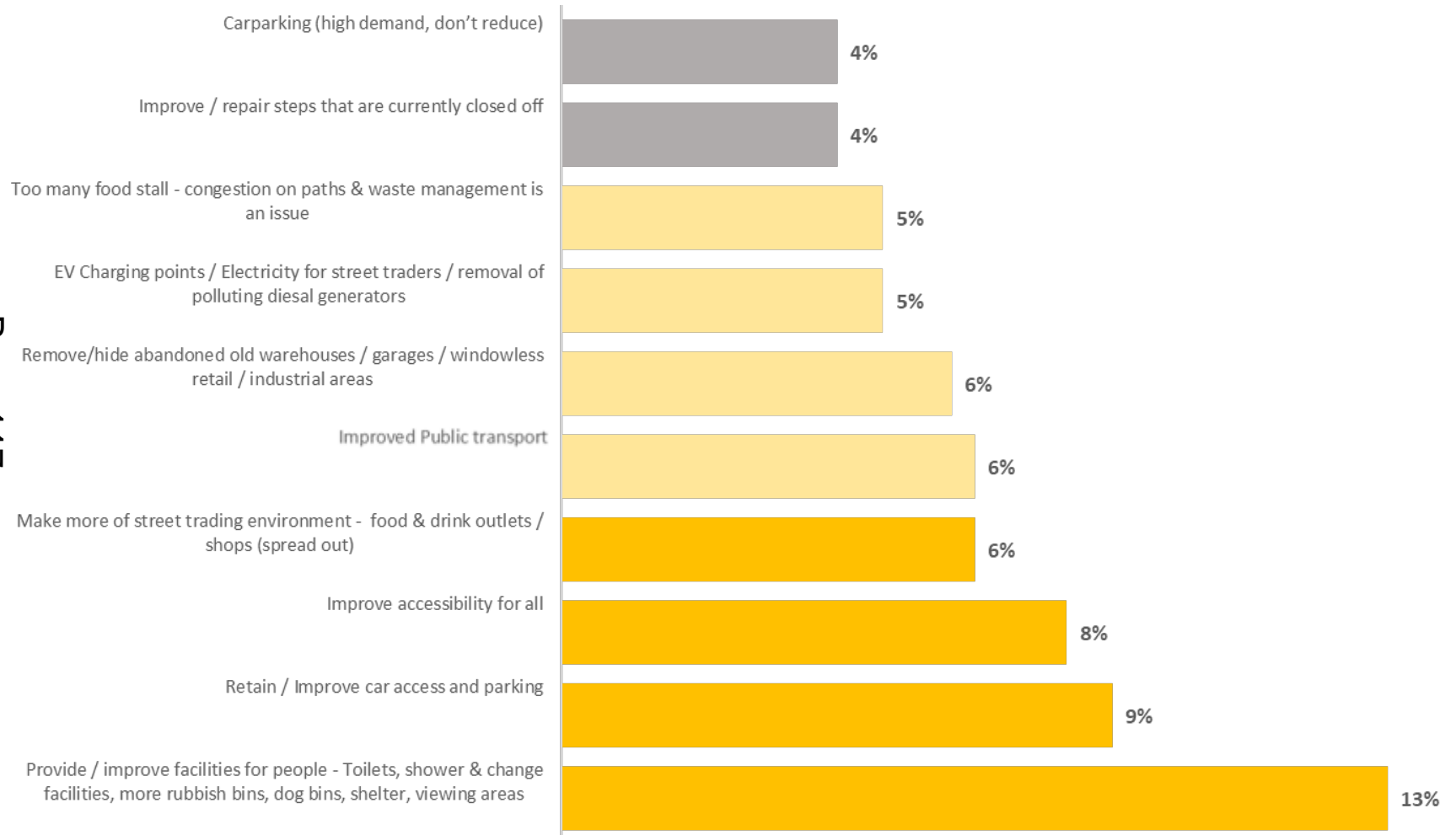
Cinema, shopping, eating, entertainment and enjoying natural parts of area.

I like to walk along the beach and get a coffee while I take in the beach surroundings.

Q5 What would improve this area?

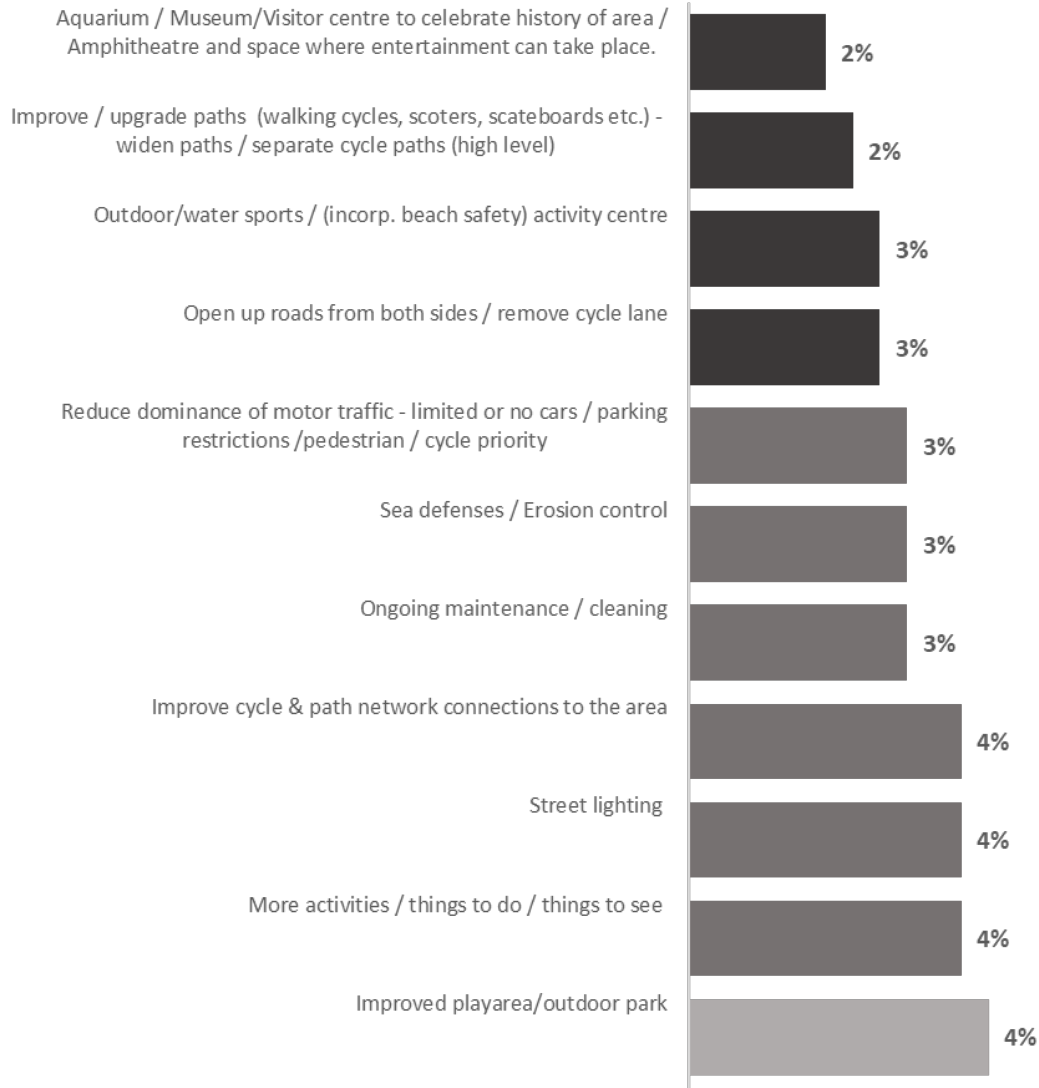


**Q5 What would improve this area?
Other comments (top 10)**



Q5 What would improve this area?

Other comments



Notes / Summary:

Generally, **people do like and enjoy this area of the beach and would hate to lose it as it has become a vibrant, bohemian place with surfers, pop up cafes, etc.**

There is a **general concern around the look and feel of the area, its tired looking and neglected in parts, and large industrial style architecture which is not in keeping with beach boulevard.**

Consideration should be given to the type of businesses at the beach front, as large supermarket chains and food retail outlets not in keeping.

In relation to facilities - **toilets, change facilities for water users and bins mentioned with most frequency. People commented on dog free areas on beach / increase in dog bins**

Access by car and ability to park important - provision of dedicated (Free) parking on industrial wasteland.

Public transport links and other path / cycle networks inadequate currently / not all can access without a car

Maintenance and cleaning are factors seen as lacking currently. Repairs required to stairs, and defenses to improve access for all.

Issues around lorries and camper vans parking up in the area - provision of dedicated area with facilities to be considered

Connections to the beach area are important - people want to be able to get to the area with ease, whether that is by car, bike, or on foot.

Q6 Other comments

High level summary:

Access by vehicle seen as important by many

It's a much loved and valued area of the city and should be better looked after.

Area is looking very tired as general maintenance has been neglected over recent years - resulting in accessibility issues.

Make it fun and cater for all ages and abilities. Make it a place for locals to be proud of and tourists to love and be envious of.

General view would be for **buildings to be more in keeping with Beachfront destination** - Food outlets, the promenade, seating, wildlife habitats, surf school and traditional beachfront venues like Codonas are in keeping. Retail parks, football stadiums, ice rinks etc are not.

Concerns on budget spend - other more pressing areas within city.

Access to and from surrounding areas important - e.g., Torry, St Fitticks / Wider connections via public transport (train, bus, tram)

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23rd August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Beachfront Public Realm Progress Report – Beach Park, Events Park and Broadhill
REPORT NUMBER	COM/23/270
DIRECTOR	Steven Whyte/Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Craig Innes
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 This report provides Council with updates on delivery of the Beachfront medium-term interventions (Beach Park, Events Park and Broadhill).

2. RECOMMENDATIONS

- 2.1 Note the update from the Chief Officer – Commercial & Procurement on progress of the medium-term interventions: Beach Park, Events Park and Broadhill, and approve the Final Business Case in Appendix D.
- 2.2 Instruct the Chief Officer – Commercial & Procurement to proceed with the appointment of Hub North Scotland to deliver the Beachfront medium-term interventions, and to report progress to the Finance and Resources Committee on a 6 monthly basis from the date of this report.
- 2.3 Instruct the Chief Officer - Commercial & Procurement to liaise with Aberdeen Health and Determinants Research Collaboration (AHDRC) to explore possible options for additional evaluation of the social and health and wellbeing impacts of the project and report back to Committee within the first year of the Beach Park, Events Park and Broadhill projects being operational,

3. CURRENT SITUATION

- 3.1 An Outline Business Case (OBC) on the medium-term interventions was approved by Council on 14th of December 2022, and an instruction given to Officers to progress with the development of a Full Business Case (FBC) for presentation to this Council meeting. A Development Framework for Phase 1 of the Beach area was approved by Council in May 2023 and sets out the Council's Vision to revitalize and renew Aberdeen's beachfront to maximise the potential of this unique space and create an exceptional asset for the city.

Beach Park

- 3.2 Members should note that the Beach Park was referred to as the “Urban Park” in previous documentation. The name change avoids confusion with other developments within the wider City Centre Masterplan.
- 3.3 The main features of the Beach Park include a Play Park, Sports Area/Pump Track, Gateway Building, Hub Building, and Canopy Features. Visual representations of the main features of the Beach Park are shown in Appendix B.
- 3.4 The Core Play Park will provide a significantly sized outdoor destination within the unique beachfront context. The Core Play Park is part of the wider landscape masterplan and importantly facilitates connections back to the city centre. The Core Play Park will create a focus for activity and will act as a key ‘gateway’ into the wider park and the beach. Focused participative workshops with children and young people have been a key factor in shaping the core play area and defining the activities within. Hundreds of children, including specialist sessions for those with Additional Support Needs (ASN), have taken part to date, and it will be important to maintain this engagement as the project moves from stage to stage. The seaside location and the rope factory that was once located to the south of the site have both been key inspirations that have helped shape the design of the play area. A report on the consultation undertaken with children and young people on the Beach Park / Core Play Park to date is presented at Appendix C.
- 3.5 In conjunction with youth engagement exercises, the core play area has been broken down into four main character or themed areas. These are:
- The Sports Zone
 - The Adventure Zone
 - The Woodland Zone
 - The Coastal Zone
- 3.6 Throughout all these zones the Rope Strands create feature routes which promote exploration and interaction between the core play and the themed zones.
- 3.7 Sitting within the Adventure Zone at the centre of the park is the Rope Factory, a large-scale bespoke play structure which will become an iconic element within the park and an attraction of national significance. The idea for this iconic piece of play has evolved out of workshops with the youth groups and schools.

Events Park

- 3.8 The Events Park is an area of approximately 2.5 hectares and is intended as a flexible space capable of holding events including festivals, larger concerts and gatherings. The Field will be the central focus of this area, semi-enclosed by woodland planting, providing definition and increased shelter. This area will have direct visual and physical links to the main pedestrian spine and the core play area, with other key routes through woodland to surrounding communities and beachfront facilities.
- 3.9 The Field creates a large flexible open space within the park which can be used for events but which also allows day to day use as an informal space. The open character provides a contrast to the more active Core Play area which sits across the Beach Boulevard. The Field covers a total area of 1 Hectare. It is approximately

100m wide and 154m long. Surfacing is intended to withstand events and events traffic. The Field design includes:

- Suitable sub-base to take vehicular traffic
- Adequate drainage
- An advanced reinforced turf system
- Asphalt paths
- Street furniture, bins, benches, power and water

3.10 Planting will comprise advanced reinforced turf for main events field area and pine trees to provide a suitable interface with the Amphitheatre area.

Broadhill

3.11 The Broadhill is approximately 5 hectares of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broadhill is to enhance the natural environment of this distinctive feature in the beach area. This will be achieved through additional planting, furthering the diversity of habitat and ecological value. An ecological and arboricultural assessment will be undertaken in order to better understand the existing environment, so that an informed decision can be made on what natural mechanisms and approaches can be utilised to enhance the biodiversity of this special place. Access on Broadhill will be enhanced by upgrading the existing path network through resurfacing and management.

3.12 There is an extensive network of formal and informal paths on Broadhill, and it is not intended to introduce or change this network in any significant way. The aim will be to improve the existing surfaces in an appropriate manner in the first instance and allow careful management thereafter. A number of vantage and key arrival points will be enhanced with viewing platforms, seating areas and enhanced interpretation and wayfinding.

3.13 Geotechnical investigations, including boreholes, trial pits, insitu-testing and laboratory testing have been undertaken across the Beach Park, Events Park and the Broadhill.

Selection of the Tier One Contractor

3.14 It is recommended that Robertson Construction be formally appointed through the Council by Hub North Scotland Ltd to construct the medium-term interventions described herein.

3.15 The procurement of Robertson Construction has been undertaken in accordance with Hub's Ongoing Partnering and Project Development Method Statements.

3.16 Council Officers in conjunction with Hub North Scotland have been responsible for the management of the Tier 1 Building Contractor through a two step tendering process.

3.17 This early procurement was undertaken in order to bring to the project development process the chosen contractors expertise in:

- Construction Methodology and Buildability Analysis.
- Construction Detail and Interface Management.
- Planning and Programming.
- Product and Procurement.
- Pricing and Estimating.
- Value Management and Value Engineering.
- Risk Management.

3.18 The contractor has enhanced the value for money of the projects by improving the design, delivering value-managed cost efficiencies, and potentially reducing the construction programme, allowing attendant preliminaries savings. Furthermore, the early contractor selection has provided its buy-in to the initial cost estimates and affordability envelope.

3.19 To provide transparency on costs, each of the tenderers was required to price its input to separately identify: profit, overheads, risk allowances and preliminaries costs to demonstrate best value for money and the ability to commit to a firm fixed price.

Programme

3.20 The planned programme for construction is to commence works on site in early 2024, with a planned construction duration of under 2 years. A summary of the phasing of the works is included in the table below.

Public Realm Phase A – Construction Phasing/Timeline Summary	Planned Start	Planned Finish
Phase A utility service diversions (Advance Work)	Q4 2023	Q3 2024
Beach park / core play	Q1/Q2 2024	Q4 2025
Events Park	Q2/Q3 2024	Q3 2025
Broadhill Interventions	Q3/Q4 2024	Q3 2025

Community Benefits/Local Partnerships

3.21 A series of SMART Objectives have been developed for the wider programme and include the following criteria which must be met by the Tier 1 Construction Partner:

- 20-30% of the net Construction Costs will be for local materials.
- 50% Local labour will be employed on the project.

3.22 Community Benefit Requirements Relating to the Project

Benefit Description	Quantity
1.1 Jobs Created by the Project (Apprenticeships)	66+ apprentices
1.2 Work Experience (Placements) (5 days – 6 weeks)	62+ placements
1.3 Developing the Workforce	100+ outcomes
1.4 School Engagement Activities (focus on construction sector, STEM, gender/gender pay gaps and disability)	10+ activities
1.5 (a) Further and Higher Education Engagement Activities (focus on construction sector, STEM gender/gender pay gaps and disability)	10+ activities
1.5 (b) Graduate/Undergraduate/FE/HE Placement Opportunities	10+ placement opportunities
1.6 Employability engagement activities	10+ activities
1.7 Vacancy Sharing (including wider supply chain)	1 outcome – all vacancies to be shared
2 Communities, Community Groups, and Community Projects (i) hours professional or practical support/general volunteering + ii) donation of new/surplus equipment or materials and/or financial offers) e.g: improve community cohesion or open spaces near to the development, digital inclusion or projects looking to initiate and implement circular economy, fuel poverty or climate literacy initiatives in Aberdeen’s communities	2 outcomes, broken down as: i) 400+ hours ii) donations

3 Local Economic Development Measures (Duty to Report) (creative measures to ensure inclusive participation of local SMEs/Local 3 rd sector + reporting on work packages awarded locally, Main Contractor + wider supply chain)	1 outcome – ongoing reporting throughout the project
4.1 Environmental Wellbeing, Carbon Reduction and Climate Literacy (Annual Report of credentials and improvements Co-operation, collaboration with bodies such as SCARF + exploration of Net Zero Toolkit)	1 outcome – ongoing reporting throughout the project
4.2 Environmental Measures (Fuel Poverty & Climate Literacy) – participation in activities concerned with consumer fuel poverty and business climate literacy in Aberdeen...savings to business community + cascade of sustainable good practice)	10+ outcomes
5 Duty to report on Fair Work Practices	1 outcome
6 Duty to report on prompt payment in the Supply Chain. For example, specify current payment performance and report on annual payment performance	1 outcome - ongoing reporting throughout the project.
7 Promotion of Adoption and Fostering (cascade of Council message via payroll, digital etc to reach as many staff as possible)	10+ promotional materials to be shared as detailed
8 Case studies demonstrating positive outcomes as a result of the delivery of community benefits	5+ case studies
Total Community Benefit Outcomes	300+ outcome

- 3.23 In order to create a unique, socially progressive, commercially viable and self-sustaining operating model for the Hub building including café, it is envisaged that the optimum operating model will necessitate the establishment of a consortia of suitable, locally anchored, multi-disciplined social enterprises and 3rd sector organisations. It is thought that the resulting commercial opportunity will be mutually beneficial and complementary to emerging Community Wealth Building strategies and positively impact statutory duties including the Fairer Scotland Duty, Sustainable Procurement Duty and Public Sector Equality Duty.
- 3.24 Although the scope of the opportunity could ultimately become considerably broader, at this initial stage, there are thought to be particular opportunities in the following areas: employability and skills (particularly work experience and individuals furthest from the workplace), fair work, education and science, local

supply chain opportunities (e.g ingredients and services), disability employment gap, equalities/inclusion, circular economy/climate literacy, community cohesion and meaningfully addressing socio-economic challenges and disadvantage at a local level.

- 3.25 Through this initiative, these activities could support and amplify the Council's impact in these areas in conjunction with existing community planning partnerships, anti-poverty initiatives and local employability partnerships (e.g. ABZ Works), potentially reduce/avoid costs and improve the volume and quality of outcomes delivered in Aberdeen's communities.
- 3.26 In exchange for favourable lease terms, the consortia would be expected to assume all reasonable, associated repair and maintenance obligations of the Café/Hub and immediate outdoor vicinity e.g. general cleaning, maintenance, cleaning of public toilets, building maintenance/repairs/facilities management, insurance, utilities, business rates (if applicable), grass cutting, waste management, vandalism, litter etc. Council Officers will support the proposed venture in a variety of ways in addition to existing community benefit requirements e.g. community funds, professional support, extended or enhanced structural warranties, lifecycle costing initiatives etc. The 300+ Community Benefit outcomes relating to the project are summarised at paragraph 3.22.
- 3.27 According to Social Enterprise Scotland, there is firm evidence of interest, capability and capacity at a local level within the social enterprise sector and wider 3rd sector. Utilising community empowerment legislation, the opportunity to have free negotiations outside of a conventional competitive process is very much welcomed by the sector. The broad proposals are considered unique in terms of scale, scope and ambition in Scotland. The sector at a local and national level will potentially be able to leverage new funding from a variety of sources on a phased basis (e.g. National Lottery.) There are a variety of potential viable supplementary income streams aside from the operation of the café. A suitable longer-term lease would potentially allow the consortia to borrow against the asset. At this stage there is an appetite to explore the possibilities locally and Social Enterprise Scotland could begin to seek out interest with reference to ACVO (the local third sector interface) and ASEN (the local social enterprise network) to ensure there is complete inclusion of potential partners and stakeholders at a local level.

Planning

- 3.28 As has previously been reported to Council, whilst the public realm works and works to public roads within Phase A of the Beachfront do not require planning permission, the proposed buildings and architectural interventions will be the subject of future planning applications. There will be three separate Planning applications for the Phase A works: the Beach Park; the Events Park; the Beach Park access (parking). The application boundaries for the Beach Park and the Events Park will encompass the wider sites in question in order to provide design context, but it is only the buildings within that represent 'development' and require planning permission. The works included in all three applications will represent 'local developments' and do not require any formal Pre-Application Consultation; however, the Council will note that concept proposals for these areas are included within the Aberdeen Beachfront Development Framework Phase 1 which was

subject to extensive public consultation in September 2022.

- 3.29 A comprehensive package of design and supporting information to accompany the planning applications has been agreed with Council planning officers. This includes: plans, elevations and sections; Design Statement, providing design context and consistency with the Development Framework; landscape proposals; civil engineering details; Energy Strategy; lighting details; and, ecology/biodiversity information. These planning applications are programmed for submission in August 2023; and while there is a target determination period of two-months for such applications, there may be a requirement for these to be determined by the Planning Development Management Committee which could impact on timescales.

Traffic Management

- 3.30 SYSTRA have been appointed through Hub North and are working with the wider design team and ACC officers in supporting the delivery of the Beachfront Phase A works, ensuring the necessary roads approvals route is followed. This includes working with ACC officers on the approval route in which Beach Boulevard east of Links Road can be closed from Q1 2024 to facilitate Phase A works, while taking cognisance of the longer-term closure required to deliver Phase B. Further work has been progressed on matters relating to new off-street car parks, common requirements to both Phase A and Phase B, and on pedestrian access to the waterfront during Phase A works.
- 3.31 The scope of transport related support now includes the City Beach Connectivity Project (Justice Street, Beach Boulevard and Commerce Street / Beach Boulevard roundabout) as instructed by Council Committee in April 2023, ensuring a holistic approach for transport connections between the city and the beach, prioritising active and sustainable modes over movements by vehicular traffic.
- 3.32 As part of this holistic approach for transport connections, beyond the completion of an initial Inception & Scoping period, three further distinct stages have been identified to allow progression of the required transport measures from concept and strategy through to detailed design and delivery; these being the development of the Access Strategy, the Networks Development Strategy all informing the Detailed Design.

Stakeholder Engagement

- 3.33 An Engagement Strategy for the wider Aberdeen City Centre and Beach Masterplan has been prepared which will support ongoing design development and implementation of the Beachfront Concept Masterplan and Development Framework.
- 3.34 Specific engagement in relation to Beachfront medium-term interventions (Beach Park, Events Park and Broadhill) has been undertaken with a number of organisations and individuals including:
- Technical Stakeholders such as statutory consultees and regulatory bodies
 - Immediate neighbours
 - Accessible City Transport Users Partnership (ACTUP) and Disability Equity

- Partnership (DEP)
 - Children and Young People, specifically in relation to the designs for the Beach Park and core play areas.
- 3.35 Technical engagement has been ongoing with a number of organisations and Council teams. For example discussions with the Environment team has covered an introductory briefing, discussions about existing facilities such as public toilets and wider operations of the beachfront. Design development meetings have enabled input on a wide range of practical points from a maintenance and operations perspective as well as helping the design team better understand a range of historic and contemporary matters. Officer knowledge has been invaluable in relation to wildlife and tree/planting considerations as has micro-climate and planting knowledge from Footdee Garden Committee. This engagement will continue on an iterative basis as designs progress.
- 3.36 In May 2023, stakeholders including Community Councils, key neighbours, Aberdeen Water Safety Group, ACTUP and DEP were contacted. Where requested, follow up meetings were arranged and as designs develop update sessions have been held with ACTUP and DEP. All businesses in the vicinity of the Esplanade have been visited to ensure they are aware of the proposals.
- 3.37 Regular updates on the Beachfront are given to a wide range of stakeholders. For example quarterly briefings to the business community through business networking forums and discussions with groups such as “Lively Minds” which caters for older citizens.
- 3.38 Further commentary on the engagement taken with children and young people is presented in Appendix C, however the following gives a brief summary:
- At the end of June, the design team visited the ASN facilities at both Lochside Academy and Bucksburn Academy to share the latest proposals for the Beachfront in general and the Beach Park in particular. Many of the young people and their support staff involved in the sessions had also contributed during engagement events in Autumn 2022 and were pleased to hear how their ideas had contributed to the accessibility and inclusivity of the designs. Additional thoughts and comments were provided through a creative feedback session following the presentation.
 - During July, two Summer in the City events were dedicated to Beach Park engagement with Children and Young People.
 - From 18th to 20th July, the Project Team welcomed children with additional support needs, plus their families and caregivers, to Orchard Brae School. As well as engaging through play with SoundPlay’s interactive music and light installations, the participants found out more about the detailed plans for the Beach Park and discussed what is important to them in terms of play and learning.
 - From the 24th July, Creative Learning continued the use of applied theatre to explore key themes around the Beach Masterplan. The 5- day workshop at the Beach Ballroom considered how the Beach Park in general, and the Rope

Factory in particular, can provide multiple and progressive levels of play within the new designs that can be challenging and educational but also accessible and fun. The group involved young people that have already provided their input on several occasions as well as newcomers who discovered the satisfaction of having their voices heard in the fine-tuning of the Beach Park proposals.

Operation and Maintenance

- 3.39 The yearly maintenance costs are currently estimated to be between £70,000 and £80,000 per annum.
- 3.40 Council Officers are currently in discussions with local partners and the prime contractor (as per paragraph 3.30) on arrangements to undertake and fund these Operation and Maintenance costs.

4. FINANCIAL IMPLICATIONS

- 4.1. The original funding commitment made by the Council Budget meeting on 10 March 2021 was for £150m from the General Fund Capital Programme over financial years 2021/22 to 2025/26 to ensure the Council transforms the City Centre and the Beach area. This £150m funding commitment was used as match funding to secure the £20m from the UK Government's Levelling Up Fund in 2021.
- 4.2 Updated financial modelling approved by the Council Budget meeting in March 2023 amended the financial envelope for Phase 1 of the City Centre and Beach Masterplans to £143m. Additional budgets for further phases have been modelled into the 15 year long term capital planning up to 2037/38 and will be subject to future Council budget decisions.
- 4.3 The Beachfront medium-term interventions (Beach Park, Events Park and Broadhill) are developed within an affordability cap of £47,736,925.

5. LEGAL IMPLICATIONS

- 5.1. The Beachfront Development Framework will inform planning applications, but each application will be decided on a case-by-case basis by the Planning Authority, with the Phase A statutory approval applications and public utilities applications likely to take place in the next two months.
- 5.2 The Council has commenced extensive title examination of areas covered within the Beach Masterplan to determine if there are any ownership, third-party right, and/or Common Good Land issues affecting the review site. No material issues have been identified as part of this process.
- 5.3 As each project proposal progresses, they will be examined and managed within the professional scope of property / conveyancing industry accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1. Aberdeen 'Net Zero Aberdeen Routemap: Towards becoming a net zero emissions city by 2045' sets out the approach, pathway, and actions towards net zero and climate resilient Council assets and operations, by 2045.
- 6.2 Energy-efficient design proposals will require to be incorporated within any design proposals and concept masterplan alongside renewable and low carbon energy sources, with consideration necessary to understand how further decarbonisation could be achieved in the future.
- 6.3 In addition to the energy approach the development will seek to promote biodiversity and the protection of the natural assets found within the Beachfront area. Any development will require to be cognisant of the recommendations of the suite of Aberdeen City Council guidance.

Beach Park

- 6.4 The aim is to provide a play environment that not only meets the design requirements on day one but can be effectively managed and maintained into the future through the promotion of longevity, sustainability, and safety. The material selection for the 'Play Factory' and wider Core Play equipment will be responsibly sourced, sustainable, robust, durable, and appropriate to its specific application. The coastal location and climate will be a key factor in the selection of appropriate materials with resistance to factors such as corrosion and rot fully considered. All timber elements will be FSC certified naturally durable hardwood that typically does not require chemical treatment and has a long lifespan. Detailing will ensure timber elements do not come to ground, promoting longevity and reducing the possibility of timber rotting through the use of steel footings. Components such as slides and tubes will be manufactured from stainless steel of an appropriate grade for a coastal environment.

Buildings

- 6.5 When selecting materials for the buildings on the Aberdeen Beachfront Masterplan, sustainability and green construction is always at the forefront of the design team's mind.
- 6.6 The design team will always aim to prioritise ethical and responsible sourcing of all materials throughout the design and construction phases. Priority of low embodied carbon and healthy materials which are durable, sustainable and long lasting has been at the forefront of all design decisions made to date on all building material selection. The use of locally sourced, sustainable timber for the external cladding to all interventions aims to reduce the embodied carbon of material transport to site, provide a local natural material which compliments the natural surrounding of the site, as well as promoting the use of local natural materials and companies where possible. Detailing on all aspects of the built structures will be designed to be long life and robust – to ensure that maintenance and replacement of materials throughout the building's life cycles are kept to a minimum.
- 6.7 Designing with the local environment in mind has been one of the design teams key

challenges, given the harsh natural coastline weather conditions experienced on site. Strong robust material selection has been considered to promote use of materials that can thrive in a marine environment and again, reduce the need for continued management and maintenance costs. skills of the local labour force such as the local timber cladding and the zinc standing seam roof proposed due to its natural anti corrosive and hard-wearing properties.

- 6.8 The MEP services for Aberdeen Beachfront Buildings aim to reduce energy consumption through a combination of sustainable design using our lean, clean, and green approach. Passive measures have been considered initially such as enhanced u-values and improved airtightness.
- 6.9 The heating and cooling strategies for the Phase A buildings utilise a high efficiency Air Source Heat Pump (ASHP) as the primary source for maximum energy efficiency, providing heating or cooling on demand through internal fan coil units.
- 6.10 Ventilation within the buildings is fully mechanical, providing tempered fresh air to the occupants at all times of the year. The mechanical ventilation units will utilise heat recovery which reclaims heat from the exhaust air and uses it to heat the incoming fresh air and reduce energy consumption.
- 6.11 To reduce the building electrical energy consumption and minimise the import of grid electricity, High efficiency LED lighting teamed with occupancy controls and daylight dimming provides an energy efficient and functional lighting solution.
- 6.12 The buildings also have solar panel arrays which provide renewable onsite electricity generation and have the capability to provide any surplus generated electricity back to the national grid to help provide Scotland with cleaner energy.

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	Failure to proceed with the Beachfront Masterplan impacts on wider City commitments and economic targets.	Continue to work collaboratively to achieve the masterplan delivery and wider advantages.	M	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?
Compliance	Council title issues and other competing third- party rights.	The Council has undertaken an extensive title examination and engagement of a Third-Party review	L	Yes
Operational	Beach Boulevard/Beach promenade traffic arrangements	Significant consultation with Council Roads and Planning Teams, Bus companies and Emergency services planned.	M	Yes
Operational	Sufficient capacity of resources with Councils teams to meet programme objectives	Resource review ongoing and augmented support through the PMO	M	Yes
Financial	Budget pressures due to current market volatility.	Robust budgets established. Independent monitoring process established. With PMO early supply chain mitigations action plan established across the programme.	M	Yes
Financial	Removal or reduction in anticipated funding Streams.	Continual engagement and monitor of ongoing funding applications.	M	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?
Reputational	Failure or delay in proceed with the recommendations	Continue to work collaboratively to achieve the masterplan delivery and wider advantages.	M	Yes
Environmental & Climate	Coastal flooding risk	Engagement with Flooding Team, local community groups and understand that risk exists mitigated by Coastal Defences. Respond to risks identified as part of coastal studies.	M	Yes

8. OUTCOMES

COUNCIL DELIVERY PLAN	
Aberdeen City Council Policy Statement	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. 1. – Continue to maximise community benefit from major developments.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.
Prosperous Place Stretch Outcomes	Supports Outcome 14 Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate Supports Outcome 15 38% of people walking and 5% of people cycling as main mode of travel by 2026.
Regional and City Strategies	The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city Centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	An IIA has been prepared and is under continuous review
Data Protection Impact Assessment	DPIA Screening Questions completed. Neither a brief DPIA or full DPIA is required at this stage
Other	N/A

10. BACKGROUND PAPERS

- Council Decisions 13 December 2021

<https://committees.aberdeencity.gov.uk/documents/g7675/Decisions%2013th-Dec-2021%2010.30%20Council.pdf?T=2>

- Report to Council 28 February 2022
<https://committees.aberdeencity.gov.uk/documents/s129266/220228%20City%20Centre%20Masterplan%20Update%20Report.pdf>
- Council Decisions 28 February 2022
<https://committees.aberdeencity.gov.uk/documents/g8184/Decisions%2028th-Feb-2022%2010.30%20Council.pdf?T=2>
- Council Decisions 14 December 2022 [Decisions 14th-Dec-2022 10.30 Council.pdf \(aberdeencity.gov.uk\)](#)
- Council Decisions 26 April 2023 [Decisions 26th-Apr-2023 10.30 Council.pdf \(aberdeencity.gov.uk\)](#)

11. APPENDICES

- A. Project Phasing
- B. Project Visualisations
- C. Children and Young People Consultation Report
- D. Final Business Case

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A Project Phasing													
Item	RIBA stage 0	HUB STAGE 1	RIBA stage 1 complete	AUGUST 23 COMMITTEE (23rd August)	RIBA stage 2 complete	HUB STAGE 1 COMPLETE	OCT 23 COMMITTEE (11th October)	HUB STAGE 2 COMMENCE	RIBA stage 3 complete	DECEMBER 23 COMMITTEE (13th December)	RIBA stage 4 complete	HUB STAGE 2 COMPLETE	Construction start
Beach Projects													
Beach Park :Play park (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Park: Sports Area(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Park: Pump track (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park: Amphitheatre (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park : Events Field (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park :Gateway Building (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Events Park :Hub Building (B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2023
Landscape Mounding(B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2023
Broadhill : Landscaping (A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Landscaping(B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	26/01/2024	Q3 2024	Q4 2024
New Canopy Features(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	10/04/2023	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Beach Ballroom Plaza(B)	Complete	21/04/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	14/07/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Broadhill :Structures(A)	Complete	Complete	08/07/2022	RIBA Stage 3 and FBC Complete	09/12/2022	10/04/2023	75% RIBA Stage 4	10/04/2023	21/07/2023	Hub Stage 2	10/11/2023	Q3 2023	Q3 2023
Pedestrian Spine (B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Beach Boulevard (B)	Complete	21/01/2024	08/07/2022	50% RIBA Stage 2	21/01/2024	21/01/2024	80% RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q4 2024
Surf Village	Complete	14/07/2023	11/10/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
Beach Ballroom	Complete	09/11/2023	11/10/2023	RIBA Stage 0 Update	02/02/2024	02/02/2024	80% RIBA Stage 1	02/05/2024	28/06/2024	80% RIBA Stage 2	30/8/2024	Q3 2024	Q4 2024
New Leisure Facility	Complete	01/03/2022	30/06/2022	On hold	30/03/2023	07/12/2023		TBC	TBC		TBC	TBC	TBC
Boardwalk	Complete	14/07/2023	14/07/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
New Slipway	Complete	14/07/2023	14/07/2023	RIBA Stage 2 Processing	31/01/2024	31/01/2024							
Energy Centre	Complete	01/03/2022	30/06/2022	RIBA Stage 1	30/11/2022	30/11/2022	50% RIBA stage 2	05/12/2022	31/03/2023	Hub stage 1 report	18/08/2023	18/08/2023	Q3 2023
Justice Street Roundabout	Complete	21/01/2024	26/04/2023	50% RIBA Stage 2	21/01/2024	21/01/2024	80%RIBA Stage 2	21/01/2024	15/09/2024	Hub Stage 1 Approval	28/06/2024	Q3 2024	Q3 2024

RIBA Plan of Work Stages

- Stage 0- Strategic Definition
- Stage 1 - Preparation & Briefing /Hub Stage 1
- Stage 2 - Concept Design/Hub Stage 1
- Stage 3 - Spacial Coordination/Hub Stage 2
- Stage 4- Technical Design/ Hub Stage 2
- Stage 5- Manufacturing & Construction

Public Realm Phase A - Urban Park, Events Park : Amphitheatre, Events Field, Gateway Building ,Broadhill,

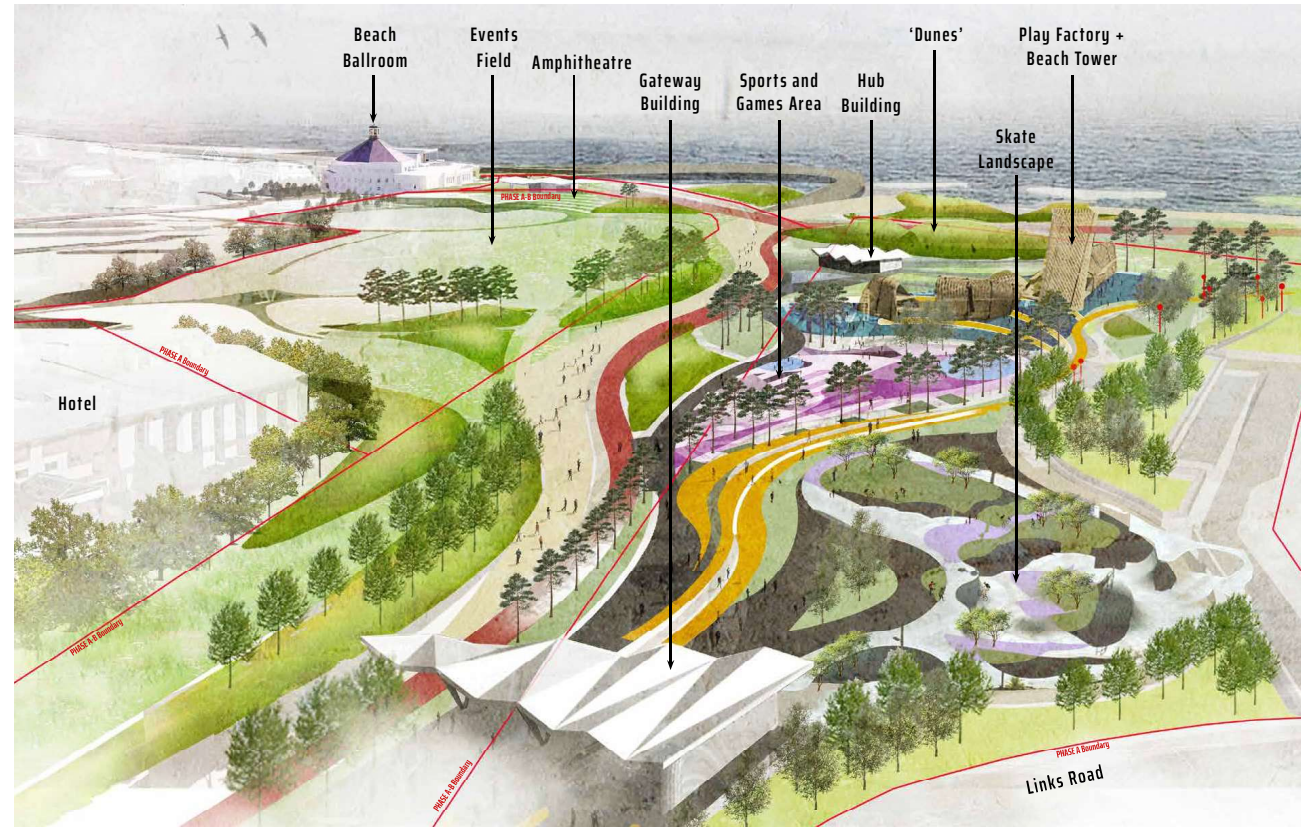
Public Realm Phase B Work -Events Park : Hub Building, Landscape Mounding, Beach Landscaping,New Canopies, Beach Ballroom Plaza, Pedestrian Spine, Beach Boulevard

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Evolving Detail Beach Park and Events Field



Birds eye illustrative view from Beach Boulevard/Links Road Junction showing Phase A and Phase B Integration



Sports and Games Zone with Play Factory in background



Skate Landscape - Phase A in foreground and elements of Phase B in background



Woodland Zone - showing quieter area behind mound away from core play



Hub Plaza with water feature - with dune landscape in background and play factory to right



Looking out to Beach Park and Play Factory from Hub Plaza



View of Beach Park and Play Factory from proposed beachfront dunes



Play Factory concept lighting



Gateway Building



Hub Building



Amphitheatre



Typical Canopy Structure

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Beach – Update on Consultation with Children and Young People

AUGUST COMMITTEE 2023 – CYP ENGAGEMENT APPENDIX

Dave Brown

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Beach Park, Events Park and Broadhill Development

Engagement with Children and Young People since Councilors approved the next stage of work in the first phase in the transformation of Aberdeen’s beachfront in May 2023

As outlined in previous reports to Councilors, significant engagement has taken place with children and young people during the development of the proposals over the last 18 months. This engagement helped shape the designs approved for progression in May.

Additional engagement has taken place since then, aimed at both updating young consultees on how their previous involvement has shaped the current plans and to sense-check the detailed proposals in terms of accessibility and inclusion and the role of Young People.

14th to 19th June - Youth Ambassador Development Trip to Regensburg, Germany

6 young people identified from 56 young people.

Hub North Scotland’s supply chain involved in the Masterplan funded a trip to Regensburg for 6 young consultees who have been heavily involved in the consultation process. The Aberdeen school pupils, who ranged from 10 to 15 years old, have taken part in applied theatre and film workshops as well as presented at World Children’s Day and deputations to full Committee.

The trip allowed them to see how young people influence place-making in a UNESCO World Heritage city as well as how the city transforms for its annual Burgerfest. The busy itinerary included discussions on place-making with pupils at a secondary school, tours of co-designed, inclusive play parks and a youth centre, a briefing session on ‘mini’ Regensburg – a 3-week ‘city’ run by children, and a workshop with members of the local youth parliament.

The children gained a huge amount from the trip.

“I think the streets would feel a lot safer if there was more youth and teens involved in city planning. I have learned that the environment impacts a lot on young peoples growth and development, because safer streets, cleaner environment and colour helps create safe and positive feelings in young people.” Agnes Brock participant

“Tobechi came back from the trip buzzing with enthusiasm, the trip had a positive impact on her confidence, broadened her horizons. The visit has enabled Tobechi to envisage new possibilities to empower young people to be heard that result in positive change to their communities.” Esther Legunsen parent

This knowledge and enthusiasm is to be put to good use as the young people are aiming to become ambassadors for place-making in the City, ‘Young Creative Consultants’, encouraging their peers to engage with the issues affecting them in the city planning process. The young people felt the trip had helped develop the skills, knowledge and confidence they need to support future planning and place-making exercises.



28th June - Lochside Academy Nurture Room – 13 students

Op-en gave a presentation, 'Our Journey to the Beach', updating the students previously involved on where things have got to in terms of the detailed layout of the Park and the increased detail around the play factory.

The students in the Nurture Room then had a 1-hour creative feedback session led by Creative Learning. The session started with questions around 'Are you happy with the plans overall?', 'Do you think everyone should be able to get everywhere?', 'Is there anything you think isn't so great about the design?' and 'Do you think the Park has everything you need?'.

Feedback – There were several repeated points made;

Getting about – safety, treasure trail, bike lanes, bike hire, little river and bridge

Facilities – more toilets, multiple quiet places, stepping stones, art areas and drawing, area for dogs and pets, reading area

Play Factory – slides seem scary, hidden things, rope floor, a lift, ball pit, music buttons

28th June - Bucksburn Academy ASN Wing – 15 students and support staff

Due to limited time available, this session was restricted to the presentation from Op-en and streets-UK, 'Our Journey to the Beach', as detailed above.

The subsequent conversation with the students, most of whom had taken part in previous consultation exercises in Autumn 2022, highlighted the excitement around the proposals and also raised issues around overall safety, availability of quieter, calmer spaces and opportunity for projected artwork.

18th to 20th July - Orchard Brae ASN, Summer in the City

107 families/caregivers and children over 3 days

Creative Learning, Streets UK and Soundplay Project welcomed children with additional support needs, plus their families and caregivers, to Orchard Brae School. As well as engaging through play with SoundPlay's interactive music and light installations, the participants found out more about the

detailed plans for the Beach Park and discussed what is important to them in terms of play and learning.

Detailed feedback is provided as footnote, however key themes that emerged from the conversations included;

- Adequate changing facilities in size and number
- Extended opening times to allow visits when quieter
- Wheelchair accessibility through paths and to play activities but also seating and picnic benches and the beach
- Sensory play and water play
- Play equipment big enough for large children (and adults!)

The families really appreciated the SoundPlay offer, which greatly engaged the young people and allowed the adults/carers time to reflect and discuss what would work best for them.



SOundplay video
clip 1.mp4

24th to 28th July

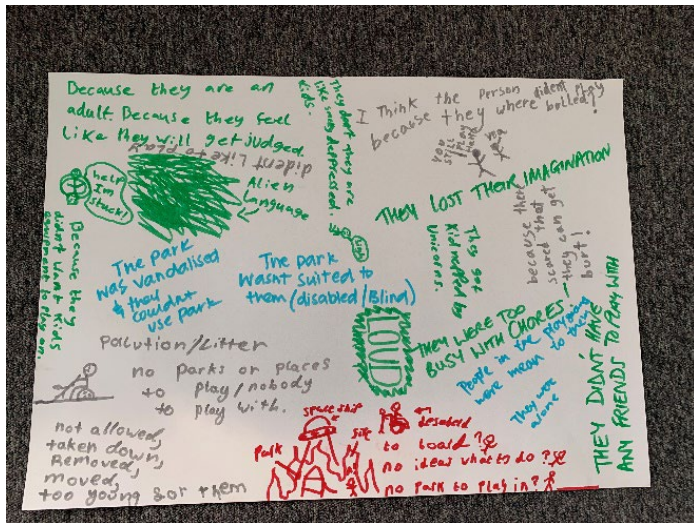
Beach Ballroom, Summer in the City

Average 20 children each day

Creative Learning and streets-UK continued the use of applied theatre and film-making techniques to explore key themes around the Beach Masterplan. The 5- day workshop at the Beach Ballroom considered how the Beach Park in general, and the Rope Factory in particular, can provide multiple and progressive levels of play within the new designs that can be challenging and educational but also accessible and fun. The group involved young people that have already provided their input on several occasions as well as newcomers who discovered the satisfaction of having their voices heard in the fine-tuning of the Beach Park proposals.

Detailed feedback is provided as footnote, however key themes that emerged from the workshop included;

- Ability to explore and play without adult supervision
- Barriers to play that may be circumstantial and/or societal
- The relevance (or otherwise) of local history to play
- Importance to everyone of accessibility and inclusivity, including ability and age
- Desire for different levels of risk but also areas for quiet and imagination



Footnote 1 Orchard Brae ASN Feedback

Tuesday AM	Comments	Key themes
1	<p>Mentally fully capable – wants to do same stuff as pals but needs more room for chair, extendable materials to reach chair etc.</p> <p>Big changing area needed for full family, especially if only one parent/carer there. Also needs a lot of time so several areas a benefit.</p> <p>Beach wheel chairs a big plus</p>	<p>Full access to able-bodied materials</p> <p>Good changing facilities</p> <p>Access to beach and sand</p>
2	<p>Interactive and sensory is great – tubular, spin, light,, art installations, sculpture, colour. Also historical, previous generations use of beach (planes and easter egg rolling!)</p> <p>Plenty areas for short walks and picnics for families</p> <p>Night-time access, winter access – views of sea from sheltered/protected/more private spots.</p> <p>Encourage positive risk-taking – could be challenged this enables, empowers and is hopeful.</p>	<p>Interactive & sensory</p> <p>Picnic spaces</p> <p>Wider access times</p> <p>Protected viewpoints</p> <p>Positive risk taking</p>
3	<p>Family with 3 children all autistic, fully mobile. We go to the beach about 3 times a week. We enjoy playing in water.</p>	<p>Interactive water play, sensory play</p> <p>Safe spaces</p> <p>Lots of room to play</p>
4	<p>Parent with Child in Powerchair.</p> <p>Room for powerchair to turn on ramps pass another chair on path,</p> <p>How do you get on and off ramped access, pavement, walkways. Not all chairs work the same way.</p> <p>Child is harnessed into chair so cannot reach and touch things. Picnic benches don't allow for chair to fit, things need to be movable different heights.</p> <p>Why only roundabouts- every park has roundabouts not all roundabouts are chair safe. Child can't do spinning or bouncing due to medical condition.</p> <p>Some equipment can exasperate conditions. Child is an active and intelligent young boy who happens to be in a chair and wants to play like all children his age.</p> <p>No Latex</p> <p>SITC- is it accessible – activities for able children in wheelchairs. Not all children need specialist care and equipment access and space to move around. Family 2 children one in motorised chair. Access and travel can be difficult not all taxis accommodate motorised chairs need a ramp not 2 wheel tracks. Stupid bark stuff don't use it! Chairs don't work on this surface.</p>	<p>Beach chairs – Balmedie chairs are good.</p> <p>Ramps with space for motorised chairs to turn.</p> <p>Accessible surfaces.</p> <p>Access for 2 powerchairs to pass each other or travel together on path.</p> <p>Ramps without steps!</p> <p>Beach access ramps eg Australia</p> <p>NO Latex.</p> <p>Adjustable picnic benches – height and moving parts.</p> <p>Consult with Charlies house</p> <p>SITC - is it accessible for able children in chairs?</p>

Cate staff	Relative providing care for 3months to support sister. This has been fantastic – “ I feel nurtured by this event today.”	
Tuesday PM		
5	Interactive is good. They want to explore and learn at their own pace Balance between safety and independent play	Interactive Explore and learn Safety and independence
6	Like playing on own or with a familiar group. Could sessions be given over to specific groups such as LSN dance group?	Private sessions
7	Young boy– severe autistic profile has technology preference (enjoyed LEGOLAND tech elements Different hours would be good. Set up ‘early intervention charity’ – would be keen to continue dialogue. Loves big chute, monkey bard, water spraying	Technology Wider access times Active play
8	Good changing facilities Walkway deep onto beach Keep in touch with wider user group (Charlie House)	Good changing facilities Walkway onto sand
9	Play parks often very busy lots of equipment in one place attracting a lot of people. Good if there is a sheltered area to go to for picnic no matter of the weather. Covered areas	Space out equipment to avoid crowding in one place.
10	Changing facilities shouldn’t be unwelcoming – not at the back of building. Welcoming, clean – safe – changing facilities for older kids and adults,	Welcoming changing facilities for families,
11	Montrose Splash Park – really good -sprinklers. More gentle play areas, good toilet facilities and good snacks that are not expensive. Enclosed parks worry about running away, don’t like enclosed by shrubs and trees.	Shallow pools, benches, soft flooring sprinklers, water pistols. More gentle play. Affordable good snacks. Enclosed areas.
12	Montrose Splash Park is brilliant! Not always accessible. Park at Balmedie is good instruments and accessible Accessibility to Balmedie- wheelchair accessible walkways are important. Accessible play equipment Hospital park at children’s hospital is excellent , accessibility is key Wheelchair friendly trampoline (non Motorised) Option to include everyone in play facilities Smooth ground spongy and safe	Montrose splash park. Marischal college water fountains in pavement fantastic. Balmedie park is good Musical instruments Top priority changing places Hospital Park @ children’s hospital excellent Smooth ground

Wednesday AM		
13	Loves climbing frames but wants whole frame to be accessible – alternative route if difficult bit e.g. monkey bars Plenty space Bigger play kit – suitable for older kids with lower mental age Sunken trampolines Mindful of mobility issues e.g., height restriction bars on a chute Lady who works at Bucksburn ASN – happy to contribute and stay in touch	Whole circuit accessible Space Bigger versions of play kit Active play Avoid restrictive barriers etc
14	Love a splash park (Montrose is great although changing facilities poor) Cleanliness and upkeep of materials eg tunnels important for some ASN kids	Splash Park Cleanliness
15	Activities build into trail would be good. Need to consider deaf signage – not just BSN but maybe Makaton. Kensington Gardens were great. Trust at Seaton Park also looking to install ASN play equipment – should coordinate.	Trail activities Deaf signage Seaton Park
16	Likes relaxed pace, less noise. Longer hours so could go when quiet Variety important – enjoys physical and tactile & music but at different times dependant on mood	Quiet spaces Wider access times Variety
17	Variety as easily bored Likes a wide range of materials and finishes to experience	Variety Tactile range
18	Lots of benches needed Need attractions but also need quiet spaces	Benches Quiet spaces
19	Spread out facilities, Circular play system Sensory garden . Water fountains – gentle and can be small and fall into small ponds to touch. Need for rubbish bins	Spread out facilities Art gallery has sensory spaces + touch Water play Rubbish bins
20	Too busy is not good, struggle with sand texture. Swings are really popular. Slides are really popular. Chair swings are good and ring swings .	Quiet spaces Variety of swings
21	Organise online meeting with parents to discuss Accessible surfacing at Lossiemouth – Moray Coast park – can we do this in Aberdeen. PAMIS- fully registered on app – For changing facilities – help to design changing facilities, Moray Sports Centre have one, Christies, Sports Village. Changing facilities problem for older kids – in Aberdeen Union Square – Art Gallery (Not Great) –	Follow up Lossiemouth play park surfacing Registered changing facilities Changing facilities for older children/ adults

	Science Centre – Rosemount Community Centre. All closed in the evening so cant go out	Changing facilities open in the evening.
22	Waterplay in ground. Don't put everything in the same place spread it out Reason to go out – walk to shop – if on walks there were activities to do, it would be better than all in one place.	Spread out play, interactive play e.g. for when on walks
Wednesday PM		
23	Mother, grandmother and child - has complex multiple support need. Child has 2 older teenage brothers one with ASN. Has trouble with breathing so cannot go out in windy weather. Changing facilities are important and need to be maintained. Sensory glow in the dark spaces sensory lights at night time- I take my boys out in the evening. Impact of vandalism on accessible play equipment. Vandalised play equipment is not replaced Child needs 1:1 care 24/7 Child needs meds administered so picnic benches that are in sheltered private area with seating and picnic benches that can fit wheelchair. Secluded private and sheltered area with seating close to parking and emergency vehicle access are very important.	Sensory – glow in the dark. Interactive lights for night time. More accessible play equipment Vandalism of accessible play equipment – maintaining equipment Tarlair in McDuff sheltered, scenic view, picnic areas, grass Sheltered areas near car parking. Picnic benches for administering meds. Emergency vehicle access for site. Enclosed shelter for privacy. Adjustable picnic benches. Moving parts for trays.
24	Safe enclosed spaces my sons are flight risks, runners. Space where children can be watched and monitored – safety boundary. Natural space – made with natural products. My home is restricted by space this is large open space but needs to be safe and enclosed to support parents. Public transport needs to be close not miles from place to play Beech wheelchairs, ramps that are moveable to create paths and walkways Motorised wheelchairs struggle with dropped kerbs. Equipment attractions for Very able and very unable but nothing in between	Safe enclosed space with room to run safely. Good public transport close to attractions Beech wheelchairs Moveable ramps
25	Family 3 children all autistic – we go to Footdee park. Walk along beach. Love going in sand and water. More interactive music things on beach from walk. A trail eg. Bunny, oor wullie etc.	Interactive things for walk along sea front. Sensory touch small colours Walking trails Way markers – trail maps Footdee park

Thursday AM		
26	Calm peaceful. And natural place to play. Trees to look up at. Sand, sea and beach accessible for wheelchairs with accessible changing areas for families with space for equipment and seating. Picnic tables that can fit wheelchairs	Safe space Accessible changing areas Picnic tables that fit wheelchairs under
27	Space to walk in a calm environment, Splash park sensory sand play, sensory and inclusive space Swings- disability swings, wheelchair accessible swings like at ARI. Swimming pool – we need one at the beach with facilities waves, rapids/ slides	Splash park Sensory and interactive play
28	Sand should be more accessible totally wheelchair accessible. Accessible changing spaces positive experience/ rooms. Small paddling pool without sand. Wheelchair accessible roundabouts and swings	Water play Clean accessible changing areas with space.
29	Can be stressful for families to go out on a visit. Stress involved in planning a trip and a visit somewhere. Don't get a disabled plan, will a child be able to access this plan. Attendee – vision sensory support services – part time ACC education 38years of experience she should be consulted. Sick kids waiting area in Edinburgh is great Glasgow cant access stuff as its on the walls and child in a chair. Cost of café's for families.	Emergency vehicle access. Sick kids Edinburgh waiting areas good. Affordable cafes for families.
Thursday PM		
30	Wave machine – miss the beach pool used to go every Saturday. No jaggy surfaces especially for feet Make sure sensory (stand on things) work for lighter smaller children. Union Terrace gardens one don't work for my larger child. Need for lifts, safe climbing things, wheel chair swing same as the one next to Alford Ski Slope. 1 Billion likes to Soundplay and today	Union Terrace interactive play
31	Parent with 17yr old boy with Downs Syndrome with 13 year old sibling. Relaxed sessions in spaces to avoid other families stares and expectations. I need parking close by my son doesn't like walking, needs visual attractions at intervals to support walking. what can I gain from visiting beach? If he has to walk far I wont get very far. He will just stop other families stop and stare. He needs distractions. Cant read so signposts waste of time. Kinetic things visual signs.	Kinetic things Visual attractions Access to climbing for those older children less able with steps.

	At 17 not much for him to play on but he wants to play. Not a good climber, steps are difficult. 13 yr old brother is very able and can support but sometimes they need to play on their own. 17 yr old shouldn't always need help to access equipment that is suitable for his size/age, as this brings embarrassment for him as he gets older.	
32	Parent of 14yr old child and siblings . Water play paddling pools a lido? Fountains with shallow water. Montrose splash pool interactive water park. Play equipment in parks too small, larger versions and adult versions of play equipment so we can all play. Changing places/ spaces- maintenance- out of order hoists equipment seating. Sensory spaces in nature should be different to inside spaces, outside should be natural, with natural tactile things	Montrose splash park Natural non manufactured tactile/ sensory things outdoors. Union terrace gardens low maintenance play equipment
33	Changing areas don't need to cater for everyone so keep some simple for those who just need a little bit more space. Ramps in Union Terrace gardens are fantastic. I used to have access Union Terrace gardens via HMT. Great that I can access the park now. It's maintaining the space and keeping it safe.	Changing areas.
34	Mum from Wee Too with sons both autistic, The beach is my favourite place. It is nice to come(to this event) somewhere that I feel listened to . Planting and trees- be more natural using natural not imported. Natural species and wildflowers. Surface for Longboards and safe spaces to do longboarding – Victoria park is favourite at the moment for this activity. Cove and Cults skate parks- small space and not much else there. Natural Soundplay- park in Altens has big tubes Smugglers cove can't always keep a track on where children are. Giant "pop it" walls sensory Blowing into tubes, sound play and stretchy things and sand play	Enclosed areas within large areas. Longboarding- Victoria Park Interactive play things Altens big tubes for sound play "Pop It" walls sensory play Stretchy things Sound play Sand play

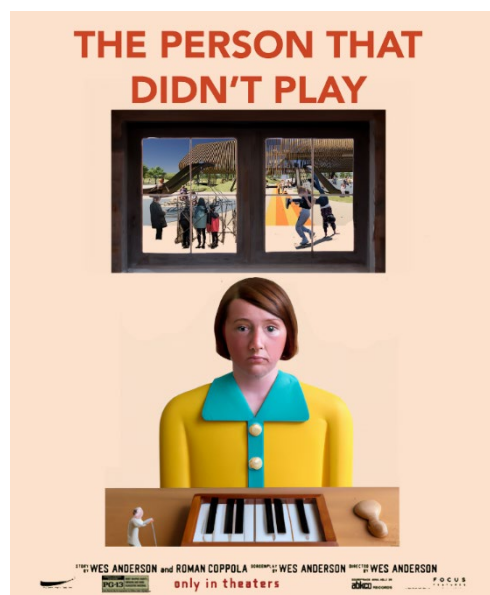
Footnote 2 Beach Ballroom Summer in the City Feedback

Over 5 days young people explored the Play Factory designs using a range of different exploration techniques. Young people were asked to consider the importance of history, accessibility, playfulness and risk in regard to the structure they were presented with.



During the first session participants were invited to explore the idea of play as work through the visual metaphor of a factory setting. Through doing so and via the construction of a Ru-Goldberg inspired machine (comparing and contrasting “machinery” and items found in a play park) they highlighted that play should be something that they should be able to concentrate on and get on without being interrupted by adult intervention. It was “their time to use” and it didn't always require an outcome and output, it was more an exploration until “boredom” set in. Through this exercise the young people were also able to articulate that through play they should be able to use their energy up, sometimes physical and sometimes mental and creative energy.

Beyond this through a narrative based exercise on “The Person That Didn't Play”. In which the young people were asked to create film suggestions for a film based on play. The young people were able to articulate a broad range of suggestions over “Why someone didn't play?” which included money, time, space and fear. As well as suggestions to “what would happen if the person didn't play” this included idea's of “not making friends”, “not learning how to partake in sports and group activities”, “achy and stiff bodies” as well as fear of injuring themselves. What was interesting from a facilitation perspective was the initial challenge too enable young people to reflect from an external perspective on the concept of play and playing, this potential due to its often child led nature and rareness for it to be reflected upon or for adults to give attention to it or indeed take their activity seriously.





Conversations were sparked around how much impact the history of rope making in Aberdeen will have on playing within the new structure ideas. The majority of the young people did not feel that the history behind the new structure was important or had an impact on them playing or learning. “I think young people of Aberdeen don’t really know about the history of Aberdeen and I think changing parks to relate to the history is pointless. It’s hard to imagine something that one might not know. It limits the possibilities of imagination sparking and growing whilst interacting with the thing you are playing with.” (Child, age 12).

During the consultation it became evident that the young people want a space that is inclusive and accessible to everyone of all ages and abilities. After spending time exploring and examining the play equipment at the beach it was noted that the current design is targeted towards young children and that the new equipment needs to have areas specially for a younger and older audience. Although the ideas of risk and playing were explored continually throughout the week the young people felt it was important to ensure that there is an area away from all of the noise and energy for people to relax whilst still engaging with the park. They want a space that allows risks to be taken (however thorough a scaffolded approach) and explored within the Rope Factory that also allows people to use their imagination.

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Outline/Full Business Case

Project Name	City Vision Public Realm FBC		
Author	Hub North Scotland Ltd	Date	July 2023
Sponsoring Cluster	Aberdeen City Council (ACC)	Version	1

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(Press F9 function key to update table of contents after completion of Business Case – [guidance here](#))

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1. Introduction and Project Overview

Briefly describe the basic project concept. Describe the current business situation as it relates to the problem or opportunity that gave rise to the idea, including any other drivers such as regulatory or legal compliance requirements

If taking no action may have a negative effect on the organisation, then also describe what will happen if the project is **not** undertaken.

This paper sets out a Full Business Case (FBC) for Phase A of the Aberdeen City Vision Beach Public Realm Project.

These public realm improvements will complement and be delivered alongside the city centre streetscaping improvements and support the delivery of the Aberdeen City Centre & Beachfront Masterplan. The proposals offer a unique opportunity to create a transformational new waterfront destination for the City of Aberdeen.

Phase A of the project (for which funding is sought through this business case) will include the following investments:

- **Beach Park:** a new anchor attraction children’s outdoor play destination at Queens Links. It will create a focus for activity and will act as a key ‘gateway’ into the wider park and the beach.
- **Events Park:** The Events Park + Field is an area of approximately 2.5ha and is intended as a flexible space capable of holding events, festivals, larger concerts etc. but also to provide a large, grassed area for day-to-day use including informal sports and games such as football, touch rugby, ultimate frisbee, and passive recreation such as picnicking.
- **Broad Hill:** Broad Hill is approximately 5ha of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broad Hill is to enhance the natural environment of this distinctive feature in the beach area through additional planting, furthering the diversity of habitat and ecological value.

Future phases of investment, to be covered by separate business cases, will include:

- **Public Realm Phase B:** including investments in the redevelopment of Beach Boulevard; a pedestrian spine route; Ballroom externals; road infrastructure; and beach interface improvements (former temporary landscape)
- **Public Realm Phase C:** including the Esplanade and boardwalk; a beach village and slipway
- **Refurbishment of the Beach Ballroom**
- **Redevelopment of the Beach Leisure Centre and Linx Ice Arena**



Figure 1: Beachfront Concept Masterplan



NPR Projects Phasing Plan (Phase A, B & C)

Figure 2: Project Phasing Plan

Above is the phasing plan for development. The orange areas are Phase A projects, the blue areas are Phase B, and the green areas are Phase C.

These proposals will reshape public perceptions of the city centre and beachfront, attract private investment to the area; and position the city as an attractive place to live, work, study, visit and invest.

2. Executive Summary

Provide a clear, concise summary of the key features of the business case, briefly describing what the project will deliver, any key decisions associated with it, the expected costs and the funding position (showing any budgets already identified/ expected and the ask of Capital). Include an outline of the benefits, and any dis-benefits, what risks and assumptions are associated with the project, and summarise planned or agreed dates and time constraints. Indicate who is the project sponsor and how the project will be owned and governed and what form the project board will take.

Purpose

This paper sets out the Full Business Case for Phase A of the proposed public realm improvements at Aberdeen Beachfront and explains how these will contribute towards the delivery of the Aberdeen City Centre & Beach Masterplan.

Strategic Fit

The project will contribute to the Prosperous Economy and Prosperous Place objectives of the city's Local Outcome Improvement Plan (LOIP), and to the 'Changing Perceptions', 'Growing the City Centre Employment Base', 'A Metropolitan Outlook', 'A Living City for Everyone', 'Technologically Advanced', 'Environmentally Responsible', and 'Culturally Distinctive' objectives of the City Centre and Beach Masterplan.

Project Objectives and Community Benefit Targets

The objectives of the beach element of the Aberdeen City Centre Masterplan include:

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
BEACH		
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	100% Footfall and 100% revenue increases (Leisure and Ballroom only)
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	2,000 m ² - Decrease in the average distance (m) for city centre Residents to nearest Park, Garden or Playing Field.
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	30 new Leisure Jobs by 2025
Materials sourced from the local area	Greater use of locally sourced materials such as granite	20 to 30% of net Construction Costs to be local materials
Contractor's labour from the local area	Greater use of local labour pool	50% Local labour employed

This project will support the delivery of each of these objectives.

As part of 'City Vision Bundle C' (a schedule of works that include each of the three phases of public realm improvements, and the integrated leisure & activity centre); Hub North Scotland has committed to deliver a range of community benefits including:

- 66 apprenticeships
- 62 work experience placements
- 100 new jobs
- 1 vacancy sharing
- 400 hours of community support activity

Project Benefits

In Summer 2023, Hub North Scotland Ltd commissioned Stantec UK Ltd to undertake an economic impact appraisal of the proposed Aberdeen Beachfront Masterplan investments.

This study found that the proposed masterplan developments would together generate a contribution of £562 million (Present Value, PV) of net additional gross value added (GVA) to the Aberdeen economy over a 30-year appraisal period.

The total cost of delivering the full masterplan was estimated as £441 million (PV).

This equates to a net present social value (i.e. benefit minus cost figure) of £121 million and to a benefit cost ratio of 1.27 (i.e. £1.27 return for every £1.00 invested).

Wider non-monetisable benefits were also identified, including improvements to air quality, public health and wellbeing.

Project Costs

Currie & Brown developed project construction costs for phase A, and these are estimated at £48m. This includes inflation and contingency but exclude VAT.

Annual maintenance costs average £75k for maintenance of roads and landscaping. Lifecycle costs were produced by Mott McDonald for future renewal including resurfacing of the play surface and replacement of sports and playground equipment which comes to approximately £6.6m over the 25 year appraisal period.

Project Delivery

The project will be procured through the Hub model as this will accelerate the procurement process and help to secure best value by providing access to Hub North Scotland Limited's supply chain network and project management resources. Robertson Construction has been identified as the preferred lead construction partner for the project.

Risks and Assumptions

Key risks facing the project include a general lack of material and resource availability and costs/inflation escalating over and above available funding. A full breakdown of risks is provided in Section 10.

The economic modelling was informed using various industry standard sources/tools including Scottish Annual Business Statistics and the Department for Transport's Active Mode Appraisal Toolkit (AMAT).

Aberdeen City Council is the sponsoring organisation for this project. Aberdeen City Council will deliver the projects through their delivery partner Hub North. The project team will report to the ACC/Hub North Programme Board, which will meet monthly to provide governance and oversee each of the projects.

3. Strategic Fit

This section will consider how the project fits with the list of projects identified in the Local Outcome Improvement Plan). Firstly, state if the project is identified within the LOIP. If it is not, how does it work with the Council's strategic objectives such as:

- Prosperous Economy
- Prosperous People (Children & Young People)
- /Prosperous People (Adults)
- Prosperous Place

The regeneration proposals for Aberdeen's beachfront have the potential to contribute strongly to ACC and its partners' planning, economic and tourism strategy, and policy objectives.

The principles of redevelopment and regeneration of the beachfront were developed through Aberdeen City Council's Aberdeen City Centre and Beachfront Masterplan, and its recommendations for a reimagined beach parkland setting, creating a transformational and vibrant new beachfront destination for Aberdeen. This Masterplan is supported by the Aberdeen Local Development Plan, which supports leisure development at the beachfront area and the retention of greenspaces. At a regional level, the objectives of the Aberdeen City and Shire Strategic Development Plan include reconnecting the city centre with the beach.

The proposals also have an important role in supporting economic diversification by increasing tourism and creating jobs in associated sectors. Economic diversification and job creation is critical to the performance of the region in a period of continued decline of the oil and gas industry, which has been at the heart of the north-east economy for decades, and on the city's post Covid-19 recovery, and in supporting resilience against the current economic downturn.

The proposals therefore support the aims of the Aberdeen Local Outcome Improvement Plan by contributing to a prosperous economy and helping reduce unemployment. They will also directly achieve one of the goals of the Regional Economic Strategy: to "develop iconic tourism attractions to capitalise on non-business tourism and leisure markets and stimulate diverse culture, creative offerings of a national and international standard." Furthermore, by helping create a high-quality leisure attraction in the city, the project will enhance activity, footfall and associated visitor spend and will help meet the aims of the region's tourism strategy, Destination Aberdeen & Aberdeenshire.

The interventions also support the delivery of several UK and Scottish government strategies.

The proposals align with many of the spatial principles in **National Planning Framework 4** including 'local living', by providing free access to greenspace and opportunities for exercise; 'compact urban growth', by encouraging development of vacant urban sites; and 'rebalanced development' by encouraging sustainable development in an area of past decline.

It also supports the Pride of Place mission in the **Levelling Up White Paper** that by 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.

The investment in the beach park, events park and pedestrian spine elements of the beachfront will support the delivery of the remainder of the **City Centre & Beachfront Masterplan**, including ice rink and pier.

The proposed development area is also linked to the site of the proposed city centre investments via Beach Boulevard, and the two proposals come together to support a holistic regeneration proposition for the entire city. This masterplan includes a new Aberdeen International Food & Drink Market, the pedestrianisation of Union Street, the redevelopment of the former Police Scotland building on Queen Street, the creation of a new event space on Castlegate, and an al fresco food and drink quarter at Belmont Street.

Event Strategy

The Council will both use the beachfront for their own programme of free and inclusive events, including its annual Firework display and circus; and to help the city bid for the rights to host future major cultural & sporting events.

4. Business Aims, Needs & Constraints

Provide an overview of the sponsoring organisation and explain how the project supports the existing policies and strategies, and how it will assist in achieving the business goals, aims and business plans of the organisation. Include any relevant information about the current business situation, such as the organisational structures, business model, buildings, processes, teams and technology currently in place.

Aberdeen City Council is the sponsoring organisation for this project. The project’s contribution to the Council’s aims and objectives are set out in Section 3, and details of the current business situation are set out below.

The project supports the following existing policies and strategies:

- **City Centre and Beach Masterplan 2022** – the vision for the masterplan is “to create a world class city centre and beach that respects and enhances Aberdeen’s unique qualities and characteristics and puts people at its heart”.
- **Aberdeen Local Development Plan 2022 (ALDP)** aims that, by 2035, Aberdeen will be an even more attractive, prosperous, and sustainable European city region and an excellent place to live, visit and do business. We will be recognised for:
 - our enterprise and inventiveness, particularly in the knowledge economy and in high value markets;
 - the unique qualities of our environment; and
 - our high quality of life
- **Regional Transport Strategy** – the vision is to provide a safer, cleaner, more inclusive, accessible, and resilient transport system in the Northeast, which protects the natural

and built environment and contributes to healthier, more prosperous and fairer communities.

- **LOIP** - the vision set out in the LOIP is that Aberdeen will be ‘a place where all people can prosper by 2026. By this we mean that we want everyone in the city to have the same opportunities, regardless of their background or circumstances.’

Other policies and strategies that the project supports includes Strategic Development Plan (SDP), Economic Policy Statement, Local Development Plan 2020, City Living Report 2017 (and its 2022 update).

Also, the project is designed to ensure alignment with a set of SMART Objectives developed by HNSL and signed off by ACC.

Describe the purpose of the project, why it is needed, establishing a compelling case for change based on business needs, e.g. demand for services, deficiencies in existing provision etc. Where are we now and where do we need to get to.

The beachfront is closely linked to the city centre and is one of the most iconic and recognisable parts of Aberdeen. However, the environment is car-focussed, and the site contains large areas of empty space which lack a clearly defined purpose. The quality of the cultural offer, including the Beach Ballroom, which is one of the primary areas of focus for the masterplan, has also declined over recent years. Major public investment is required to create an environment built around people rather than vehicles and with an improved leisure offer, enhancing engagement with the beach and creating an attractive destination for city residents, visitors, and investors.

Aberdeen’s economy is undergoing a period of transition, with traditionally important oil & gas and retail sectors declining, but with new opportunities emerging in green energy and tourism.

This transition requires a change in people’s perceptions about the city and its identity, new private sector investment, the development and retention of skilled local residents, and the attraction of new talent to the city. All of this in turn requires actions to effectively position Aberdeen as an attractive place to live, work, study, visit and invest. ACC considers the redevelopment of Aberdeen Beachfront as critical to delivering this change in perception.

The project will also contribute to Aberdeen City Council’s ambitions to transition to a net zero carbon economy and to its biodiversity goals, by removing vehicles from the beach area, and through an increase in woodland and grassland coverage.

The proposed investments also create an opportunity to bring leisure, tourism, and hospitality, and construction employment to the city both by making the area more attractive to domestic and overseas visitors; and by helping the city to attract large scale events and conferences; all contributing to the city’s ambition to grow visitor spend to £1bn per annum. The investments will also create opportunities to address the pockets of deprivation and unemployment that exist around the beach area, including at nearby Regents Walk in Seaton which ranked in the 10% most deprived areas of Scotland in the 2020 Scottish Index of Multiple Deprivation.

The rationale for investment is driven by long standing market failures. The beachfront has experienced years of underinvestment. Existing facilities have a tired and outdated appearance and do not reflect the ambitious visions for the future put forward in the Aberdeen Beachfront Development Framework. Consequently, the spaces and features are

underutilised, do not fulfil the city's aspirations, and do not contribute to the city's economic growth and cultural identity by matching their potential.

Public sector investment is required to redevelop and reconfigure primary access routes which connect the city centre to the beachfront, as well as regenerate and re-imagine key cultural assets to create a vibrant destination and hub of economic activity in the city. Development of the scale and nature required is unlikely to be delivered by the private sector alone due to cost, complexity, and risk.

Furthermore, while the scheme will deliver significant external benefits for the city economy, it may not provide the direct returns sought by individual investors. Directing funds into the beachfront projects will stimulate new economic activity and attract further private sector investment which will be leveraged to deliver new development for Aberdeen

Identify any constraints, e.g. timing issues, legal requirements, professional standards, planning constraints. What assumptions have been made, and any linkages and interdependencies with other programmes and projects should be explained, especially where the proposed project is intended to contribute to shared outcomes across multiple Clusters.

While the project has the potential to benefit the city if pursued as a stand-alone project, it will only be able to support the ambition to transform the way people perceive the city's beach if it is taken forward in parallel with other proposed interventions, including the improvements to the Beach Boulevard and the construction of the proposed esplanade and boardwalk.

The area contains a small number of residential properties. Any development will need to be sensitive to residential amenity including noise, vehicular access, and parking.

The project will need to be delivered in a way that addresses adverse impacts on traffic movements, and consideration needs to be given to its impact on access to private car parks and blue badge parking spaces.

The project will need to be delivered in a way that does not interfere with wayleaves, rights of way, services below ground, utilities, or drainage.

State what impact the project will have on business as usual, e.g. temporarily reduce capacity or divert resources.

The project will lead to some temporary disruption during the construction process. It will have implications for traffic movement generally. It may lead to further restrictions around periods of access for delivery vehicles and reduced traffic capacity when events are held at the beachfront. However, the project will not lead to any permanent loss of business or resident parking. The CCMP Traffic Management Plan sets out mitigation measures to address the traffic implications of the project and the wider City Centre and Beach Masterplan.

5. Objectives

List the project's objectives. Make these tangible and clear as they will influence which option is recommended and will be used to monitor project progress and success.

The objectives of the beach element of the Aberdeen City Centre Masterplan are shown below:

OBJECTIVE	WHAT DOES SUCCESS LOOK LIKE?	MEASUREMENT
BEACH		
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	100% Footfall and 100% revenue increases (Leisure and Ballroom only)
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	2 ,000 m ² - Decrease in the average distance (m) for city centre Residents to nearest Park, Garden or Playing Field.
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	30 new Leisure Jobs by 2025
Materials sourced from the local area	Greater use of locally sourced materials such as granite	20 to 30% of net Construction Costs to be local materials
Contractor's labour from the local area	Greater use of local labour pool	50% Local labour employed

This project will support the delivery of each of these objectives.

As part of 'City Vision Bundle C' (a schedule of works that include each of the three phases of public realm improvements, and the integrated leisure & activity centre); Hub North Scotland has committed to deliver a range of community benefits including:

- 66 apprenticeships
- 62 work experience placements
- 100 new jobs
- 1 vacancy sharing
- 400 hours of community support activity

6. Scope

What will the project produce? What are its outputs?

Consider what business services, processes, people and environments will be delivered, affected or changed by the project.

Also define the work the project will carry out to make the transition from the project to 'business as usual' – the handover period.

State the project success criteria.

The proposed interventions in Aberdeen's City Centre and Beachfront have the potential to change the way that current and potential future residents and visitors experience and view the city. They can deliver a series of event and experience spaces that can give people reasons to visit the areas, and to stay in the area for longer than they would otherwise. This in turn can serve as a catalyst to increase visitor spend in the City Centre's existing retail, leisure, and hospitality businesses, and could encourage more people to live in and invest in the city.

Capital investment to deliver the infrastructure will also support short-term construction employment and associated gross value added (GVA), while the enhancements made to the public realm will support increased levels of active travel, such as walking and cycling, which promote healthier lifestyles and lower levels of emissions. These will have health and wellbeing benefits to those who choose active travel but will also benefit the entire community through the overall reduction in pollution and emissions.

A more granular description of the projects is detailed below:

- **Beach Park:** a new anchor attraction children's outdoor play destination at Queens Links. It will create a focus for activity and will act as a key 'gateway' into the wider park and the beach. The concentration of elements of play and child / youth focused spaces will assist to provide a public space worthy of Aberdeen's ambition..
- **Events park:** The Events Park + Field is an area of approximately 2.5ha and is intended as a flexible space capable of holding events, festivals, larger concerts etc. but also to provide a large, grassed area for day-to-day use including informal sports and games such as football, touch rugby, ultimate frisbee, and passive recreation such as picnicking. The Field will be the central focus of this area, semi-enclosed by woodland planting, providing definition and increased shelter. This area will have direct visual and physical links to the main pedestrian spine and the Beach Park area, with other key routes through woodland to surrounding communities and beachfront facilities.
- **Broad hill:** Broad Hill is approximately 5ha of green natural space, and one of the most distinctive landscape features along this stretch of coastline. The vision for Broad Hill is to enhance the natural environment of this distinctive feature in the beach area. This is to be done through additional planting, furthering the diversity of habitat and ecological value. Access on Broad Hill will also be enhanced through the upgrading of the existing path network through resurfacing and management where appropriate. There is an extensive network of formal and informal paths on Broad Hill, and it is not intended to introduce or change this network in any large way. The aim will be to improve the existing surfaces in an appropriate manner in the first instance and allow the careful management thereafter. A number of vantage and key arrival points will be enhanced with viewing platforms, seating areas along with enhanced interpretation and wayfinding.

6.1 Out of Scope

List any notable exclusions, those areas that may be viewed as associated with the project or the affected business area, but which are excluded from the scope of the project.

Phase B & C projects are currently out of scope. This includes the following:

- Esplanade and boardwalk
- Beach village
- Slipway
- Beachfront interface
- Beach Boulevard
- Pedestrian spine route
- Ballroom externals
- Road infrastructure
- Beach interface (former temporary landscape)

The proposed new pier, the proposed refurbishments of the Beach Ballroom and Leisure Centre and the proposals for a new potential Stadium are also out of scope.

7. Options Appraisal

7.1 Option 1 – Do Nothing

Description	Continue to manage and maintain site for remainder of asset lifetime.
Expected Costs	£0 additional cost. Continued road maintenance cost, costs associated with eventual demolition of leisure centre and ice rink
Expected Benefits	No anticipated benefit
Risks Specific to this Option	Continued deterioration of buildings, future investments not stimulated, continued decline of beachfront area.
Advantages & Disadvantages	Whilst there is a significant cost avoidance, this options acts against aspirations to develop beachfront and is a missed opportunity to support the achievement of the City Centre and Beach Masterplan objectives of creating accessible exceptional public realm space and attracting business and anchoring growth in Aberdeen.
Viability	No viability issues
Other Points	Reputational damage to ACC

7.2 Option 2 – Development of Masterplan

Description	Deliver the proposed phase A investments as part of the wider Aberdeen Beach masterplan
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Expected Costs	<p>Currie & Brown estimate the capital costs for the A works as £48m based on current designs by OPEN and Currie & Brown costings.</p> <p>Annual maintenance costs are £75k for landscaping and road maintenance costs. There is also a £6.6m allowance for replacement of play equipment over a 25-year cycle.</p> <p>The total present value cost of the full Masterplan for Aberdeen Beach is currently estimated at £441.7 million (including Optimism Bias).</p>												
Expected Benefits	<p>In Summer 2023, Hub North Scotland Ltd commissioned Stantec UK Ltd to undertake an economic impact appraisal of the proposed Aberdeen Beachfront Masterplan investments.</p> <p>These figures relate to the full package of investments, including the three phases of public realm works, the Pier and the redevelopment of the Beach Ballroom, Leisure Centre and Lin Ice Arena.</p> <p>This study found that the proposed masterplan developments would together generate contribute £562 million (Present Value, PV) of net additional gross value added (GVA) to the Aberdeen economy over a 30-year appraisal period. This is broken down below.</p> <table border="1" data-bbox="411 999 1414 1283"> <thead> <tr> <th>Area of impact</th> <th>Value of impact</th> </tr> </thead> <tbody> <tr> <td colspan="2">Figures included in the economic impact calculation (£m)</td> </tr> <tr> <td>Active travel benefit¹</td> <td>12</td> </tr> <tr> <td>Visitor spend</td> <td>455</td> </tr> <tr> <td>Construction spend</td> <td>95</td> </tr> <tr> <td>Total economic impact</td> <td>562</td> </tr> </tbody> </table> <p>Based on the above analysis, the project's benefit-cost ratio (i.e. total benefits divided by total cost) is 1.27, or a £1.27 return for every £1.00 invested.</p>	Area of impact	Value of impact	Figures included in the economic impact calculation (£m)		Active travel benefit ¹	12	Visitor spend	455	Construction spend	95	Total economic impact	562
Area of impact	Value of impact												
Figures included in the economic impact calculation (£m)													
Active travel benefit ¹	12												
Visitor spend	455												
Construction spend	95												
Total economic impact	562												
Risks Specific to this Option	Cost over-runs (mitigated through a cautious optimism bias assumption), failure to deliver on future phases)												
Advantages & Disadvantages	Stimulated visitor spending; greater participation in physical activities; Changing perception of Aberdeen as a place to live, work, visit and invest												
Viability	No viability issues identified.												
Other Points	-												

¹ Includes impacts on reducing congestion, reducing infrastructure maintenance costs, reducing accidents, improving local air quality, reducing noise and greenhouse gas emissions, improved health, reduced absenteeism and improved journey ambience, adjusted to account for adverse impact on Government fuel duty receipts.

7.3 Scoring of Options Against Objectives

Use the table below to score options against the objectives in order to create a shortlist of options to be considered.

Objectives	Options Scoring Against Objectives	
	1 – No development	2 – development of beach masterplan
Increased visitor footfall	-1	3
Creation of free public realm and open park/play space	0	3
Increased journeys by walking and cycling activity	0	3
Reduction in car journeys per annum	0	3
Reduction in CO2 emissions	0	3
Creation of Construction jobs over the build period	0	3
% of Materials sourced from the local area	0	3
% of Contractors labour from the local area	0	3
Total	-1	24

Scoring

Fully Delivers = 3

Mostly Delivers = 2

Delivers to a Limited Extent = 1

Does not Deliver = 0

Will have a negative impact on objective = -1

7.4 Recommendation

Using evidence based on the options appraisal and the objectives scoring, clearly articulate the recommended option, showing the best fit against the project's stated objectives, and balancing cost, benefits and risk. Note, if an option fails to deliver any essential objective then it must be discounted as unsuitable. The recommendation should not be made on objectives scoring alone but the table can be used to eliminate those options that score poorly as a first stage, with the second stage being a more detailed analysis of the remaining options. Bear in mind:

- Investment Appraisal
- Assumptions
- Constraints
- Dependencies

Based on the above scoring criteria and analysis, it is recommended that Option 2 (Masterplan development) be pursued as the preferred way forward.

8. Benefits

In the tables below, identify the key benefits the project will deliver.

All benefits need to be measurable, realistic and have a baseline or comparable starting point. These benefits will be monitored during and after the project close to gauge project success and value for money. If a benefit is more subjective, then that should be supported by, for example, staff or customer surveys taken **before and after** the project.

Give an idea of the total financial benefits, if these exist.

List any dis-benefits where appropriate, e.g. the loss of a disposal receipt where it is proposed to utilise a surplus building instead of selling it.

8.1 Customer Benefits

Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Increased footfall and visitor spend at Aberdeen's beachfront. Improvements in health and wellbeing as a result of greater public realm encouraging active travel.	Active travel	Stantec economic modelling	Latest footfall count from ACC is 514,088 at Beach Boulevard North Side and 611,671 at Beach Esplanade. It is assumed that this will rise to 1 million following the investments	£12m	30-year appraisal period	Discounted PV economic impact
	Visitor spend	Stantec economic model	Current annual GVA estimate of visitor spend is £13.4m.	£495m	30-year appraisal period	Discounted PV economic impact
	GVA of construction spend	Stantec economic model	£0	£95m	30-year appraisal period	Discounted PV economic impact
Better place to live, work and invest. Improvements in physical health and wellbeing	Non-monetisable					

8.2 Staff Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Improvements to quality of surrounding beachfront public realm for Council staff working in Aberdeen.	Non-monetisable					

8.3 Resources Benefits (Financial)							
Benefit	Measures	Source	Capital or Revenue?	Baseline (£'000)	Saving (£'000)	Expected Date	Measure Frequency
Increase in business rate receipts	Not monetised						

9. Costs

Use the tables below to provide cost information. Costs must include capital investment and where relevant any ongoing revenue costs incurred by the project or as a result of the project.

The source/basis of any estimates should be clearly identified.

Refer to the Government Green Book and the Supplementary Guidance on Optimism Bias for information on determining costs. Outline any assumptions in estimating costs in Section 17 and confirm in the Checklist that you have followed this guidance.

Green Book Supplementary Guidance Optimism Bias

The Green Book 2022 (HM Treasury Guidance)

To improve the design development process for capital projects there is a need to consider full life cycle costs, including maintenance. Therefore, costs should be considered at least over a 5-year period. It is an estimate of the resources and capabilities (people, physical resources, and funding) needed to deliver the project and sustain the benefits. The estimates need to cover both the direct project costs and the ongoing (business as usual) costs for the lifetime over which the benefits are to be considered.

Include information on where the budget will come from.

Full costs breakdown to be included.

Any impact on business as usual or service delivery.

9.1 Project Capital Expenditure & Income

(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Prime costs (including design development)	0	9,563	13,388	15,301	0	0	0	0	0	0	38,252
Additional costs (inc. prof fees, preliminaries, overheads, profits, Hubco fee and construction phase insurance and insurance price adjustment)	0	4,807	6,730	7,692	0	0	0	0	0	0	19,230
Sub-Total	0	14,370	20,119	22,993	0	0	0	0	0	0	57,482

9.2 Project Revenue Expenditure & Income											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Non-Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Revenue Receipts and Grants	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0

9.3 Post- Project Capital Expenditure & Income											
Mott McDonald has provided estimated replacement costs for the first 25 years of the project. Individual costs for years 1-10, and a total cost for the 25 year period are presented below.											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total (over 25 years)
Replacement costs	0	0	0	0	1,320	0	0	0	0	1,320	6,600
Sub-Total	0	0	0	0	1,320	0	0	0	0	1,320	6,600

9.4 Post- Project Revenue Expenditure & Income											
Mott McDonald has provided estimated annual maintenance costs for the full life of the project. The figures for years 1-10 are presented below.											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Maintenance costs	0	0	0	75	75	75	75	75	75	75	525
Sub-Total	0	0	0	75	75	75	75	75	75	75	525

10. Key Risks

A risk register has been prepared for the project. Key risks and mitigation measures are summarised below.

Description	Mitigation
Fully explain any significant risks to the project that you are aware of, especially those which could affect the decision on whether and in what form the project goes ahead. Append your full Risk Log if available.	Details of any mitigating action already taken or suggested.
Proposals exceed the affordability envelope	If the proposals exceed the affordability envelope, this could result in delays to decision making impacting on programme and cost increases.
Lack of connectivity between projects	A lack of connectivity between projects such as Streetscape and traffic interfaces could result in issues with transportation and traffic management.
Overall project costs	As a result of Project costs/inflation escalating over and above available funding, there is a financial risk to ACC with the possibility of projects being delayed or cancelled.
Poor communication and alignment	Lack of engagement with ACC Transportation team in the delivery phase across all visioning projects, could impact on cost and programme.
Public utilities and Diversions	Unknown utility routes have a negative impact on cost and programme.
Way leave management	If appropriate wayleaves are not obtained in a timely manner, then this will impact on cost and programme.
ACC regulatory, technical and operator teams' engagement	A lack of engagement with ACC (and wider ACC technical teams) could result in confusion and misunderstanding of requirements.
Road maintenance budgetary implications	Although no major maintenance cost changes are anticipated to arise following Phase A, there will likely be rises in asset replacement following Phase B that need to be addressed at a later stage. The increases in budget allowances are likely to arise due to

increased material costs, increased storage of materials and the erosion effect of salt water of the road and associated infrastructure. Further significant budget changes are expected following Phase C as structural inspection will be necessary.

11. Procurement Approach

If this project will involve the procurement of products or services, describe the approach that will be taken based upon the recommended option.

The Design Teams must conduct a check on the Health & Safety track record on tender documentation and submission prior to award and confirm this has been done.

The project will be delivered by hub North Scotland Ltd, ACC's strategic development partner for the planning, procurement, and delivery of community-based infrastructure projects across the north of Scotland. Hub North Scotland comprises 16 public sector organisations, the Scottish Futures Trust and private sector partners in a joint venture company known as a hubCo with the purpose of working collaboratively to deliver inspiring projects for communities and best value for participants. Aberdeen City Council are one of these public sector organisations and have been part of the hub initiative since 2011.

The key purpose of the hub initiative is to establish a long-term partnering relationship between hubCo and Aberdeen City Council and to procure the provision of appropriate infrastructure and related services involved in providing Community Services with the aim of: a) improving the efficiency of delivery of community-based facilities; b) delivering economies of scale through shared facilities; c) making the best use of public resources; and d) providing continuous improvement in both cost and quality in public procurement.

Hub North Scotland's dedicated supply chain members are working collaboratively with Aberdeen City Council to develop, design and deliver all projects within the ACC City & Beach Vision programme. All procurement is carried out in strict compliance with Hub North Scotland's Project Delivery Method Statement with a completely open book approach to project costs which is continually benchmarked and reviewed to maximise efficiency, accountability and demonstrate continuously improving value for money. The Hub North Scotland supply chain is structured to include both local and national partners maximising economies of scale whilst providing opportunities to local companies. Project development plans have specific focus on community and stakeholder engagement to maximise outcomes for end users.

Community Benefits

Hub North Scotland Ltd and Aberdeen City Council have agreed with Robertsons a set of Community Benefits to be delivered during the project that were outlined in the councils Project Plan for the City Vision Bundle C (Integrated Leisure and Activity Centre & Beachfront Public Realm Improvements.) The aim is to secure meaningful environmental, social, and economic value in their procurements. The appointment of a Contractor in the City Vision Programme (CVP) aims to deliver significant and ambitious legacy outcomes that contribute significantly to a holistic Aberdeen City Vision which supports a "green wellbeing economy" designed to benefit all sections of society.

Community Benefit requirements in CVP projects are designed to utilise "place based" strategies to develop 'Aberdeen: the Place' – a vibrant city where people choose to live, work,

do business and invest. Community benefit outcomes have a broad and ambitious focus but fall broadly within the following key theme areas:

- Education; employability and skills training
- Environmental Wellbeing
- Fair Work Practices
- Equality and Diversity
- Community Support & SME Opportunities
- Partnership working

In addressing community benefit requirements, are asked to address outputs and outcomes in their responses. Outputs should clearly contribute to the achievement of an outcome. Examples of outputs include: the number of new entrants recruited; ‘the number and value of sub-contracts awarded to local SMEs/local third sector organisations or ‘hours and value of professional advice provided to communities. Outcomes are the impact of what the benefits do, or what they enable communities to do for themselves or other partners to deliver, rather than descriptions of the activities or services 3 Bidders provide. These outcomes should be clearly aligned to the Local Improvement Plan and/or the National Performance Framework.

Benefits are categorised as either Specified benefits or Supplementary Benefits. Specified benefits are mandatory contractual requirements. Specified benefits are clearly defined and have key performance indicators which a supplier can be measured against. Supplementary benefits are subject to a “reasonable endeavours” obligation. Supplementary benefits require the same level of response as specified benefits. Supplementary benefits will be scored according to published criteria. Failure to demonstrate reasonable endeavours may result in contractual remedies. Targets agreed with Robertson are shown in the table below:

Community Benefit	Robertson Target	Year 1	Year 2	Year 3	Year 4	Year 5
Apprenticeships	66	2	4	20	20	20
Work experience (placements)	62	1	1	20	20	20
Developing the workforce	100	2	2	32	32	32
School engagement activities	10	2	2	2	2	2
Further and higher education engagement activities	10	2	2	2	2	2
Graduate/undergraduate/FE/HE placement opportunities	10		1	3	3	3
Employability engagement activities	10	2	2	2	2	2
Vacancy sharing	1	1	1	1	1	1
Communities, community groups, and community projects: 2 i) 400+ hours ii) donations	2 i) 400+ hours ii) donations	60	80	100	80	80

Local economic development (duty to report) creative measures to ensure inclusive participation of local SMEs/local 3rd sector + reporting on work packages awarded locally	1			1		
Environmental wellbeing, carbon reduction and climate literacy	1			1		
Environmental measures (fuel poverty and climate literacy)	10	2	2	2	2	2
Fair work practices	1			1		
Prompt payment in the supply chain	1			1		
Promotion of adoption and fostering	10	2	2	2	2	2
Case studies	5	1	1	1	1	1

Monitoring

To achieve our project targets, our Community Impact team of experts will be responsible for leading community impact initiatives. The Community Impact Advisor will collaborate with local partners, coordinate activities, achieve outcomes, and report on success. We will provide ongoing analysis and reports on performance, including the monthly input of social value through the SVP. The Community Impact Advisor will also conduct monthly social value update calls with the management and project teams to organize activities, ensure progress, and address any concerns.

Measurement

We will use our TOMs tracker to monitor social value delivery in real-time, based on milestones set at the start of the project. Seamless data collection will be ensured from supply chain partners, who will complete monthly proformas. Mark and the project team will provide extra support to at-risk areas of delivery. Successful areas will be turned into case studies and shared with Aberdeen City Council for future projects.

Reporting

We will regularly input data into the SVP system and provide reports on social value performance monthly. We will also quantify each quarter's performance using TOMs measures and share it with the client. Additionally, we will conduct an end-of-project report and analysis to identify opportunities and barriers faced during delivery.

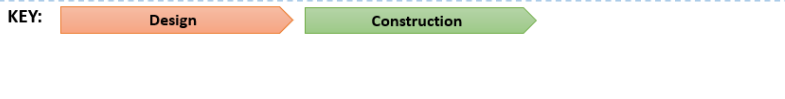
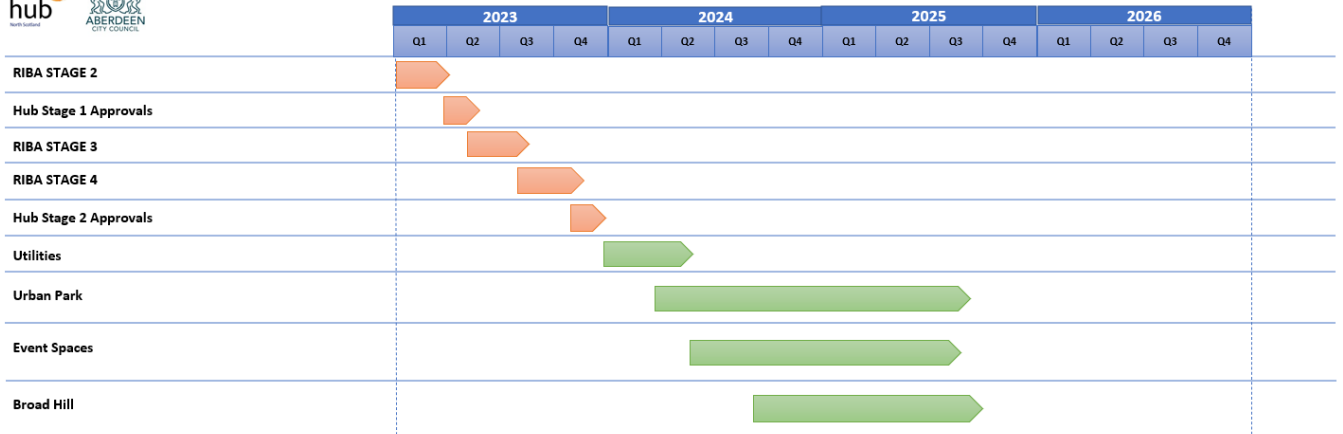
12. Time

12.1 Time Constraints & Aspirations

Detail any planned or agreed dates, any time constraints on the project or the affected business areas and any other known timescales.



ACC Public Realm Phase A - Programme Overview



12.2 Key Milestones		
Description	Target Start Date	Target Finish Date
RIBA STAGE 2	-	24.03.23
Hub Stage 1 Approvals	22.05.23	22.05.23
RIBA STAGE 3	24.04.23	21.07.23
RIBA STAGE 4	26.06.23	10.11.23
Hub Stage 2 Approvals	08.01.24	08.01.24
Construction Phase (Robertson's Programme dated 12.07.23)		
Utilities (Advance Work)	01.12.23	14.06.24
Beach Park	27.05.24	10.10.25
Events Spaces	22.07.24	19.09.25
Broad Hill	07.10.24	11.07.25

13. Governance

Include any plans around the ownership and governance of the project and identify the people in the key project roles in the table below.

Role	Name	Service
SRO	Craig Innes	ACC Commercial and Procurement Services
Programme Manager	Neil Donald	Hub North Scotland
Project Manager	Daniel Moysey	Mott Macdonald
Lead Contractor	David Heron	Robertson Construction
Lead Designer and Landscape Architect	Suzanne Mackrell (Keppie Design) Pol Macdonald (Open Environment)	Keppie Design & Open Environment
Cost Consultant	Kenneth Robertson	Currie & Brown
Principal Designer	Deborah Roberts	Currie & Brown

14. Resources

List the staff resources and expertise required to implement the project. Ensure support services are included, such as Project Management, Legal, Procurement and Communications.

Task	Responsible Service/Team	Start Date	End Date
N/A			
N/A			

15. Environmental Management

Fully explain any impacts the project will have on the environment (this could include, eg, carbon dioxide emissions, waste, water, natural environment, air quality and adaptation). Include both positive and negative effects and how these will be managed. Include details on how this has been assessed, giving an idea of the cost implication if this exists.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 put in place a target for net zero greenhouse emissions by 2045 in Scotland, accelerating new and updated associated policy interventions. In response, the city-wide climate journey is progressing. Following production of a Net Zero Vision for Aberdeen (2020), the Net Zero Aberdeen Routemap was produced collaboratively and approved in February 2022, setting the pathway for a net zero city by 2045. The project will do everything possible to align with existing and emerging climate and resource efficiency commitments and targets.

The project will minimise the embedded carbon of construction through maximising the use of locally sourced materials.

The project will also contribute to a reduction in CO₂ and particle emissions by reducing vehicular movements through Aberdeen beachfront. New planting will absorb carbon and improve quality of local environment. Air quality across the beachfront and in the city centre will also improve because of reduced traffic in the city centre.

Furthermore, no impact on waste collection or treatment of surface water is anticipated from the project.

Is a Buildings Checklist being completed for this project?	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>



If No, what is the reason for this?

Checklist to be presented and completed at a later stage.

16. Preserving Our Heritage

Describe fully any impacts the project will have on the heritage of the city or more widely in the region or nationally. This could include but is not exclusive to the following examples:

- Specific historical items of interest;
- Features of significant local or regional importance/interest;
- Granite elements of existing structures.

Include both positive and negative effects and how these will be managed.

Include details on how this has been assessed, giving an idea of the cost implication if this exists.

Aberdeen is a city with a close bond to the sea, and the Beachfront area has served the people of Aberdeen and beyond as a key leisure and recreation space for decades. Although still popular today, it was once a thriving tourist destination in the early 1900s, drawing visitors from across the country. Picture postcards from that era term Aberdeen 'The Silver City by

the Sea' and describe the Beachfront itself as 'The Finest Beach and Most Beautiful Holiday Resort in Britain'. The Beachfront also housed several well utilised leisure facilities and recreational activities, such as a bathing station, tennis courts and lawn bowls, in addition to the iconic Beach Ballroom which serves as the last remnant of this thriving time.

The category B-listed Beach Ballroom, affectionately known as the finest dance hall in Scotland, adopts a prominent position along the City's Beachfront esplanade. Opened in 1929, this important Art Deco entertainment venue has experienced much change, not least the major development of the 1970s Star Ballroom which provided additional function space on the roof of the eastern side overlooking the coastline. The building boasts a wealth of cultural history, having hosted many of Scotland's leading bands over the decades and is held in high esteem amongst Aberdonians who share fond memories of their time at the venue.

Capturing the nostalgia of that bygone era, the celebration of what has gone before provides inspiration for the future development of the Beachfront. The vision for the redevelopment of the area is to rejuvenate the Beachfront and return it to its former glory, creating a major waterfront destination for future generations to enjoy.

17. Stakeholders

List the key interested individuals, teams, groups or parties that may be affected by the project or have an interest in it, including those external to the organisation. Show what their interest would be and their level of responsibility. Also note any plans for how they will be engaged including the use of any existing communication channels, forums or mechanisms already in place.

In the event the Business Case projects a total capital expenditure of more than £10 Million, stakeholders should include "ACC Bond Investors" who may require to be communicated with through the London Stock Exchange.

The project will impact on business owners in the intervention area, who may be inconvenienced by traffic disruption in the short term but who also stand to benefit from the increase in footfall that the interventions will support. It will also impact on residents within the area, who will experience similar disruption and loss of parking amenity but will stand to benefit most from the improved placemaking and reduction in particle emissions. Internally, the project will also impact on the Council's Road maintenance and environmental services teams' budgets.

Throughout the Beach master planning process there has been ongoing engagement with key consultees, the public, young people, and school children. To date this process has dealt with the broader master planning principles concerning the whole beach front area and context, how it should integrate with the surrounding communities and wider city, to ensure the emerging proposals at this development framework level set the foundations for a project that can be successfully delivered meeting the expectations of all.

To date, the focused engagement has been with young people and schools partly due to the significant scale of the Beach Park area. Although there has been meaningful engagement to date with young people and schools, this Stage 2 Concept Development aims to involve young people and schools in the actual design process as well as listening to their emerging ideas. Engagement and workshops in October 2022 involved 8 schools and almost 500 students focused on exploring the concept design possibilities for the Beach Park area. It is expected that this process of engagement and workshop structure will continue through subsequent design phases to help shape final designs.

18. Assumptions

Document the high-level assumptions that have been made during the development of the Business Case and any other unanswered questions that may be significant. Refer to the Supplementary Guidance on Optimism Bias and detail the assumptions you have made in constructing the costs and business case.

[Green Book Supplementary Guidance Optimism Bias](#)

An Optimism Bias of 40% is assumed. Although there is now strong cost certainty in relation to the Phase A public realm works that are the subject of this business case, further costing work is still required in relation to the proposed future phases of development.

HM Treasury Green Book standard discount rate of 3.5% has been used to discount costs and benefits over a 30-year appraisal period.

Benefit modelling assumptions:

Construction spend benefits

- Turnover to GVA ratio (for Aberdeen's construction sector) from the Scottish Annual Business Statistics of 0.44 was applied to total annual capital spend for each option.
 - The following assumptions were then applied to estimate the net construction GVA:
 - Deadweight: 0% (no spending would happen on site in the counterfactual scenario)
 - Displacement: 40% (project will lead to some displaced construction activity elsewhere)
 - Leakage: 20% (as advised by Robertson, a proportion of the construction providers will be non-local)
 - Multiplier: 1.44 Type II multiplier assumed. (Scottish Government input output tables provides a Scotland wide multiplier of 1.87 for the construction sector. It has been assumed that 50% of these indirect and induced benefits will be retained locally.)
- The net construction GVA was then discounted and summed over the full appraisal period.

Active travel benefits

Baseline footfall was provided by the Council, specifically how many people currently visit Aberdeen Beachfront, and Beach Boulevard North Side and the Beach Esplanade. An 80% pedestrian/20% cyclist split was assumed. It was assumed that total footfall would rise to 1 million post investment (by comparison, Blackpool attracts 19 million visitor nights, Brighton 11 million and Bournemouth 10 million).²

DfT's AMAT tool was then used to calculate the active travel benefits of the project.

² <https://britishdestinations.files.wordpress.com/2019/04/2019-house-of-lords-select-committee-report-the-future-of-seaside-towns.pdf>

Visitor spend benefits

Baseline footfall was also used to estimate beachfront visitor spend benefits. Options 2 and 3 assume a prudent 5% uplift in total annual visitors whereas Option 4 assumes an uplift of 10% to represent the increase in overall value when Phases A and B are combined. The following conservative assumptions were also made:

Assumption	Value	Description
Percentage of non-local visitors	50%	Conservative modeller's assumption
Percentage of day visitors	50%	Only a small proportion will come as part of an overnight visit
Average spend per day visitor	£36.91	VisitScotland Grampian Factsheet 2019
Average spend per overnight visitor	£239.60	
Deadweight	0%	It is assumed that investment would not take place under counterfactual
Displacement	10%	A proportion of visits to some other attractions in the city will be displaced
Leakage	5%	Some proportion of the visitor spend will be from outside of Aberdeen. For example, visitors bring their own food with them.
Multiplier	1.30	Scottish Input Output tables provides a Scotland wide multiplier of 1.60 for the sport and recreation sector. It has been assumed that 50% of these indirect and induced benefits will be retained locally.
GVA as a percentage of spend	68%	Scottish Annual Business Statistics 2020, arts entertainment and recreation GVA to turnover ratio.

19. Dependencies

Document any projects, initiatives, policies, key decisions or other activities outside the control of the project that need to be considered or which may present a risk to the project's success, or on which this project depends.

The success of the project heavily dependent on the development of other Aberdeen beachfront projects. The construction of the beach ballroom and the leisure site will be crucial in encouraging the increased footfall across the beachfront that will benefit from these public realm improvements.

The success of the project is also dependent on the standards of construction, and on the selection of a design that makes ongoing maintenance of the project as cost effective as possible. This will be dependent on the following:

- Consistent paving of concrete/ natural stone / local granite slabs (to help minimise inventory costs)
- Consistent use of materials across projects
- Consideration for underground utility networks that may be disrupted or impaired during construction
- Selection of materials/appliances that can be readily replaced in subsequent years. For example, street lighting that doesn't use specific and hard to source lightbulbs

Sufficient maintenance budget allowances to accommodate the above will also be crucial to the project's success, and estimates of appropriate budgetary allocations have been included within this business case.

20. Constraints

Document any known pressures, limits or restrictions associated with the project.

Several financial and technical constraints face the project and issues around public utilities, and wider traffic network may limit the success of the project.

The approach to the Beachfront via the Boulevard is rather uninspiring with no real focal point or sense of arrival at Queen's Links. The Beachfront also lacks a sense of place and is dominated by a four-lane vehicular route. Aside from the Beach Ballroom, the surrounding architecture is quite industrial, with several existing Sports & Leisure buildings which are generally tired and of poor quality. Following an initial site walk-round, the Design Team analysed the Beachfront area as existing, identifying a few key site constraints and project challenges:

- Car dominant environment
- Exposure to the elements and lack of shelter
- General disconnect with the beachfront
- Dated industrial units and poor quality industrial architecture
- Underground sewage pipe running through the centre of the site
- Current and future coastal flood defence consideration

21. ICT Hardware, Software or Network infrastructure

List any new ICT systems or changes likely as a result of the project. If there are no ICT changes, then record as 'none'.

Description of change to Hardware, Software or Network Infrastructure	Approval Required?	Date Approval Received
None		

22. Change Controls Issued by the Project

Date	Change Ref ID	Approval Route	Change Description

23. Support Services Consulted

The minimum **consultation period for Outline/Full Business Cases is 10 working days** unless the Programme Board Chair agrees there are exceptional circumstances that require a shorter turnaround time.

Note:

- **It is mandatory for Capital projects to consult with the full list below.**
- If any services are not consulted, this should be indicated in the Comments section, along with the reason why. All comments received should also be noted, or reasons given for discounting them.
- It is a legal requirement for the Council to carry out an [Integrated Impact Assessment](#) to evaluate the impact our decisions have on our customers.

Note: There is a copy and paste version of the consultation list below which you can use for circulating your Business Case – [Support Services Consulted Circulation List](#)

Service	Consultee	Comments	Date
Resources	Chief Officer, Finance		

Service	Consultee	Comments	Date
	jbelford@aberdeencity.gov.uk		
Resources	Chief Officer, Corporate Landlord stbooth@aberdeencity.gov.uk		
Governance	Chief Officer, Governance (tbc)		
Place	Chief Officer, Strategic Place Planning DDunne@aberdeencity.gov.uk		
Place	Chief Officer, City Growth rsweetnam@aberdeencity.gov.uk		
Operations	Chief Officer, Operations and Protective Services mareilly@aberdeencity.gov.uk		
Operations (Facilities)	Andy Campbell, Facilities Manager AnCampbell@aberdeencity.gov.uk		
PMO	PMO Programme Manager RMacTaggart@aberdeencity.gov.uk		
Finance	Scott Paterson, Finance Partner spaterson@aberdeencity.gov.uk		
Asset Management	Alastair Reid, Team Manager alareid@aberdeencity.gov.uk		
Legal (Property/ Planning & Environment)	Ross Campbell roscampbell@aberdeencity.gov.uk (for Capital Board consultations only)		
Legal (Property/ Planning & Environment)	Alan Thomson alathomson@aberdeencity.gov.uk (for Transportation Board consultations only)		
Legal (Commercial & Procurement)	Michele Pittendreigh, Team Leader MPittendreigh@aberdeencity.gov.uk		
Procurement	Boguslawka Symonowicz BSymonowicz@aberdeencity.gov.uk		
ICT – Digital & Technology	Steve Robertson, Digital & Transformation Manager sterobertson@aberdeencity.gov.uk		
Design – Public Buildings	Neil Esslemont, Team Leader nesslemont@aberdeencity.gov.uk		
Grounds Maintenance	Steven Shaw, Environmental Manager stevens@aberdeencity.gov.uk		
Communications	tbc		
HR	Lindsay MacInnes, People & OD Manager lmacinnnes@aberdeencity.gov.uk		
Transportation Strategy and Programmes	Joanna Murray, Team Leader joannamurray@aberdeencity.gov.uk		
Place – TSAP	Nicola Laird, Senior Project Officer NLaird@aberdeencity.gov.uk		

Service	Consultee	Comments	Date
Roads Management	Stuart Allan, Team Leader Technical StuAllan@aberdeencity.gov.uk Vycki Ritson, Team Leader Engineering vritson@aberdeencity.gov.uk		
Roads Projects	Alan McKay, Team Leader AlanMcKay@aberdeencity.gov.uk		
Emergency Planning Officer	Fiona Mann FioMann@aberdeencity.gov.uk		

You can attach a link to your document to the list above but will need to attach **a copy of your document** to the consultees below as the link function doesn't work for generic addresses:

Service	Consultee	Comments	Date
Estates	Property Estates Manager Estates@aberdeencity.gov.uk		
Environmental Policy	EPConsultations@aberdeencity.gov.uk		
Equalities	Baldeep McGarry/ Faiza Nacef equality_and_diversity@aberdeencity.gov.uk		
Planning	Local Development Plan Team LDP@aberdeencity.gov.uk Development Management PI@aberdeencity.gov.uk		

24. Document Revision History			
Version	Reason	By	Date
2			
3			
4			

25. Decision by Capital Board	Date
* Approved/Not Approved to:	

* Insert approval decision from Capital Board.

APPENDIX 1 - ACC City Vision SMART Objectives – 5 May 2022

Informed by Local Outcome Improvement Plan 2016 – 2016 Refreshed July 2021 and Economic Performance Report November 2020. Also includes feedback from ACC Economic Development Team.

Objective	What does success look like?	Spatial Level	Metrics	Baseline Data	Current Data	Frequency	Responsibility for Reporting	Comments
Masterplan								
City Centre population growth	More people live, work, and use City Centre facilities	City Centre	3,000S extra people living in the city Centre by 2040	Savills City Living Report February 2022	2020	Yearly	ACC	
Increased GVA	Still having the highest GVA per head in Scotland	Local Authority	£s per annum	Real GVA per head	2019	Yearly	ACC	
Reduction in crime (actual)	Offences and crime figures in a downward trend in the city Centre	Local Authority	<ul style="list-style-type: none"> 30% fewer young people (12 to 17) charged with an offence and a crime by 2026 2% fewer people reconvicted within one year by 2026 1 point increase (4.31 -> 5.31) (/7) in the mean score for people who "Feel safe in the city Centre throughout the day and night" by 2026 	<ul style="list-style-type: none"> Youth Convictions 2017-2018 Reconviction rate Baseline City Voice 41: June 2017 From Gov.Scot & City Voice	2017/18 2018/19 Sept 2021	Yearly	ACC	
Increased footfall in the city Centre	More locals, visitors and tourists visiting Aberdeen throughout the year	Local Authority	10% increase in daily average footfall in the city Centre by 2026	Centre for Cities 2019	Feb 2022	Monthly	ACC	2019 was 70,604 a day
Reduced Office vacancy rates in the city Centre	Less empty office space in the city Centre	Aberdeen Central	2% (13.99% -> 11.99%) decrease in the office vacancy rate in the City Centre by 2026	Aberdeen Central: CoStar	Q1 2022	Quarterly	ACC	North East Scotland Commercial Office Sector
Reduced Retail vacancy rates in the City Centre	Less empty retail units in the City Centre	Local Authority	1% (6.39% -> 5.39%) decrease in the retail vacancy rate in Aberdeen City by 2026	CoStar	2022	Yearly	ACC	North East Scotland Retail Market. Alternative to use BID vacancy rates

Increased journeys by walking and cycling into the City Centre	More active travel across all demographics	City Centre	75% of people walking and 25% cycling as part of their usual mode of transport into the City Centre by 2026	City Voice reports 41 - 45	Sept 2021	Yearly	ACC	
Increased ease of walking and cycling around Aberdeen	More active travel across all demographics	City Centre	2-point increase in the mean (/7) (3.7 -> 5.7) of people who say they can easily walk and cycle around the City Centre using good quality routes.	City Voice reports 41 - 45	Sept 2021	Yearly	ACC	
Increase in cycling in the City Centre	More active travel across all demographics	City Centre	30% (1,244 -> 1,617) increase in average daily cycling in the City Centre by 2026.	Department for Transport	2019	Yearly	ACC	2019 was last year of normal City Centre conditions and traffic levels. Certain count points may come back in 2022, 996768 may be removed if not, it will not impact the outcome.
Reduction in car journeys in the City Centre	Less cars in the City Centre	City Centre	20% reduction in average daily traffic flow by 2026	Department for Transport	2019	Yearly	ACC	2019 was last year of normal City Centre conditions and traffic levels
Reduction in CO2 emissions	Ongoing reductions in CO2 emissions in the City Centre	Local Authority	By at least 61% by 2026 and NZC by 2045	Carbon Footprint (2015/16 base year)	2020/2021 Financial Year	Yearly	ACC	Cannot be measured at City level
Reduction in NO2 (ug/m3)	Ongoing reductions in NO2 emissions in the City Centre	City Centre	Reduce NO2 to <35ug/m3 annual mean in the City Centre by 2026.	ACC: Air Quality Report	2019	Yearly	ACC	The Scottish Government has an objective to limit NO2 to less than 40µg/m3 as an annual mean by end of 2005. City Centre has fallen over 5ug/m3 between 2016 - 2019, =>



								35ug/m3 seems appropriate as Aberdeen as a whole was 27.6 in 2019.
Increased educational attainment, skills, and life-long learning	Improved Education outcomes	Local Authority	<ul style="list-style-type: none"> 6% absolute increase in the number of people (16-64) receiving job related training in the last 13 weeks by 2026 4% (52% ->56%) increase in working age population (16-64) with NVQ4+ Qualifications by 2026 3% (6.5% -> 3.5%) decrease in working age population (16-64) with no NVQ Qualifications by 2026 A 1% decrease (3.2% ->2.2%) in the percentage of people aged 16-19 not participating in education, employment, or training To match or be under Scotland's density of skills gaps in each occupation groupings (High Skilled, Middle Skilled, Service and Labour Intensive) by 2026 	<p>APS (NOMIS):</p> <p>APS (NOMIS):</p> <p>APS (NOMIS):</p> <p>Scottish Index of Multiple Deprivation</p> <p>Scottish Employer Skills Survey</p>	<p>Jan 2021 to Dec 2021 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p> <p>Jan 2020 to Dec 2020 Baseline Year</p> <p>2021</p> <p>2020</p> <p>-</p>	<p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p> <p>Yearly</p> <p>Biannually</p>	ACC	Source: SKILLS DEVELOPMENT SCOTLAND
City Centre Interventions								
Creation of new public realm space leading to			<ul style="list-style-type: none"> 62,559 m2 new public realm space 	City Centre	N/A	On completion of	ACC (HNSL for new public realm)	

increased satisfaction with the City Centre	Improved perception of City Centre from residents and visitors	-	<ul style="list-style-type: none"> Increased life satisfaction in Aberdeen - 1 point increase (7.21 ->8.21) in the level of "Life Satisfaction" in Aberdeen residents by 2026 Increased happiness in Aberdeen - 1 point increase (7.17-> 8.17) in the level of "Happy" in Aberdeen residents by 2026 Increased green space for city residents - 1 point (5.2 ->6.2) increase in the level Aberdeen Central Residents score for "Can you regularly experience good quality natural space? This includes a wide variety of environments from parks and woodlands to green space alongside paths and streets" 	Local Authority	2020/2021	construction works		
				Local Authority	2020/2021	Yearly		
				City Centre	Sept 2021	Yearly		
Creation of Construction jobs over the build period (Public Realm & Market)	Increase in construction jobs	City Centre	<ul style="list-style-type: none"> 60 - 120 new Construction Jobs – Public Realm 150 - 175 new Construction Jobs – Market 	HNSL TIER 1 Contractors	N/A	During construction period	HNSL	
Creation of new jobs directly associated with the Market (catering, cleaning, management, and operations)	New jobs created in the City Centre	City Centre	250 new Market Jobs	Market Operator	2022	Yearly	ACC	Provided by Preferred Market Operator, McGinty Group
Attracting regional and local businesses into the new Market	New businesses attracted to the City Centre	City Centre	20 – 40 new businesses	Directory of New Businesses	Feb 2021	Monthly	ACC	Gary Hughes: Bank Search
Reduction in city centre congestion	Bus journey times reduced,	-	Buses generally on time 75% (64% - > 75%) of the time	Transport Scotland	2019	Yearly	ACC	

	more buses on time etc							
Materials sourced from the local area	Greater use of locally sourced materials such as granite	-	30 - 50% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction period	HNSL	Lighting and street furniture, etc. will require to be sourced from other areas if not available locally.
Contractor's labour from the local area	Greater use of local labour pool	-	60% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
Beach								
Increased footfall and revenue at the Beach Ballroom and other Beach Leisure Facilities	Facilities are more popular, have greater footfall and generate more profits	-	100% Footfall and 100% revenue increases (Leisure and Ballroom only)	Current footfall and revenue for existing ACC facilities	2022	Yearly	ACC	ACC to provide data.
Creation of free public realm and open park/play space, leading to increased satisfaction with the Beach area	Improved perception of Beach from residents and visitors	Local Authority	2,000 m2 Decrease in the average distance (m) for City Centre Residents to nearest Park, Garden or Playing Field.	ONS: Garden	2020	Yearly	ACC	
Increased journeys by walking and cycling per annum	More active travel across all demographics	-	38% of people walking and 5% of people cycling as main mode of travel by 2026	Beach Esplanade Average Daily Pedestrian/Cycling Levels C19 Monitoring Form	Dec 2021	Monthly	ACC	
Reduction in car journeys at the Beachfront	Less cars in the Beach front area	-	20% (12,552 -> 10,042) reduction in all vehicle journeys at the beachfront	No roads around the Beach monitored in C19 form	2019	Yearly	ACC	

Creation of Construction jobs over the build period	Increase in construction jobs	–	200 new Construction Jobs	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
Creation of new jobs directly associated with new Leisure offering at the Beach	Increase in jobs in Aberdeen	–	30 new Leisure Jobs by 2025	Mott McDonald	2022	Yearly	ACC	78 gross new jobs advised by Mott McDonald
Materials sourced from the local area	Greater use of locally sourced materials such as granite	–	20 to 30% of net Construction Costs to be local materials	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	
Contractor's labour from the local area	Greater use of local labour pool	–	50% Local labour employed	HNSL TIER 1 Contractors	N/A	During Construction Period	HNSL	

NOTE: Update on measures to tie in with yearly progress reports on recalibration of the CCMP.

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Queen Street Outline Business Case
REPORT NUMBER	RES/23/242
DIRECTOR	Steve Whyte
CHIEF OFFICER	-
REPORT AUTHOR	Sandy Beattie
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 This report presents the Outline Business Case for the redevelopment of the Queen Street area as an urban park.

2. RECOMMENDATIONS

That Council:-

- 2.1 Note the conclusion of the Outline Business Case (OBC) and agree the recommendation to progress with Option 5: Urban Park with landscaping to north-west development area and development to south-east on site of former Police HQ.
- 2.2 Instruct the Director of Resources to:
- (i) proceed with the detailed design, consultation and engagement with stakeholders, obtain necessary consents, negotiate parking and access changes and develop a detailed cost and delivery programme required to deliver Phase 1 of the Urban Park as detailed in the OBC,
 - (ii) update the business case for the site of the former Police HQ to determine suitability for refurbishment, rebuild, or as Urban Park Phase 2, depending on the outcome of market testing, and
 - (iii) report progress to Council in December 2023.

3. CURRENT SITUATION

- 3.1 Council, at their meeting on 14 December 2022 (Item 16, report RES/22/290) agreed the Strategic Outline Case for Queen Street and instructed the Director of Resources to progress the short-listed options into an Outline Business Case which would identify a preferred option and report back to Council in August 2023.
- 3.2 The vision for Queen Street is outlined below:

- Alignment with City Centre and Beach Masterplans, Local Outcome Improvement Plan; and national alignment with the National Strategy for Economic Transformation and the Scottish Cities Alliance Transition to Net Zero Carbon Action Plan.
- To stimulate the city's economic growth, create jobs, and facilitate future business investment.
- To increase City Centre footfall and attract new visitors to Aberdeen and make a positive contribution to the six qualities of successful places identified by the Scottish Government. These are distinctive; safe & pleasant; easy to move around in; welcoming; adaptable; and resource efficient.
- To be affordable to ACC and able to secure funding to support the development.
- To be financially self-sustaining where possible without ongoing support from ACC and can be easily exited by ACC if required.
- Supports UK & Scottish Government sustainability goals and ACC's journey to Net Zero by 2045.

3.3 Queen Street redevelopment is a key component of the City Centre and Beach Masterplan and provides the opportunity to enhance both the quality and provision of urban green space in the city centre, complementary to other projects such as Union Terrace Gardens and the emerging proposals at the Beach.

3.4 The size and scale of the space, together with the surrounding historic buildings, lends itself to a potential mix of urban park and development. The Queen Street site is part of the urban realm network of public space and development proposals which will build on the principles of a connected network of green spaces in the city centre. The city centre needs a variety of spaces that contribute to improving air quality, sustainable urban drainage, biodiversity, urban food production, health and well-being, active travel and providing areas of calm.

3.5 The Strategic Outline Business Case (SOC) assessed a Long List of 11 options emerging from an Options Appraisal which was refined to a Short List of 5 assessed further in the Outline Business Case (OBC). High level summaries and capacity studies of the five Short List Options have been prepared as follows:

Option 1

Do Nothing/Minimal Intervention

Option 2

Urban Park and pavilion with landscaping to north-west and south-east development areas.



Option 3

Urban Park with housing development to north-west and refurbished/repurposed former police HQ to form residential development to south-east.



Option 4

Urban Park with housing development to north-west and new build workplace to south-east on site of former police HQ.



LANDSCAPE PLAN

Option 5

Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former Police HQ.



LANDSCAPE PLAN

3.6 Summary of options (all costs and timescales are indicative and subject to change as proposals progress)

Option	Area of Park	Development	Capital Cost	Cost to Council	Timescale	Benefit to City	Risk	Net Commercial Impact to Council
1 Do nothing	N/A	Unknown until site sold – outwith ACC control	Minimal to market site	£6M already spent (land assembly etc)	Unknown until sites sold	Unknown	Med/High Risk - Reputational loss to ACC, continuing blight on landscape	Sites are unlikely sellable so overall impact remains at +£6M.
2 Full Urban Park	7,300m ²	None	£26M	£26M plus £6M already committed (land assembly etc)	March 2026	£44.6M, with a benefit-cost ratio of 1.51	Low Risk - Delivery risk to ACC low as ACC has full control	Modest income from Pavilion (£10k) could be achieved but unlikely to offset £26M Capital Cost and £6M commitment to date.
3 Urban Park, new Residential to NW and refurbished Police HQ to provide residential	3,466m ²	Residential	£39M	£13M plus £6M already committed (land assembly etc) (Developer costs are £25M)	March 2026	£97.3M, with a benefit-cost ratio of 2.41	Medium/ High Risk – See note below.	Income from Council Tax rates could be £260k per annum
4 Urban Park, Residential to NW and Commercial (Office) to SE	3,400m ²	Mixed used Residential and Commercial	£71M	£15.0M plus £6M already committed (land assembly etc) (Developer costs are £53.5M)	March 2026	£220.4M, with a benefit-cost ratio of 3.24	Medium/ High Risk – See note below.	Income from Council Tax rates could be £113k per annum and Business Tax rates could be £1.08M per annum
5 Urban Park and new Commercial to SE	5,200m ²	Commercial office (new or refurb) <i>(Residential option can also be considered)</i>	£61M	£8M plus £6M already committed (land assembly etc) (Developer costs are £43.0M)	Phase 1 Urban Park Q1 2026 Phase 2 Development Q1 2027	£191.2M, with a benefit-cost ratio of 3.20	Medium/ Risk – See note below.	Income from Business Tax rates could be £1.08M per annum to offset the £61M Capital Cost and £6M spent to date.

- 3.7 **Option 5 scored the highest out of all Options**, albeit the difference in scores between Options 3, 4 & 5 is very small (see Section 7 of OBC for scoring table). The Do-Nothing Option 1, as would be expected, scored significantly lower than all other Options and Option 2 the full Urban Park scored around 12% less than Options 3, 4 & 5. Full details of each option are available in the appended OBC and the table in 3.6 provides a summary comparison.
- 3.8 It is recommended that Option 5, Urban Park with landscaping to north-west development area (Phase 1) and new development to south-east on site of former police HQ (Phase 2) be taken forward as the Preferred Option.
- 3.9 This will involve taking forward detailed design and construction of an Urban Park to the Northwest of the site; undertake stakeholder consultation, obtain necessary consents, negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the Southeast of Queen Street.
- 3.10 The design development of the urban park will follow the successful principles of engagement and co-design that have been established with the Beach projects. This will include children and young people together with local stakeholders, particularly around culture groups prominent in the area. There will also be a strong focus on making the park accessible for all whilst also exploring all options for future use to ensure the outcome is distinctive, taking advantage of the specific enclosed setting of Queen Street, yet connecting to the wider city centre projects such as Marischal Square, Broad Street, Union Street and the Castlegate. The area also provides the opportunity to enhance the active travel connections between the city centre and the beach.
- 3.11 The recommendation for the former Police HQ is to develop the business case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options with progress to be reported to Council by December 2023.
- 3.12 The sequence of activities recommended for Option No 5 is therefore:
- 1) to proceed with detailed design and planning activities associated with the urban park per Option No 5.
 - 2) to proceed with a soft market engagement exercise to assess viable uses for the remaining part of the site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ.

- 3) following this soft market engagement prepare an update business case which determines the most appropriate uses for the residual site which complements the proposed urban park. These options could include development in full, in part, deferred development, sale of the site or urban park in full.
- 3.11 It is considered prudent that soft market testing will necessarily include potential public sector investment and opportunity in the site for uses that may inform future development outwith the traditional development models.
- 3.12 As the above work progresses, the internal strip out of the former Police HQ will be underway. This includes soft strip, asbestos removal and service isolation from the Scottish Courts and Tribunal Services Civil and Commercial Court on Queen Street.
- 3.13 Tenders for the works in 3.11 have been returned and are currently being examined for best value, with an anticipated site start in September 2023 and completion by Q1 2024 (dependent on full extent of works required).
- 3.14 Should the Full Business Case for Option No 5 Phase 2 development prove not to be viable, it would be possible to revert to Option 2 Full Urban Park, with the possibility of arranging the park in such a way as to accommodate subsequent development should future market conditions change.

4. FINANCIAL IMPLICATIONS

- 4.1 Costs for the development of detailed design, stakeholder engagement for Phase 1 of Option 5, together with development of the updated business case, including market testing, for Phase 2 are estimated to be in the region of £250k will be met from the exiting Queen Street budget.
- 4.2 The anticipated costs in relation to the soft strip and service separation programme will also be met from the existing Queen Street budget.
- 4.3 Further delivery costs will be identified and reported to Council for future consideration in the capital planning/budget process.

5. LEGAL IMPLICATIONS

- 5.1 As project proposals progress design stages, they are being examined and managed within the professional scope of construction industry accepted standards, ensuring all due diligence exercises and pre-contract enquiries are complete and satisfactory.
- 5.2 The land considered for development is in Council ownership, confirmed by title search. Cognisance and due diligence will be undertaken with regard to ensuring rights of access are maintained where appropriate in developed designs.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The City Centre and Beach Masterplan has been screened through the Strategic Environmental Assessment (SEA) process and the consultation authorities have confirmed that no Environmental Report specific to this overarching Masterplan is required. Individual plans, programmes and strategies falling out of the Masterplan will be considered individually, as will any requirements for project-specific Habitat Regulations Appraisals (HRAs),
- 6.2 The Queen Street site is included within the Queen’s Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023. The Local Development Plan has also gone through the Strategic Environmental Assessment process, with an Environmental Report available to view on the Council’s website.
- 6.3 Every effort will be made to minimise the carbon footprint of the project including undertaking a sustainability/carbon review on the design, possible re-use of existing materials and local supply of new materials wherever possible.
- 6.4 The introduction of an urban park and active travel routes supports the implementation of the Low Emission Zone by enabling people to make different choices on how they move about the city.
- 6.5 Urban green space will contribute and encourage biodiversity in the city centre, has the potential to contribute to sustainable urban drainage and also has added benefits of improving health and well-being for surrounding residents, employees and visitors.

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 proceed with project impacts on wider city commitments and economic targets	Continue to work collaboratively to achieve masterplan delivery and wider advantages.	M	Yes

Operational	Project scope changes	Seek preferred option agreement with ACC at appropriate stage and progress agreed design to avoid abortive work.	M	Yes
Financial	Inaccurate/ uncharted underground services and utility survey information leads to increased costs.	Ensure thorough & adequate surveys undertaken prior and during the development phase. Service detection, historical review / detailed desk top review undertaken. Ensure project contingencies are sufficient to cover possible unexpected costs.	H	Yes
Financial	Budget Pressures due to current market volatility.	Robust budgets established based on market intelligence. Independent budget reviews with Project Management Office and supply chain are regularly held. Appropriate inflation allowances made in cost plans.	M	Yes
Reputational	Lack of development leading to unsightly derelict building	Progression of Phased delivery plan, including market testing of site, with full urban park as fallback position	M	Yes
Environment / Climate	Implications of demolition	Potential offset with urban park	M	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	<i>Create a new urban garden for our city centre in Queen Street, with active travel routes linking in with the wider city centre and the improved links to the beachfront</i>
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	

Prosperous Place Stretch Outcomes	The project will contribute to the Prosperous Economy and Prosperous Place objectives, Address climate change (local materials, reduction in emissions, green infrastructure), increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026
Regional and City Strategies	<p>The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.</p> <p>Measures to introduce new green infrastructure in the City Centre will support the Air Quality Action Plan, Climate Change Plan, Net Zero Action Plan and Low Emission Zone by contributing to emissions reduction.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment (IIA)	<p>An IIA for the City Centre Masterplan was prepared to inform and support the report to Council in December 2022 (Appendix F). A project specific update IIA for the Queen Street Outline Business Case has been prepared to support this report and will be used to inform design development of the selected approach to development.</p> <p>Although high level at this stage, the IIA supports the recommendation that Option 5 be the preferred option as it affords the potential balance of urban park with accessibility and future development. Access for, and impact on, a range of stakeholders/occupiers/users will require to be addressed in the next stages and be informed by the developing IIA. The Council has engaged the services of an independent accessibility team which will work with the design team, stakeholders and Council officers to ensure the best possible outcomes from any future development proposals.</p>
Data Protection Impact Assessment	DPIA Screening Questions completed. Neither a brief DPIA or full DPIA is required at this stage
Other	N/A

10. BACKGROUND PAPERS

- 10.1 City Centre Update Report to Council, 14 December 2022
<http://councilcommittees/documents/s138824/City%20Centre%20Update%20report%20to%20Council.pdf>

11. APPENDICES

- 11.1 Appendix 1: Queen Street Outline Business Case

12. REPORT AUTHOR CONTACT DETAILS

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Outline/Full Business Case

Project Name	Queen Street Development Zone - Outline Business Case		
Author	Sandy Beattie ACC	Date	2 August 2023
Sponsoring Cluster	Corporate Landlord	Version	8.0

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(Press F9 function key to update table of contents after completion of Business Case – [guidance here](#))

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[Find further guidance in the ACC Project Management Toolkit online](#)

1. Introduction and Project Overview

Briefly describe the basic project concept. Describe the current business situation as it relates to the problem or opportunity that gave rise to the idea, including any other drivers such as regulatory or legal compliance requirements

If taking no action may have a negative effect on the organisation, then also describe what will happen if the project is **not** undertaken.

Introduction

This Outline Business Case (OBC) follows the instruction from Council in December 2022 in relation to the approved Strategic Outline Case for the Queen Street area. The OBC provides estimated Capital and Revenue costs and indicative programmes for delivery of an Urban Park and varying levels of supporting development on Queen Street in line with Council policy and instruction for the area.

At their meeting on 14 December 2022, Council approved the Strategic Outline Case (SOC) for Queen Street:

The SOC and covering report can be viewed at:

<https://committees.aberdeencity.gov.uk/documents/g8190/Public%20reports%20pack%2014th-Dec-2022%2010.30%20Council.pdf?T=10>

9.1 City Centre Update - RES/22/290 (Pages 41 - 264)

The decision sheet can be viewed here:

<http://councilcommittees/documents/g8190/Decisions%2014th-Dec-2022%2010.30%20Council.pdf?T=2>

Ref item 9.1 (xi) Queen Street to agree the Strategic Outline Case for Queen Street and instruct the Director of Resources to progress the short - listed options into an Outline Business Case which would identify a preferred option and report back to Council in August 2023)

An Urban Park option covering the entire project area does not score the highest optimal solution for Queen Street based on the evaluation criteria used (as borne out by the Options Appraisal detailed in Section 7).

The OBC therefore also includes costs and programme implications for varying amounts of optional development that could support differing scales of Urban Park and reduce the burden to the public purse of its provision, whilst supporting placemaking and other ACC policy objectives for the city centre.

Background

The city centre is currently undergoing major transformation and this project seeks to support this. The City Centre and Beach Masterplan provides a framework of development and

direction that demonstrates a seismic change in the way the city operates, and Queen Street is a key component of this.

Project Overview

Redevelopment of Queen Street provides the opportunity to address unsightly and inefficient buildings, whilst enabling significant improvements to public realm, opportunities to increase green space and encourage well-being in the city centre, increase inclusivity and complement the established improvements to Broad Street and Marischal Square.

The surrounding area is home to key civic, commercial, and cultural assets in the city and benefits from a wonderful quality of architecture such as Marischal College and the Town House.

Queen Street has seen over £6M commitment by ACC (which has enabled land assembly, demolition, Police Scotland integration into Marischal College and a new Joint Integrated Mortuary which is now on site at Aberdeen Royal Infirmary Foresterhill) to manage public resources more effectively, whilst at the same time pump priming/de-risking the site for future development. An additional £22.5M has been secured from the Scottish Government to enable the city mortuary relocation to be complete by Summer 2024.

The Council is now the majority landowner in the area and has acquired the following properties/areas of land:

- 29 – 31 Queen Street
- Former Police Scotland HQ
- Surface Car Park
- Former University of Aberdeen surface Car Park
- 6-12 Shoe Lane (Former University of Aberdeen Music Range).

An Urban Park in Queen Street will develop a key component of the City Centre and Beach Masterplan and regenerate an important city centre site that otherwise could lie vacant and derelict. It will contribute to:

- Health & wellbeing of all residents and visitors to the city
- Attracting new visits to the City Centre, potentially through hosting events particularly in relation to the cultural centres in the immediate area
- Active travel in the City Centre and promoting walking and cycling, creating pedestrian and active travel dominated areas, taking advantage of the City Centre location and proximity to local transport hubs
- Consolidating the civic heart of the city and provide for appropriate green space and amenity which is complementary to the surrounding historic environment
- Increasing City Centre population and footfall across all age groups
- Increasing the number of people that work in the City Centre
- Creating 20-minute neighbourhoods in the City Centre
- ACCs journey to Net Zero Carbon.

2. Executive Summary

Provide a clear, concise summary of the key features of the business case, briefly describing what the project will deliver, any key decisions associated with it, the expected costs, and the funding position (showing any budgets already identified/ expected and the ask of Capital). Include an outline of the benefits, and any dis-benefits, what risks and assumptions are associated with the project, and summarise planned or agreed dates and time constraints. Indicate who is the project sponsor and how the project will be owned and governed and what form the project board will take.

Key features

Queen Street is a key component of the City Centre and Beach Masterplan. The Council has acquired property at Queen Street and Marischal College from the University of Aberdeen and Police Scotland, to facilitate the co-location of a range of public services there and complement the new commercial quarter at Marischal Square creating a unique opportunity for the area to become a new transformational asset for the city.

The Council's objective is to deliver an Urban Park - this OBC explores various options to achieve that, with differing scales of park and potential for a degree of enabling development.

There are several factors that influence the evaluation of each option including:

- Revenue costs - sizeable environmental maintenance costs that cannot be offset through development
- Capital costs - variable construction costs including demolition of the former Police HQ building) and costs already incurred to date of £6M as outlined above, that cannot be offset through development on the site
- Strategic alignment - a mixed-use development offers greater employment and city centre living benefits than those realised under the full Urban Park
- Economic impact - Options with commercial elements perform much better in terms of Gross Value Add and Land Value uplift than the full Urban Park.

As well as providing the costs and programme implications of a new Urban Park in Queen Street, this Outline Business Case also allows readers to understand the potential scale of development from an Urban Park across the whole site to phased and selective forms of development with varying areas of Urban Park. It shows what types of development may support the ambition for ACC to deliver an Urban Park in Queen Street.

Vision

Queen Street will be a focus for a new Urban Park and high-quality public realm for the city that could include, elements of contemporary urban living, commercial office floorspace and cultural activity. The development will complement Marischal Square and Broad Street, providing a new Urban Park and public realm space that will increase well-being by including active travel and green infrastructure, endeavouring to deliver a net-zero development and create the conditions for sustainable urban living.

The form and function of Queen Street will be different in future - at present it is a road with surface car parks and limited green space accessed from it. In future it will be a limited access route through a green space.

Strategic Fit

As well as delivering a key part of the Council's policy, the project will contribute to the Prosperous Economy and Prosperous Place objectives of the Local Outcome Improvement Plan, and to the Changing Perceptions, Growing the City Centre Employment Base, A Metropolitan Outlook, A Living City for Everyone, Technologically Advanced and Environmentally Responsible, and Culturally Distinctive objectives of the City Centre and Beach Masterplan.

Options Appraised

The following Options have been appraised:

Option 1

Do Nothing/Minimal intervention (i.e., market site for sale)

Option 2

Urban Park and pavilion with landscaping to north-west and south-east development areas.

Option 3

Urban Park with housing development to north-west and refurbished/repurposed police HQ to form residential development to south-east.

Option 4

Urban Park with housing development to north-west and new build workplace to south-east on site of former Police HQ.

Option 5

Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former Police HQ.

Option 5 scored the highest out of all Options, albeit the difference in scores between Options 3, 4 & 5 is very small (see Section 7 for scoring table). The Do-Nothing Option 1 as would be expected scored significantly lower than all other Options and Option 2 the full Urban Park scored around 8% less than Options 3, 4 & 5.

As market testing of the optimal development solution for the Southeast portion of the site (former Police HQ) will be carried out after consideration of this OBC, there will require to be some flexibility within Option 5, allowing commercial, residential and mixes of both to be tested through the process of market engagement.

Reason for Selection of Preferred Option No 5

Through a comprehensive options study to inform this OBC, Option 5 has been identified as the recommended Option for the proposed regenerative development of the Queen Street site. Option 5 seeks to deliver an urban park of 5,200m² to the Northwest site area as a first phase with further work ongoing to develop a Full Business Case to identify the preferred development use of the Southeast portion of the site currently housing the former Police HQ. Whilst more detail concerning this Option 5 is provided within this OBC and supporting

appendices, in summary, the primary advantages of this option over other options considered are:

- A phased approach delivers an urban park of 5,200 m² in keeping with the instructions from Council
- The phased approach allows for a separate consideration of the best use of the remainder of the site without affecting delivery of the Urban Park
- The delivery of the Urban Park is not tied to or dependent on delivery of commercial development components (refer to Options 3 & 4), providing greater programme certainty
- Option 5 provides the highest cost-benefit ratio at 3.20
- Added GVA through the potential for the commercial development component
- Anticipated lower maintenance costs for Urban Park than estimated for Option 2 (full Urban Park)
- Lower overall risk profile (medium) than Options 3 & 4 which deliver commercial buildings on both portions of the site.

Costs

The expected costs of the Preferred Option 5, Urban Park with landscaping to the north-west development area and new build workplace to the south-east on the site of the former Police HQ, are:

- Capital Cost of **£60.665M** (which includes allowances for, risk, inflation and professional fees but excludes committed costs of circa £6M)
- Ongoing Revenue Costs (to maintain the Urban Park element) of circa **£45,000** per annum (based on 2023 rates and dependent on final design of the park).

This cost is split down between the following:

- Phase 1 Urban Park **£20M**
- Phase 2 Development of Southeast area of the site **£40.665M.**

Note: The Capital Costs for Option 5 are based on a new build workspace on the site of the former Police HQ and thus may be subject to review / change once the FBC has identified the preferred development use of that portion of the site (this may be Commercial, Residential, a mixture of both or Urban Park Phase 2). The Capital Cost of Option 5 would not be entirely borne by ACC – see Summary Table on page 7, cost to ACC column.

A separate Police HQ Strip Out project is underway, covering the asbestos removal, soft strip and services separation elements which are common to all Options. These costs are to be met from the existing committed budget. Tenders are currently being reviewed to demonstrate best value and cost effectiveness with the estimated site start being October 2023.

An estimated forecast of the design costs to reach detailed design with consents (approx. RIBA Stage 3), for Phase 1 Urban Park are outlined below:

- Lead advisor / Architect / Masterplanner £35,000
- Town Planning £7,000
- Landscape Architect £40,000

- Cost Consultant £25,000
- Services Consultant £10,000
- Structural Consultant £15,000
- Lighting consultant, potentially art / play equipment design £30,000
- Total £162,000 excluding VAT.

The estimated forecast costs to complete an Outline Business Case for the Southeast portion of the site could be in the region of £100,000 excluding VAT (to be met from existing Queen Street budget).

Summary

The table below is a summary of the Costs, Programme, Benefits, Development Appraisal outcomes and an indicative risk assessment to ACC in delivery of each Option.

Option	Area of Urban Park	Development	Capital Cost to deliver	Cost to ACC	Timescale	Benefit to City	Risk	Net Commercial impact to ACC
1 Do nothing	N/A	Unknown until site sold – out with ACC control	Minimal to market site	£6M already committed (land assembly etc)	Unknown until site sold	Unknown	Med/High Risk - Reputational loss to ACC, continuing blight on landscape	Sites are unlikely sellable so overall impact remains at +£6M.
2 Full Urban Park	7,300 m2	None	£26M	£26M plus £6M already committed (land assembly etc)	Complete by March 2026	£44.6M, with a benefit-cost ratio of 1.51	Low Risk - Delivery risk to ACC low as ACC has full control	Income from Pavilion could be £10k per annum but unlikely to offset £26M Capital Cost and £6M spent to date.
3 Urban Park, new Residential to NW and refurbished Police HQ to provide residential	3,466 m2	Residential	£39M	£13M plus £6M already committed (land assembly etc) (Developer costs are £25M)	Complete by March 2026	£97.3M, with a benefit-cost ratio of 2.41	Medium/High Risk – See note below.	Income from Council Tax rates could be £260k per annum to offset the £39M Capital Cost and £6M spent to date.
4 Urban Park, new Residential	3,400 m2	Mixed used Residential and Commercial	£71M	£15M plus £6M already	Complete by March 2026	£220.4M, with a benefit-	Medium/High Risk – See	Income from Council Tax rates could be £113k per

Development to NW and new Commercial (Office) to SE				committed (land assembly etc) (Developer costs are £53.5M)		cost ratio of 3.24	note below.	annum and Business Tax rates could be £1.08M per annum to offset the £71M Capital Cost and £6M spent to date.
5 Urban Park and new Commercial to SE	5,200 m ²	Commercial office (new or Refurb) <i>(Residential option can also be considered)</i>	£61M	£8M plus £6M already committed (land assembly etc) (Developer costs are £43.0M)	Complete Phase 1 Urban Park Q1 2026 and Phase 2 Development Q1 2027	£191.2M, with a benefit-cost ratio of 3.20	Medium Risk – See note below.	Income from Business Tax rates could be £1.08M per annum to offset the £61M Capital Cost and £6M spent to date.

Table 1 – Summary for all Options

NOTE:

OPTION 1 - until the site is sold, ACC will continue to incur revenue costs for Statutory Maintenance, Rates, and Health & Safety compliance in the former Police HQ building. These costs are estimated to be circa £390,000 per annum. Police Scotland continues to pay 50% of monthly running costs until such time as the Telecoms Masts on the roof are decommissioned, which is expected to be towards the end of 2023.

OPTION 3 - ACC secure planning consent, prepare site for development, deliver Urban Park, and sell prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the Urban Park works.

OPTION 4 – Medium Risk – ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value. Adopting this scenario offsets, the Council's costs by c.£2.5m, reducing to c. £15m. This contribution is minimal and any minor changes to build costs or the design could put this at risk.

OPTION 5 - ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value. Adopting this scenario offsets, the Council's costs by £10m, reducing from £18M to £8m. This Option delivers on the Urban Park as per ACC policy but also allows ACC to take stock and consider options for the rest of the site at a future point. This still has risk but less risk than committing now to a development option which is more rigid in approach (such as Options 3 and 4).

Site Ownership

The plan below shows the Queen Street site ownership boundaries.

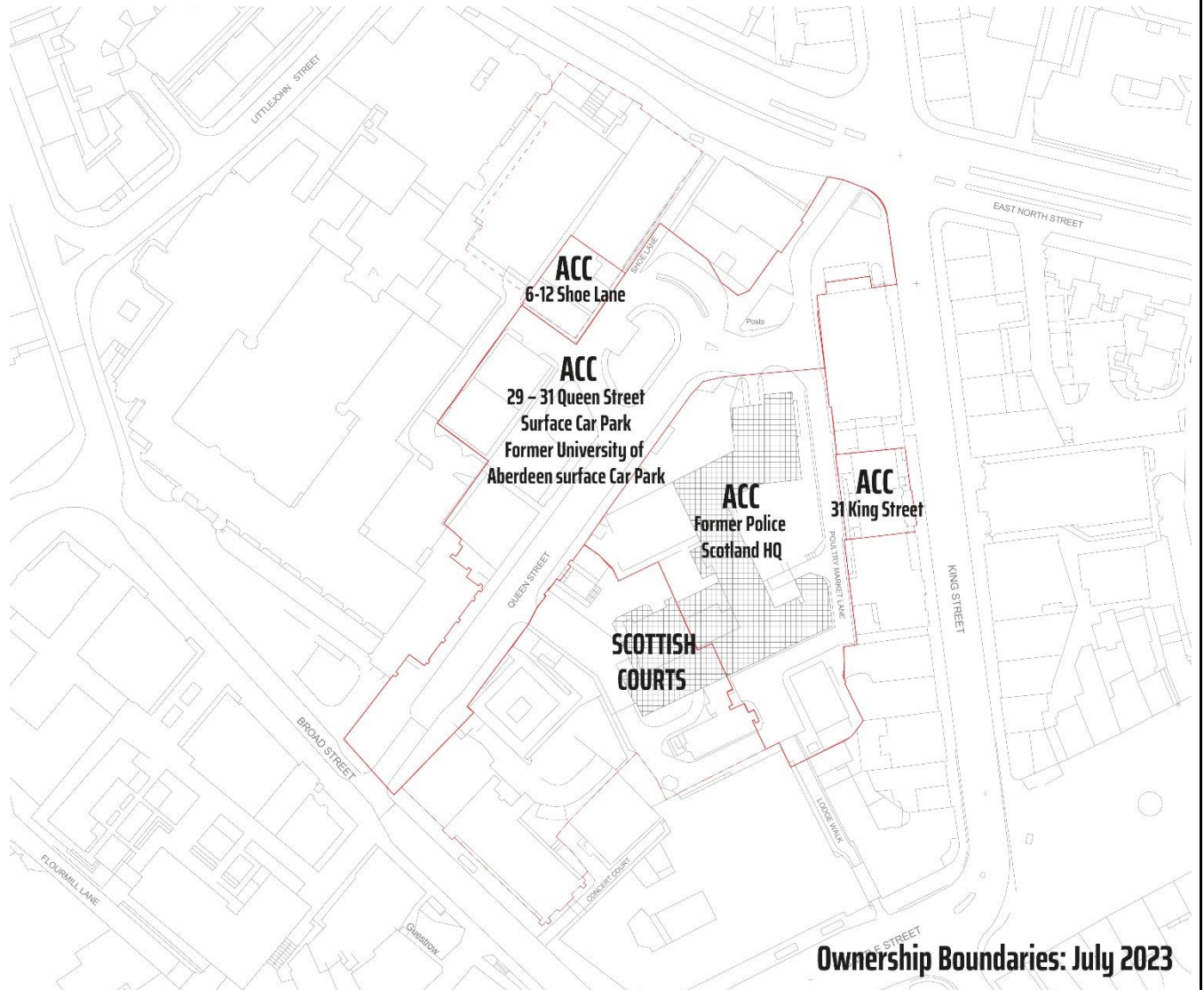


Figure 2 – Queen Street site ownership

Site zones

The site is split into two distinct zones as shown in the diagram below.



Diagram 1 – Site Zones

Note:

Phase 01:

Phase 01 outlines the creation of a new urban park and streetscape through the urban plot with a potential development zone to the north. The central area highlighted remains consistent in all design variations allowing the urban park to progress at an earlier stage. The northern area (purple) will be transformed into an extension of the urban park or a new build residential block.

Phase 02:

Phase 02 will complete the Queen Street redevelopment scheme and urban plot. The area is home to the former Police HQ and the existing 7 storey tower (GF + 6) remains in the centre of the plot. This will either be retained and developed into a retrofit residential block or demolished to make way for a new build office.

Given that ACC own all the land in the northwest portion of the site, with little demolition work required, it is recommended that this area be the first to be developed as an Urban Park, followed by the southeast portion of the site once it is clear from the Full Business Case and market testing, how the former Police HQ is to be redeveloped.

Programme

Indicative programme durations for all Options appraised in this OBC are shown below.

Option	Start date	Completion date
Option 1 – Do Nothing (ACC sells the site and has no control over any future development - the former Police HQ building would not be demolished).	N/A	N/A
Option 2 – Full Urban Park (Full demolition will be approx. 6-9 months then build period for the Urban Park).	Nov 2024	Mar 2026
Option 3 - Urban Park with housing development to north-west and refurbished/repurposed Police HQ to form residential development to south-east (Development on northwest site will require more consultation and design development. Assumed single phase as Urban Park is tied to development of northwest buildings).	Feb 2025	Feb 2027
Option 4 - Urban Park with housing development to northwest and new build workplace to south-east on site of former Police HQ (Assumed single phase as per Option 3).	Feb 2025	Aug 2027
Option 5 - Urban Park with landscaping to north-west development area and new build workplace to south-east on site of former police HQ (Assumed phased basis, Phase 1 Urban Park to Northwest of site and Phase 2 Development to Southeast of site. Phase 2 dates subject to market engagement).	Phase 1 - Oct 2024 Phase 2 – Feb 2025	Phase 1 – Q1 2026 Phase 2 – Q1 2027

Table 2 – Programme durations for all options

Funding position

There is no identified budget for this project at the moment (other than the £6M already committed). The project costs will require to be referred to the Council's Budget Process and Capital Programme for approval.

Benefits/Dis-benefits

The total present value economic impact of the Preferred Option No 5, Urban Park with landscaping to the north-west development area and new build commercial office/residential to the south-east on site of former police HQ is an estimated **£191.2 million** with a benefit-cost ratio of **3.20** (equal to the total benefits figure, divided by the present value cost of this Option). This is broken down below:

- GVA from new commercial workspace: £146.6 million:** 60% occupancy assumption and 12 sqm per FTE density assumption (*Housing & Communities Agency*) assumed to derive employment impact. £96,667 GVA per head (*Scottish Government*) assumptions applied to derive gross GVA impact. 80% displacement, 15% leakage and 1.23 multiplier (*Scottish Government*) applied to retail jobs, and 70% displacement, 15% leakage and 1.29 multiplier (*Scottish Government*) applied to office jobs to derive net GVA impact.

- **Construction GVA benefits: £24.4 million** [equal to total construction spend; multiplied by a GVA to turnover ratio of 44% (*Scottish Government*); adjusted to account for displacement (20%), leakage (10%) and indirect & induced multipliers 1.44 (*Scottish Government*); discounted at rate of 3.5% (*HM Treasury Guidance*)]
- **Land value uplift benefits from proximity to green space: £20.2 million** [assumes 3% uplift (*Cabespace impact study*) applied to all properties within a 0.25-mile radius (*CoStar*)].

Risks

Based on the work done to date in preparing this OBC, the top key strategic risks are:

- Doing nothing could lead to the site remaining vacant and being a blight on the city centre landscape
- Insufficient budget or inability to generate appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site
- Changes in the market demand (Phase 2) which may result in the redundancy of the OBC, and the project being deemed as unviable. This would result in abortive work and blight on the City Centre landscape
- Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project
- Failure to secure statutory consents including conservation area consent, planning consent(s), and building warrant(s), leading to the project being delayed, amended, or cancelled and not meeting optimal solution for Queen Street
- Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development
- Planning restrictions impact on the level of development that could potentially help financially support an Urban Park.

Note: The risks above are strategic project risks regardless of Option. Top key risks specific to each Option are outlined in Section 7 (Options Appraisal).

The full Project Risk Register is available if readers of this OBC require to view it. Project risks will be managed through a structured risk management process should the project proceed beyond this stage of reporting.

Assumptions

The key assumptions for developing Queen Street are:

- ACC wishes to deliver an Urban Park to either the whole or part of the site area
- ACC wishes to adopt as little commercial risk as possible
- ACC intends to retain control of the land for future City Centre needs

- ACC has already made significant investment in land acquisition and demolitions (29-31 Queen Street) which can be viewed as pump priming/ de-risking
- Queen Street is an adopted road and likely to continue as such. It is likely that any lanes / side streets or urban green spaces associated with the development will be adopted
- The form and function of Queen Street at present is a road with surface car parks and limited green space accessed from it. In future it will be a limited access route through a green space
- ACC will prepare a Roads and Car Parking Strategy prior to developing the northwest side of Queen Street. This will be negotiated by Corporate Landlord with the University of Aberdeen and Police Scotland (as the two users outside ACC).

Governance

ACC is the sponsoring organisation and Governance will be through the Council's Capital Programme.

Project Delivery

The project is expected to be procured through the Hub model as this will accelerate the procurement process and help to secure best value by providing access to Hub North Scotland Limited's (HNSL) supply chain network and project management resources.

Preparation of this OBC

The following consultant disciplines were engaged by HNSL in preparing this OBC:

- Masterplan Architect
- Landscape Architect
- Property Advisor
- Economic Consultant
- Structural Engineer
- Services Engineer
- Cost Manager
- Business Case Author.

Sequence of activities and key decisions

Key decisions:

- A recommendation to approve the principle of Option 5, Urban Park with landscaping to northwest development area (Phase 1) and new build development (residential or commercial or a mix of both) to the southeast on the site of the former Police HQ (Phase 2) as the Preferred Option

- Taking forward detailed design and construction of an Urban Park to the northwest of the site; undertake stakeholder consultation (including public); obtain necessary consents; negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the southeast of the site based on ACC's risk appetite for development.

The recommendation for the former Police HQ is to move to Full Business Case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options to come back to Council by December 2023.

There is a sequence of activities which could ultimately change the configuration of Option No 5:

- 1) To proceed with all soft strip and demolition activities as approved which do not trigger a planning application due to it being a conservation zone
- 2) To immediately proceed with detailed design and planning activities associated with the Urban Park per Option No 5
- 3) To immediately proceed with a soft market engagement exercise to assess viable uses for the remaining part site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ
- 4) Following this soft market engagement an update to be provided examining uses for the residual site which complements the planned Urban Park. These options could include development in full, in part, deferred development or sale and Urban Park in full.

3. Strategic Fit

This section will consider how the project fits with the list of projects identified in the Local Outcome Improvement Plan). Firstly, state if the project is identified within the LOIP. If it is not, how does it work with the Council's strategic objectives such as:

- Prosperous Economy
- Prosperous People (Children & Young People)
- Prosperous People (Adults)
- Prosperous Place

The project is not formally identified within the Local Outcome Improvement Plan (LOIP) but is a key component of the City Centre and Beach Masterplan. The project sits within the Queen's Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023.

As well as being a key component of Council policy, the project aligns with the Council's Strategic Objectives as outlined below.

Prosperous People (Children & Young People)

This Business Case promotes the LOIP **Stretch Outcome 7** - Child Friendly City which supports all children to prosper and engage actively with their communities by 2026. The outcome of delivering the programme outlined within this report would result in improved public amenity space in the city centre for all visitors to enjoy, providing children with safe and attractive spaces for interaction and play.

Stretch Outcome 9 – 30% fewer young people (under 18) charged with an offence by 2026. This Business Case promotes the redevelopment of Queen Street, with an active focus on public sector redesign to enable the civic heart of the city to work more efficiently. Public sector redesign and co-location will enable more joined up working across our city, leading to early intervention and improved support for the young people of Aberdeen.

The proposals identified within this Business Case as the Preferred Option support **Stretch Outcome 5** – 90% of children and young people will report that their experiences of mental health and wellbeing have been listened to by 2026. This is reflected in interactions, activities, support, and services. Queen Street will deliver quality public realm to increase well-being of both residents and visitors in the city, with an opportunity to provide the local community with places for play and outdoor learning.

Prosperous People (Adults)

Stretch Outcome 10 – 25% fewer people receiving a first ever Court conviction and 2% fewer people reconvicted within one year by 2026. This Business Case supports the aforementioned outcome as per the reasons stated for Stretch Outcome 9.

Stretch Outcome 11 – Healthy life expectancy (time lived in good health) is five years longer by 2026. The redevelopment of Queen Street will deliver high quality urban realm from which visitors and tourists will benefit from the greenspace, providing an oasis in the heart of the city for rest and repose.

Prosperous Place

The proposals identified within this Business Case as the Preferred Option promote **Stretch Outcome 15** - 38% of people walking and 5% of people cycling as main mode of travel by 2026. The outcome of delivering the programme would result in additional green space within the city centre, improved streetscape, connectivity and encourage active travel in the city centre.

The project will improve accessibility and support the Council's commitment to **accessibility and inclusive design** by providing spaces that all visitors and residents can use safely, with dignity, comfort, convenience, and confidence.

Access for all

Any future designs should enable all users to make effective, independent choices about how they use new spaces in Queen Street without experiencing undue effort or separation and

particularly in relation to public realm, must recognise and address the barriers experienced by people with disabilities including (but not limited to)

- Learning difficulties,
- People who are deaf,
- Deafened and hard-of-hearing
- People who are blind or partially sighted
- Are neurodivergent.

The Council will develop operational policy mechanisms and active management plans to ensure that these accessibility improvements do not diminish over time.

The project will be based around inclusive design principles to ensure it reflects the different faiths, disabilities, genders & hidden conditions, and addresses important issues that affect a neurodiverse population. People should be able to make effective, independent choices about how they use places and spaces without experiencing undue effort or separation and be able to participate equally in the activities the area offers. Inclusive design is the essence of good design, but it goes beyond 'accessibility' and incorporates a broad range of design considerations. Inclusive Design is a critical component of delivering inclusive, user-centred environments that cater for the needs of all. This will be embedded into all aspects of the design including, for example, lighting and security.

It is important to acknowledge that an inclusive project/space does not attempt to meet every need of every person, but by considering the diversity of our cities it can break down barriers and exclusion which can often lead to a more effective and sustainable outcome. By designing all environments for as broad a demographic as possible, buildings and spaces can become more flexible and able to adapt to change without the need for costly and time-consuming adaptations. The overall aim is to design spaces and places that are comfortable for everyone to use, visit and enjoy.

4. Business Aims, Needs & Constraints

Provide an overview of the sponsoring organisation and explain how the project supports the existing policies and strategies, and how it will assist in achieving the business goals, aims and business plans of the organisation. Include any relevant information about the current business situation, such as the organisational structures, business model, buildings, processes, teams, and technology currently in place.

Sponsoring Organisation

Aberdeen City Council is the local authority responsible for leading the redevelopment of Queen Street as part of the City Centre and Beach Masterplan.

Alignment with Policies & Strategies

The Queen Street project supports Council policy, delivery of the Aberdeen City Centre and Beach Masterplan 2022, its 2023 update and numerous other policies and strategies including:

- Aberdeen Local Development Plan 2023 (ALDP) – Queen Square (OP81) is designated as a mixed-use area.
- Local Transport Strategy (new development to be car free where possible, increased active travel links)
- LOIP (increase employment)
- Net Zero Aberdeen Route map – Towards Becoming a Net Zero Emissions City by 2045.

The Scottish Government's National Planning Framework (NPF) 4 includes policy on development proposals for the reuse of existing buildings, considering their suitability for conversion to other uses and the need to conserve embodied energy. This has been considered in the range of options appraised in this OBC through specific scoring criteria on embedded carbon in construction and operational carbon.

Vision

Queen Street will be a focus for a new Urban Park and high-quality public realm for the city that could also include opportunities for contemporary urban living and cultural activity. The development of an Urban Park will complement Marischal Square and Broad Street.

New Urban Park and public realm space will increase well-being by including active travel and green infrastructure, endeavouring to deliver a net-zero development and create the conditions to support sustainable urban living.

The development area also includes the opportunity to rethink how the Council's property interacts with King Street, the Lemon Tree and Marischal East as well as the Scottish Courts Annexe.

Business goals, aims and business plans

ACC's goals and aims for Queen Street are to:

- Retain control of the land for the benefit of the Council and as a long-term legacy for Aberdeen City Centre
- Complement and support other existing and proposed strategic projects being taken forward by the Council
- Build on the "Aberdeen" Brand, highlighting renewed purpose of the City Centre, delivering Council themes being both inclusive and progressive
- Align with the SMART Objectives for the overall City Vision Programme:
 - More people living, working, and using City Centre facilities
 - Increased GVA for the City Centre
 - Offences and crime figures in a downward trend in the City Centre
 - More locals, visitors and tourists visiting Aberdeen throughout the year
 - More active travel across all demographics
 - Fewer cars in the City Centre
 - Ongoing reductions in CO2 emissions in the City Centre

- Improved perception of City Centre from residents and visitors
- New businesses attracted to the City Centre
- Increase in construction jobs
- New jobs created in the City Centre.

Current Business Situation – where are we now?

ACC has undertaken an extensive programme of land assembly resulting in most of the land in Queen Street now being in Council ownership, apart from:

- Trinity Church
- Greyfriars Church
- Scottish Courts and Tribunal Services Civil Annex
- Marischal East.

The Strategic Outline Case (SOC) prepared in late 2022 was approved at Council in December 2022, which instructed that an Outline Business Case (OBC) be presented to Council in August 2023.

Whilst this OBC has been in preparation, tender packages for the former Police HQ asbestos removal, soft strip and services separation have been issued to the market and appointments will be made for this work to commence in Q3 2023.

Positive engagement is continuing with other stakeholders and arts venues in and around Queen Street. The final designs for Queen Street will aim, where possible, to support the ambitions of stakeholders in Queen Street.

Discussions with the Scottish Courts and Tribunals Service (SCTS) have confirmed that the civil and commercial court service will remain in operation in its current facilities in Queen Street and will not form part of the development.

Recent discussions with the Lemon Tree performing arts venue have confirmed that their own project to improve this venue is on hold due to lack of funding. They have developed a more modest proposal which follows similar principles to the original and this should still work well with the urban space proposed in all Options in this OBC.

At this time, the Town House extension (Council) and Marischal East (University of Aberdeen) are not included in this OBC but can be considered as later phases in the future. The Options explored in this OBC are formulated in such a way as to accommodate future development of these two sites if necessary.

Describe the purpose of the project, why it is needed, establishing a compelling case for change based on business needs, e.g., demand for services, deficiencies in existing provision etc. Where are we now and where do we need to get to.

Why is the project needed?

Queen Street is one of the key projects included in the City Centre and Beach Masterplan and sits within the Queen's Square Opportunity Site (OP81), as defined by the Aberdeen Local Development Plan 2023. The site partially consists of vacant and derelict land as well as the

now empty former Police HQ building. Without intervention by ACC, there is a risk that the overall site will not be turned into an asset for the city and its residents in the short to medium term and will blight the city centre.

Its position adjacent to the civic hub of Marischal College, the Town House and Marischal Square offers the opportunity to develop a new Urban Park in this key area of the city with access for all to high quality green spaces using high-quality materials and design. The project will also enable opportunities to increase well-being in the city centre and has the potential to provide active travel links between King Street and Broad Street.

The Queen Street development also complements and supports other strategic public realm projects being taken forward by the Council, particularly Union Street East, Castlegate and links to the Beach.

Outcomes - where do we want to get to?

As well as delivering a major key component of the City Centre and Beach Masterplan, the site's proximity to several major arts venues creates a unique opportunity to also turn Queen Street into a landmark city centre destination. This could include complementary outdoor space, arts, music, heritage, and culture offerings, building on its proximity to the adjacent Aberdeen Arts Centre, Lemon Tree, and Marischal East venues. Both the Arts Centre and Lemon Tree are owned by ACC and leased to these organisations. Both will benefit from a high-quality Urban Park development including green space, allowing events to spill out into the open areas as appropriate, creating opportunities to activate and animate the Urban Park.

Identify any constraints, e.g., timing issues, legal requirements, professional standards, planning constraints. What assumptions have been made, and any linkages and interdependencies with other programmes and projects should be explained, especially where the proposed project is intended to contribute to shared outcomes across multiple Clusters.

Constraints

- Conservation Area Consent is required for any demolition works
- New Mortuary facility at Foresterhill needs to be complete (by Summer 2024) before work can take place on the southeast part of the site
- Asbestos removal, soft strip and services separation in the former Police HQ building requires to be complete before work can take place on the southeast part of the site
- Removal of Telecom masts on the roof of the former Police HQ building. A new mast is proposed on Marischal Square prior to de-commissioning the last old one. This is currently pending approval, but it is expected to be removed by the end of 2023
- The existing Police HQ has extensive underground structures, supporting adjacent roads and buildings. There will be constraints and challenges to remove elements of existing structure so as not to overly impact the future development of the site with legacy, underground structures.

Costs

Tender price growth is beginning to converge with construction costs as demand falls and some input costs decrease. Cost reduction and competitive tendering are still not market

mainstays, though. Contractors may withhold savings as an aftermath of Covid-19 and due to concerns regarding future cash flow.

The backdrop of falling commodity prices will undoubtedly ease pressure on industry pricing, coupled with softening demand. However, there are two important factors to play that are expected to keep tender prices high - ongoing labour shortages and contractors going out of business.

Appropriate inflation allowances have been included within the outline budget costs prepared by Cost Consultants; 8.12% has been allowed based on a mid-point of construction projected to Q1 2026. This is based on market analysis and construction industry benchmarks current at the date of this OBC.

The expected Capital Cost for the Preferred Option No 5, Urban Park with landscaping to the northwest development area and new build workplace to the southeast on the site of the former police HQ, is **£60.665M** (which includes allowances for, risk, inflation, and professional fees).

This cost is split down between the following:

- Phase 1 Urban Park **£20M**
- Phase 2 Development of Southeast area of the site **£40.665M.**

Procurement

The project is expected to be procured through the Hub model, using Hub North Scotland Ltd who are ACC's strategic development partner for the planning, procurement, and delivery of infrastructure projects across the north of Scotland. HNSL comprises of 16 public sector organisations, the Scottish Futures Trust and private sector partners in a joint venture company.

This model will help accelerate the procurement process and secure best value by providing access to HNSL's supply chain network and project management resources.

Planning

Any Queen Street redevelopment proposal will be assessed against the relevant development plan and associated planning context at the time of any planning or associated applications. As of the 19th of June 2023, the 'development plan' now consists of the National Planning Framework 4 (itself adopted by Scottish Government in February 2023) and the newly adopted Aberdeen Local Development Plan 2023. While this represents a formal change from the development plan position that was in place at the time of the SOC in December 2022, both documents had previously been considered in draft, and therefore the policy position concerning the Queen Street development project remains largely the same. In any instances of potential or perceived incompatibility between NPF4 and the LDP, whichever of them is the later in date is to prevail; in such an instance, the provisions of the Aberdeen LDP 2023 will prevail. A fuller narrative on Planning is included in Section 20 of this OBC.

Linkages and interdependencies with other programmes and projects

Queen Street is a key component of the City Centre and Beach Masterplan. The project is dependent on the current Mortuary facility at Poultry Market Lane to the rear of the former Police HQ being relocated to Foresterhill by Summer 2024.

Development of an Urban Park to the Northwest side of the site area will require negotiation with both University of Aberdeen and Police Scotland to refine and relocate their respective parking provisions in the area.

There is the opportunity to link into Aberdeen Heat and Power District Heating network (if an element of residential/commercial is decided upon) and this is further explained in Section 6.

State what impact the project will have on business as usual, e.g., temporarily reduce capacity or divert resources.

There will be an impact for ACC on business as usual. Internal resource will be required to manage the project and there will be an impact on access to existing surrounding businesses (e.g., ACC car park, SCTS access to be maintained around the site, access to Marischal East, Lemon Tree, and Aberdeen Arts Centre servicing).

Furthermore, consideration must be made to ensure there is no degradation to emergency service operational response times, noting that blue-light access/egress must always be maintained from Marischal College.

There will also be noise impact on businesses, residents, the SCTS and ACC that will require to be managed.

Internal resource will be required to manage the project with support from HNSL.

5. Objectives

List the project's objectives. Make these tangible and clear as they will influence which option is recommended and will be used to monitor project progress and success.

Provide an Urban Park in Queen Street with green infrastructure to complement other public spaces in the city

Reimagine the streetscape, encouraging active travel in the City Centre and promote walking and cycling within the City Centre

Provide public amenity space in the City Centre for all visitors and residents to enjoy, providing children with inclusive and accessible spaces for interaction and play

Introduce complementary mixed arts/cultural and residential/contemporary urban living uses as appropriate within this zone of the city, creating a sense of place.

Consolidate the civic heart of the city and provide for appropriate green space and amenity which is complementary to the surrounding historic environment

Increase City Centre population and footfall across all age groups

Increase the amount of the City Centre population that work in the City Centre

Address the housing shortage in Aberdeen (specifically in relation to affordable housing in the City Centre and dependent on the option selected)

Create pedestrian and active travel dominated area, taking advantage of the City Centre location and proximity to local transport hubs

Support creation of 20-minute neighbourhoods in the City Centre

Support ACCs journey to Net Zero Carbon

6. Scope

What will the project produce? What are its outputs?

Consider what business services, processes, people, and environments will be delivered, affected, or changed by the project.

Also define the work the project will carry out to make the transition from the project to 'business as usual' – the handover period.

State the project success criteria.

Overview

This project involves creating a new city centre Urban Park that could vary from a full park across the whole site to different areas of park complimented by various levels of residential and commercial development.

Project success criteria

A successful development of Queen Street will help support the realisation of the following City Vision SMART Objectives (which have also helped inform the Options Appraisal criteria used in this OBC):

- More people living, working, and using City Centre facilities
- Increased GVA for the City Centre
- Offences and crime figures in a downward trend in the City Centre
- More locals, visitors and tourists visiting Aberdeen throughout the year
- More active travel across all demographics
- Fewer cars in the City Centre
- Ongoing reductions in CO2 emissions in the City Centre
- Improved perception of City Centre from residents and visitors
- New businesses attracted to the City Centre
- Increase in construction jobs
- New jobs created in the City Centre.

Project outputs and outcomes

At a time of energy transition for Aberdeen and considering the current climate and ecological crises, Queen Street will offer the potential to deliver a carbon neutral development, which

could be BREEAM excellent throughout, and will be supported by green infrastructure providing space to enhance well-being whilst managing microclimate and water.

The enhanced public realm and landscaped areas will provide opportunities to bring people together and create a sense of place, whilst an emphasis on green infrastructure benefits both mental and physical well-being. Proposed active frontages to Queen Street will provide pedestrians with a safe and well-lit environment, with activity from the ground floor amenity, cafe and co-working spaces contributing to vibrant street life. A potential mix-use development would increase activity outside working hours, enhancing security and surveillance within the Urban Park. The heritage of the site will be respected in the design, through material choices, wayfinding, and artwork.

Green pockets of public realm and private resident's gardens will create a more relaxed and intimate space. These areas will be developed with community and socialising in mind to create a sense of belonging and ownership. There is the opportunity for a variety of spaces to accommodate play, breakout social areas, external seating and dining options, wildflower planting, open lawn, SUDS, allotments etc.

Phasing

The Queen Street site could be developed in two distinct phases as shown in the diagram below.

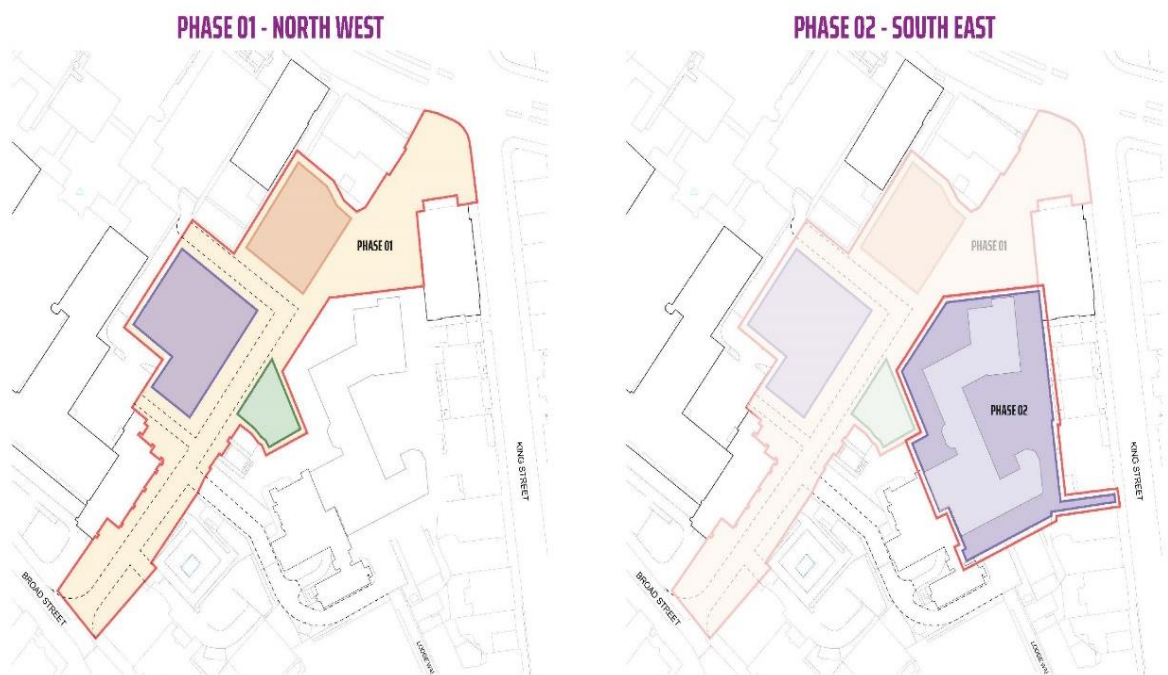


Diagram 2 – Queen Street Site Phasing

Note:

Phase 01:

Phase 01 outlines the creation of a new urban park and streetscape through the urban plot with a potential development zone to the north. The central area highlighted remains consistent in all design variations allowing the urban park to progress at an earlier stage. The northern area (purple) will be transformed into an extension of the urban park or a new build residential block.

Phase 02:

Phase 02 will complete the Queen Street redevelopment scheme and urban plot. The area is home to the former Police HQ and the existing 7 storey tower (GF + 6) remains in the centre of the plot. This will either be retained and developed into a retrofit residential block or demolished to make way for a new build office.

Areas of Urban Park per Option

Within each option the percentage of Urban Park varies depending on both the strategy and level of development.

The following diagrams highlight the percentage of Urban Park that could be provided for each Option.

TOTAL SITE = 11,770 M2

Within each option the percentage of urban park varies depending on both the strategy and level of development. The following diagrams highlight the percentage of urban park offered including both hard and soft landscaping.



Diagram 3 – Queen Street areas of Urban Park per Option

Scale Comparison

The Diagram below shows the area of the Queen Street Urban Park in relation to other greenspaces within the city.



Diagram 4 – Queen Street Urban Park scale comparison

As can be seen by comparison to other examples of green spaces in the city, the full Urban Park would offer a considerable open, green space within the city although an Urban Park to the northwest of the site with development to the southeast (the Preferred Option Nr 5) still provides significant space for a city centre location.

As can be seen, an Urban Park to the northwest of the site with development to the southeast still provides considerable space for a city centre location. An Urban Park across the full site area would be comparable with UTG in terms of the amount of space available and may not be appropriate for the urban context in this location.

District Heating

Aberdeen Heat & Power operate a District Heating network that supplies different areas within the city. Aberdeen Heat & Power have been approached, and potential indicative heat loads

have been advised to them, to try and obtain confirmation that their system would have sufficient capacity to feed this development if residential/commercial space was provided. No formal feedback has been received yet, but from previous discussions with them, concerning potentially supplying the existing Courts building, it is known that they have significant existing infrastructure within the area, including main pipework below Queen Street. This network currently serves the adjacent Marischal College (ACC HQ) and the Town House buildings. On that basis it is anticipated that the proposed development Options 3, 4 & 5 should be able to be served via the District Heating network.

6.1 Out of Scope

List any notable exclusions, those areas that may be viewed as associated with the project or the affected business area, but which are excluded from the scope of the project.

The following are excluded from this OBC:

- Provision of new Mortuary facility at Foresterhill, Aberdeen
- Improvements to the Aberdeen Arts Centre in King Street (ACC in discussion with AAC but no formal project yet)
- Extension to The Lemon Tree - Aberdeen Performing Arts (ACC in discussion with The Lemon Tree but no formal project yet).
- Any work on the Scottish Courts and Tribunals site (SCTS have confirmed they will be continuing to use this site for the foreseeable future)
- Works out with the proposed development area or on any land not currently under ACC ownership.

The Development Zone area in Queen Street also offers future opportunities to develop three more Future Phases (excluded from this OBC) as shown in Diagram 5 below.

- Future Phase 1 - Archibald Simpson house (currently occupied by Nestrans) could be re-purposed
- Future Phase 2 - redevelop or re-purpose multi storey car park
- Future Phase 3 - relocate and redevelop/re-purpose City Council Support Service, Civil Justice Centre/Commercial Court, cells, and associated car parking.

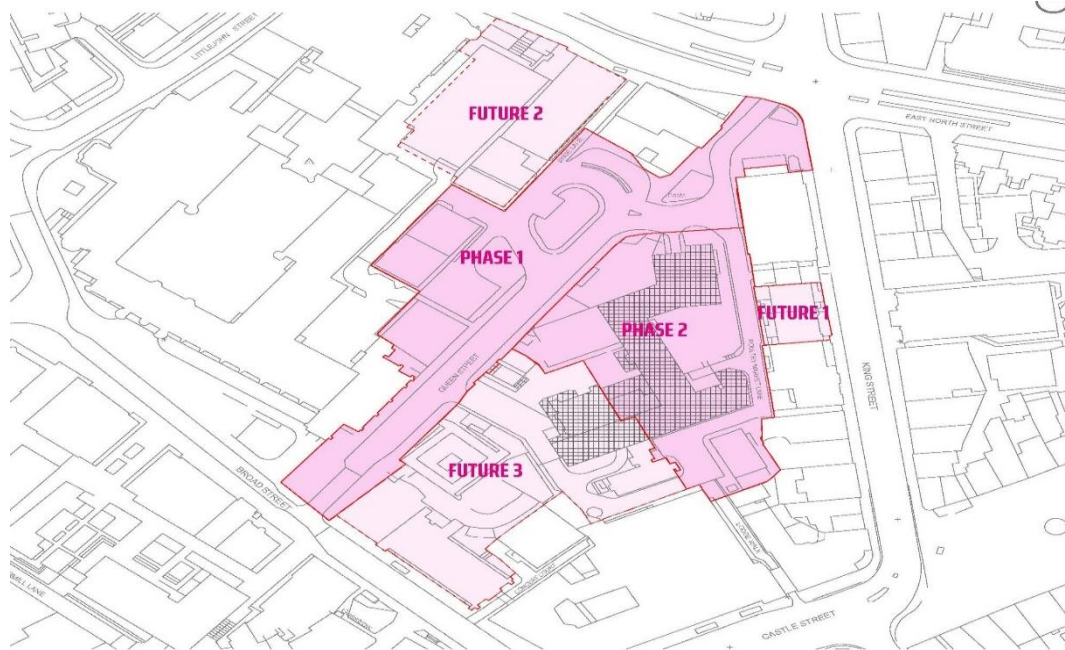


Diagram 5 – Future Phases excluded from OBC

These additional phases are not included within this OBC but could be considered for future development subject to suitable market conditions.

7. Options Appraisal

The SOC which was approved at the ACC Committee in December 2022 outlined five Options which have been further developed and aligned with current market demand and ACC's objectives for the site. These have now been appraised in more detail as part of this OBC.

Option 1

Do Nothing/Minimal intervention.

Option 2

Urban Park (7,300m²) and pavilion with landscaping to northwest and southeast development areas.

Option 3

Urban Park (3,466m²) with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.

Option 4

Urban Park (3,400m²) with housing development to northwest and new build workplace to southeast on site of former Police HQ.

Option 5

Urban Park (5,200m²) with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.

An Options Appraisal Workshop was held on 10 May 2023 with the Design Team and key ACC Stakeholders. Following on from this, the Design Team scored the various Options and reviewed/moderated/agreed the final scores at a Workshop on 8 June 2023. Final agreement on the make-up of the Options appraised in this OBC was reached at a joint ACC/Design Team Workshop on 22 June 2023.

The Options Appraisal output report from the above process, prepared by Economic Consultants Stantec, is available as Appendix No 1 to this report, covering the process followed, scoring criteria and weightings and commentary on the Options on why they were either taken forward for appraisal or discounted.

7.1 Option 1 – Do Nothing/Minimal intervention.

Description	<p>ACC sells the site and has no control over any future development. The former Police HQ building would not be demolished. Discussions with the SCTS on their relocation have confirmed that SCTS will remain in their current premises for the foreseeable future.</p> <p>ACC would however carry out asbestos removal, soft strip, and services separation (to the SCTS building) to de rate the building and negate these costs prior to selling the site.</p>
Expected Costs	<p>In addition to the £6.1m budget committed to date on land assembly, minor demolition work and developing the Joint Integrated Mortuary project, there would be costs of circa £25,000 to market and sell the site. A separate Police HQ Strip Out project is covering the asbestos removal, soft strip, and services separation (these costs are excluded from this OBC).</p>
Expected Benefits	<p>There are no real benefits to this Option other that ACC would not need to invest any further capital.</p> <p>There are disbenefits in terms of sunk costs (ACC has committed £6.1m to the area), major reputational loss to ACC in pulling out of this key component of the City Centre and Beach Masterplan, not delivering on Council policy and if a buyer cannot be found, leaving a partial vacant and derelict site within the City Centre causing a major blight on the landscape of the city.</p>

<p>Risks Specific to this Option</p>	<ul style="list-style-type: none"> • ACC fails to find a Developer for the site, and it lies vacant and derelict for the foreseeable future • If a Developer can be found the site may still lie vacant for many years • ACC has little or no control over what will be put on the site if a buyer/Developer can be found, leading to a sub optimal solution for the site • Opportunity to involve and include surrounding arts/cultural groups into a cultural quarter is lost. <p>While it is conceivable that a private Developer may take on responsibility for the site at a future date, this cannot be predicted with any certainty. There is also a risk of any future development being socially sub-optimal given the reduced degree of control that ACC would have over the nature of any future investment.</p> <p>ACC Risk Appetite</p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is low as the Capital and Revenue costs are reasonably well defined and ACC is not relying on outside parties such as a Developer to deliver the project or market volatility around yields and values.</p> <p>The commercial risk of this Option has therefore been assessed as Green (low).</p>
<p>Advantages & Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> • Saves any future investment costs from ACC • Negates need to pay for Statutory Requirement costs and rates for the former Police HQ building (if it can be sold as part of the overall site). <p>Disadvantages</p> <ul style="list-style-type: none"> • Fails to deliver on ACC's objectives for the site • Is not aligned with the City Centre & Beach Masterplan and Council policy • Misses the opportunity to deliver major improvements to Queen Street under the control and influence of ACC. • On-going financial liabilities for the site & former Police HQ until it is disposed of.

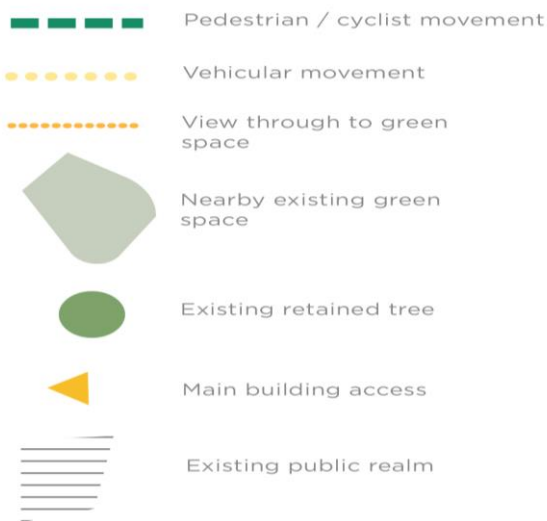
Viability	<p>In respect of the do-nothing option then it is likely that the northern site would remain as surface car parking and a derelict brownfield site. The Police HQ which is now vacant will continue to fall into disrepair which will limit any future opportunity to refurbish it.</p> <p>The sites, as they exist, without any intervention are unlikely to be sellable in the current market. The sites do not have planning consent for re-development and there are significant liabilities, such as existing buildings requiring demolition or retrofit and site clearance. If the sites were introduced to the market as exists, demands expected to be very limited as land values are negative.</p>
Other Points	<p>Until the site is sold, ACC will continue to incur revenue costs for Statutory Maintenance, Rates, and Health & Safety compliance in the former Police HQ building. These costs are estimated to be circa £390,000 per annum. Police Scotland continues to pay 50% of monthly running costs until such time as the Telecoms Masts on the roof are decommissioned, which is expected to be towards the end of 2023.</p>

7.2 Option 2 – Urban Park (7,300m²) and pavilion with landscaping to northwest and southeast development areas

Description	<p>Full Urban Park offer with a new linear park and streetscape through the centre of the site linking Broad Street and West North Street. Hard civic square created next to the Lemon Tree and pavilion adjacent containing a Food and Beverage offer to activate the space. The northern quarter of the park contains a walled terraced garden with a community orchard and open green space to the south.</p> <p>A pedestrian led street is animated by a series of community facilities and urban rooms, providing opportunities for food and beverage break out and improved health and well-being of residents and visitors. There is the opportunity for landscaped public realm, green space, play park, allotments, multi-use games area etc. A pavilion sits at the Northeast of the site to activate the public realm adjacent to the proposed new entrances.</p> <p>The layout below highlights what an Urban Park could look like under Option 2. Existing vehicular access and servicing points will require to be managed as part of the detailed design.</p>
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Figure 3: Option 2 Urban Park Landscaping Layouts





Total area of open space:
approx 11,770m²



Area of public green
space:
approx 7,300m²

Option 2 - Landscaping features:

- A linear linking pedestrian and cyclist route connecting Broad Street to King Street.
- A pavilion and informal natural play area set within an open public lawn.
- Formal terraced gardens, incorporating existing stone walls, providing a setting to the adjacent historic buildings, and creating intimate space for seating and socialising.

	<ul style="list-style-type: none"> • A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church. • Provision of spill-out space for Greyfriars Church. • Community orchard/growing space. <p>Option 2 - Landscape Opportunities</p> <ul style="list-style-type: none"> • Creation of accessible green space within the city for the local community. • Highest amount of open public space provision out of all the options. • Opportunity to create new physical and visual connections from King Street towards the park(s). • Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for local students and professionals. • Greater retention of existing trees. <p>Option 2 - Landscape Constraints</p> <ul style="list-style-type: none"> • Existing buildings provide limited active frontage and passive surveillance of the main park space. • Potential anti-social behaviour problems because of the above. • Potential lack of sense of ownership. • Maintenance burden of large public space.
<p>Expected Costs</p>	<p>As well as the £6.1m already committed to Queen Street by ACC, the Capital Cost of clearing the site, demolitions and laying out a new Urban Park would be in the region of £25.674m, which includes allowances for, risk, inflation, and professional fees (a breakdown of this cost and assumptions is included in Appendix 2 – Cost Estimate Report).</p> <p>There will be an ongoing revenue cost to ACC for as long as it owns this new park. Indicative costs could be up to £100,000 per annum, depending on the final layout and activities proposed.</p> <p>Income from rental of the Pavilion could be around £10,000 per annum.</p>
<p>Expected Benefits</p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated £44.6 million, with a benefit-cost ratio of 1.51. This is broken down below:</p> <ul style="list-style-type: none"> • Gross value added from construction activity: £10.2 million • Land value uplift benefits from proximity to green space: £34.4 million. <p>In addition to these monetisable benefits, this Option will also deliver the following impacts:</p> <ul style="list-style-type: none"> • Health & wellbeing benefits associated with improved access to green space

	<ul style="list-style-type: none"> • Potential to attract new visits to the City Centre through hosting events particularly in relation to the cultural centres in the immediate area.
<p>Risks Specific to this Option</p>	<ul style="list-style-type: none"> • Clearing the site for a new Urban Park, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions • Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings • Additional costs could be incurred to install screening to ensure privacy of the SCTS Courts operations, alongside surveillance costs to minimise security risks associated with this business • Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development • Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres • A larger park with no regular user interface through development of housing or office space may present or be seen to present safety issues to users and become less attractive to use over time. <p>ACC Risk Appetite</p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is low as the Capital and Revenue costs are reasonably well defined and ACC is not relying on outside parties such as a Developer to generate a capital receipt which is subject to the variabilities of market conditions. The commercial risk of this Option has therefore been assessed as Green (low).</p>
<p>Advantages & Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> • No need to engage a Development Partner • ACC has full control over what this Option delivers • Improved connectivity & permeability • Connection from Broad Street to West North Street • Pedestrian led scheme • New setting and breakout space to Lemon Tree, Arts Centre and Marischal East • Potentially activated by central pavilion • Child friendly environment • Park framed by historic façades • Makes the most significant contribution to urban green space, biodiversity, air quality and health and well-being of all Options • Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for all • Contributes to City “Greening” and urban drainage.

	<p>Disadvantages</p> <ul style="list-style-type: none"> • Single use proposal with no major opportunity to generate revenue income • ACC needs to maintain a large park in perpetuity at considerable revenue costs • Potential for lack of sense of ownership • Already provision of large urban park, Union Terrace Gardens nearby within the city centre. New development may not prove to be as popular a space as UTG • Existing buildings provide limited active frontage and passive surveillance of the main park space • Potential anti-social behaviour problems because of the above • Lack of security and surveillance after hours • Screening required to existing façade to courts.
<p>Viability</p>	<p>An Urban Park does not create a standard 'development value' as it does not produce income or a capital receipt. The park does produce a social, public value including benefits to health and wellbeing to the people of Aberdeen but does not create a 'viable development' that can be sold on the open market in the traditional sense.</p>
<p>Other Points</p>	<p>An Urban Park does not preclude the potential for development to be introduced to the site in future and could be planned in such a way as to facilitate this.</p>








7.3 Option 3 – Urban Park with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.

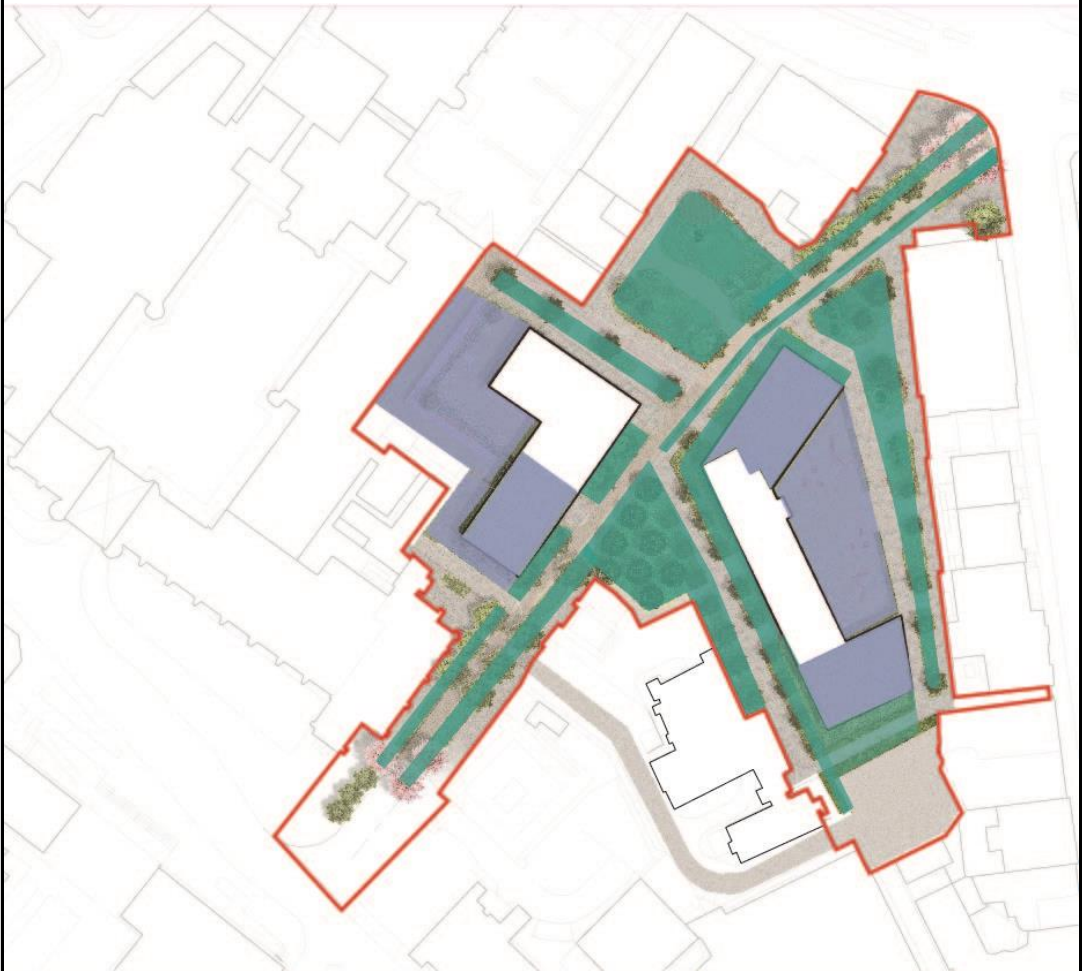
<p>Description</p>	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street.</p> <p>Development to the north to include a new build residential block offering 98 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>Development to the south to include a hybrid proposal retaining the existing Police HQ tower and creating a new podium offering 127 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>The refurbishment would be very extensive with only the main structure of the existing building being retained and reused.</p> <p>The primary structure of the existing Police HQ is however in good condition and from a purely structural point of view, could be re-used.</p>
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The layout below highlights what an Urban Park could look like under Option 3.



Figure 4: Option 3 Urban Park Landscaping Layouts

-  Pedestrian / cyclist movement
-  Vehicular movement
-  View through to green space
-  Nearby existing green space
-  Existing retained tree
-  Main building access
-  Existing public realm





Total area of open space
(full site excl. building
footprint):
approx 9,546.93m²



Area of public green space:
approx 3,466m²



Area of private green
space (roof terraces and
private courtyards):
approx 2,895m²

Option 3 - Landscaping features:

- A linear park including pedestrian and cyclist routes.
- Accessible roof terraces for residents.
- Ground floor courtyard gardens allowing for residential and community space with natural play opportunities.
- A pocket park and flexible events space which can host spill out from the Lemon Tree, Trinity Church, and Arts Centre.
- Provision of external seating space for Greyfriars Church.
- Community orchard/growing space.
- Green residential streets with incidental play and rain gardens.

Option 3 - Landscape Opportunities

- Provision of a range of green spaces to cater to the needs of different user groups.
- Potential to mitigate footprint of development through use of green roofs which would also help to provide a more diverse range of habitats.
- Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage.
- Defined hierarchy of pedestrian focused streets and spaces.
- Potential to foster an increased sense of ownership of green spaces from residents.
- Better definition and enclosure of pocket park / events space.

Option 3 - Landscape Constraints

- Less public open space provision than full urban park option.
- Greater loss of existing trees.

Expected Costs

The Capital Cost of this Option would be in the region of **£38.616m**, which includes allowances for, risk, inflation, and professional fees (a breakdown of this cost is included in Appendix 2 – Cost Estimate Report).

	<p>Revenue Costs to ACC for the area of Linear Park would be circa £35,000 per annum at 2023 rates.</p> <p>Income from Council Tax could be circa £260,630 per annum, or a cumulative total of £2,616,000 over 20 years.</p>
<p>Expected Benefits</p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated £97.3 million, with a benefit-cost ratio of 2.41. This is broken down below:</p> <ul style="list-style-type: none"> • Construction GVA benefits: £15.5 million • Land value uplift benefits from proximity to green space: £20.5 million • New resident expenditure: £48.7 million • Land value uplift on housing land: £12.6 million <p>As with all other options, there are likely to be further placemaking and health & wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p>
<p>Risks Specific to this Option</p>	<ul style="list-style-type: none"> • Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions • Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site • Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project • Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development • Failure to secure statutory consents including conservation area consent, building warrant and planning consent, leading to the project being delayed or cancelled/amended • Planning restrictions may impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park • Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings • Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres (specification and design of Urban Park may be compromised if costs increase for commercial development) • Programme risk around development of Urban Park portion as it is heavily dependent on commercial development in both parts of the site.

	<p>ACC Risk Appetite</p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as Amber (medium to high).</p>
<p>Advantages & Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> • Improved connectivity & permeability • Connection from Broad Street to West North Street • Urban Framework • Retro-first approach • New setting and breakout space to Lemon Tree and Arts Centre • Active ground floor • Child friendly environment • Park framed by historic façades • Mixed use proposal • Increased security and surveillance after hours • Terraced gardens. <p>Disadvantages</p> <ul style="list-style-type: none"> • Screening required to existing façade to courts • Technical difficulty involved in partially demolishing the Police HQ, including concerns about the continuity of the neighbouring court • Less Green space than Option 2 and Option 5 and possible dilution of what constitutes an “Urban Park” • Less flexibility than Option 5 around advance programme delivery for Urban Park as site is heavily dependent on commercial development.
<p>Viability</p>	<p>There are a number of sectors than can fall into the use of ‘residential’, summarised as Build to Sell (BTS), Build to Rent (BTR) or Student accommodation.</p> <p>The residential market in Aberdeen City Centre is unique and typically categorised by an oversupply of flatted accommodation. However, most of this accommodation is of poor quality or comprises older stock and does not offer modern and high-quality apartments that are typically in demand from young professionals, students and downsizers seeking a city centre lifestyle. This has curtailed demand for residential development. The Point, a 342 unit Build to Rent development on the site of the former Triple Kirks, performs very well consistently achieving high occupancy rates over 95% and impressive rents for studios and 1-bedroom apartments at over £700 pcm.</p> <p>Despite this, it has been difficult to encourage developers and investors within the BTS, BTR and Student Accommodation sectors to look North to the Aberdeen market. BTR investors and developers typically require projects to be over 150 – 200 units to achieve scale and it has been difficult to achieve this scale in Aberdeen City Centre due to fragmented ownership of buildings and sites.</p>

Option 3 would in theory, suit the Build to Rent investors and student accommodation providers. However, stakeholder interviews including discussions with student accommodation developers and the local universities highlighted that in the view of the educational “occupier” there is limited demand for student accommodation of this type in Aberdeen. Developers are however still looking for projects and will consider Queen Street as a prime, city centre location for Purpose Built Student Accommodation and Build to Rent use. There is a high degree of caution, however given the relatively low students rents achievable in Aberdeen versus current elevated build costs.

To consider the viability of Option 3, two scenarios have been considered:

1. *A developer purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park and the two residential blocks.*

As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable. The revenue that could be secured from the sale of the residential blocks upon completion equates to approximately £25m while the capital cost is over £38million (excluding the £6M ACC has already committed). **The appraisal therefore produces a negative land value of approximately £19million after taking into consideration finance, sales, and marketing costs.**

2. *ACC secure planning consent, prepare the site for development, deliver the Urban Park, and sell the prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the urban park works.*

The key assumption of this scenario is that ACC either carry out or fund the work to prepare the site for development and deliver the Urban Park and either sell the development parcels at the Northwest and Former Police HQ to a developer or work with them as a development partner. As stated above, the key assumption is that ACC carry out this work and then sell the developable land or structure a deal as such that they secure income to cover the cost of the work. However, due to the high build costs of a new facility and retrofit in an urban location, the costs of the project continue to outweigh the estimated revenue, **resulting in a negative land value of approximately £3.8million.**

It is believed that Local Authorities cannot offer long term leases over residential accommodation, and it may be that a shorter term “top up” facility might be agreed to cover any rental income gap. The concept has been discussed with developers, but further discussions would need to go into more detail at the next stage of the process. Without this sort of mechanism, **it is not considered Option 3 to present a viable option.**

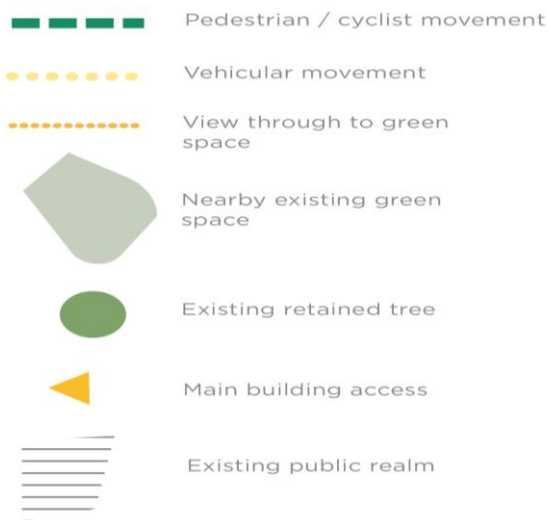
The appraisals for Option 3 are based on the residential development being completed to a high specification in line with typical BTR developments and finished to an EPC A rating standard.

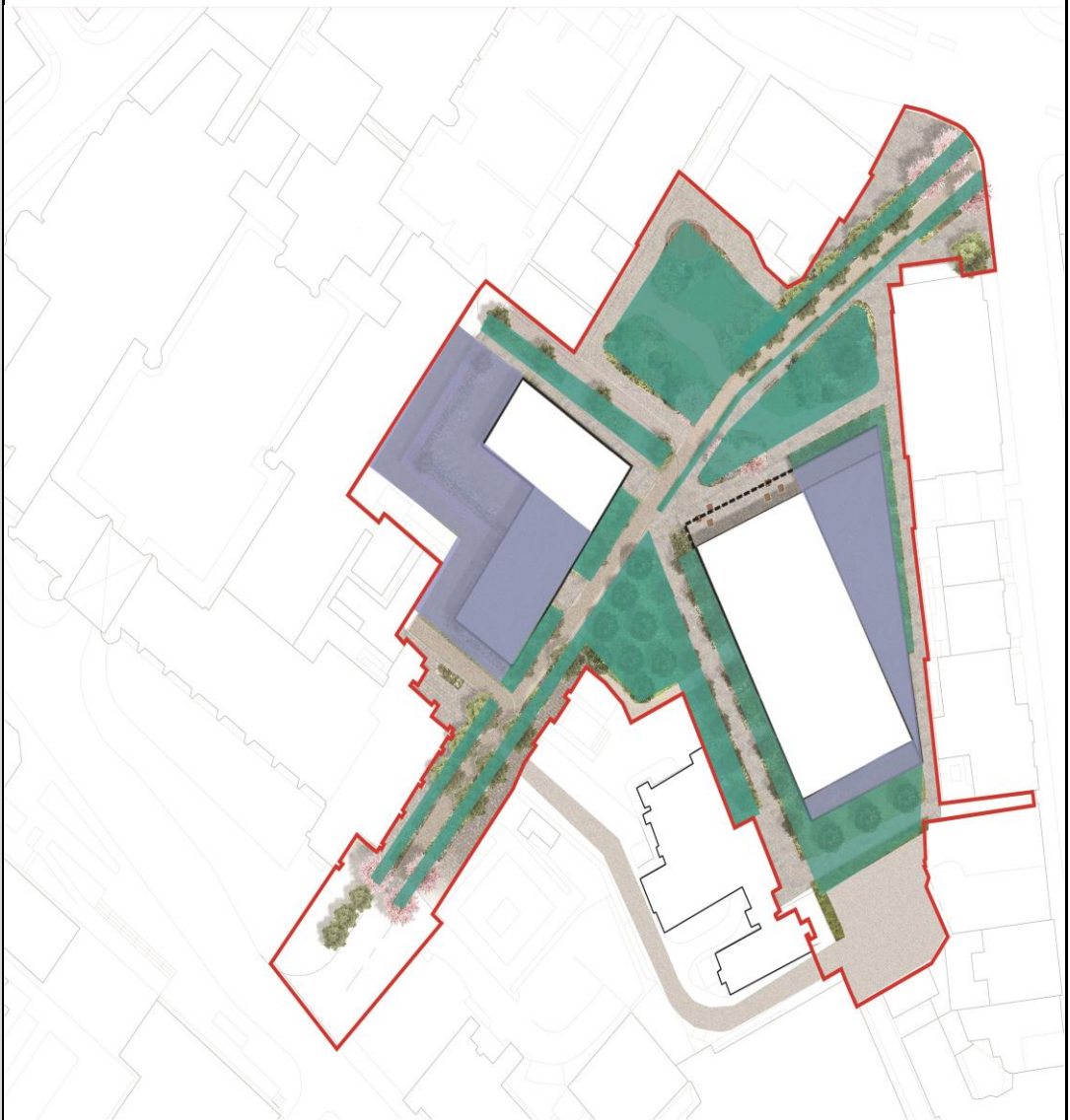
Other Points	<p>Modelling by services engineers suggests a refurbished Police HQ building to be less efficient in energy use than a new build with the anticipated regulated energy use per square metre for a new build equating to around 73% of the energy use per square metre of a refurbished building.</p> <p>In addition, annual carbon emissions for a refurbished Police HQ building would be circa 3.84 kgCO₂/m² compared to 2.62kgCO₂/m² with a new build option.</p> <p>The refurbished Option performs significantly less well than the new build in terms of energy consumption and hence carbon emissions.</p> <p>As part of the demolition of the Police HQ building, the existing concrete structure could be re-cycled, however, space on site is limited and the process of crushing material is both noisy and potentially dust generating. It is therefore likely that the demolished material will require to be removed from site and re-processed off site, for possible use elsewhere.</p>
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7.4 Option 4 – Urban Park with housing development to northwest and new build workplace to southeast on site of former Police HQ.	
Description	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street.</p> <p>Development to the north to include a new build residential block offering 98 flats. Amenity at ground floor with terraced gardens offering outdoor amenity space.</p> <p>Development to the south to include a new build office with 100,000 sqft lettable space and commercial activity at ground floor. Roof terraces at lower levels to provide outdoor breakout (potentially green) space.</p> <p>The layouts below highlight what an Urban Park could look like under Option 4.</p>



Figure 5: Option 4 Urban Park Landscaping Layouts





Total area of open space (full site excl. building footprint):
approx 8,740.58m²



Area of public green space:
approx 3,400m²



Area of private green space (roof terraces and private courtyards):
approx 2,100m²

	<p>Option 4 - Landscaping features:</p> <ul style="list-style-type: none"> • A linear linking pedestrian and cyclist route. • Accessible roof terraces for residents and professionals. • Residential courtyard garden adjacent to building. • Community orchards/growing spaces. • A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church. • Provision of spill-out space for Greyfriars Church. • Green streets with rain gardens. <p>Option 4 - Landscape Opportunities</p> <ul style="list-style-type: none"> • Provision of a range of green spaces to cater to the needs of different user groups. • Potential to mitigate footprint of development through use of green roofs which would help to provide a more diverse range of habitats. • Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage. • Defined hierarchy of pedestrian focused streets and spaces. • Potential to foster an increased sense of ownership of green spaces from residents. • Better definition and enclosure of pocket park / events space. • Public realm connection between proposed retail units and existing retail offer along Upperkirkgate. • Opportunity to use green streets to increase footfall adjacent to retail units. <p>Option 4 - Landscape Constraints</p> <ul style="list-style-type: none"> • Less public open space provision than full urban park option. • Greater loss of existing trees. • Loss of ground floor community courtyard to the southeast shown in Option 3. • Less space for residential green streets shown in Option 3.
<p>Expected Costs</p>	<p>The Capital Cost of this Option would be in the region of £71.247m, which includes allowances for, risk, inflation, and professional fees.</p> <p>Revenue Costs to ACC for the area of Linear Park would be circa £35,000 per annum at 2023 rates.</p> <p>Income through Council Tax for residential space could be circa £113,000 per annum and Business Rates for Commercial space could be circa £1,077,000 per annum. This represents a cumulative total of £11,949,000 over 20 years.</p>

<p>Expected Benefits</p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated £220.4 million, with a benefit-cost ratio of 3.24. This is broken down below:</p> <ul style="list-style-type: none"> • Construction GVA benefits: £28.3 million • Land value uplift benefits from proximity to green space: £20.4 million • New resident expenditure: £20.8 million • Land value uplift on housing land: £4.3 million • GVA from new commercial workspace: £146.6 million. <p>As with all other options, there are likely to be further placemaking and health & wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p>
<p>Risks Specific to this Option</p>	<ul style="list-style-type: none"> • Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions • Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site • Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project • Failure to secure statutory consents including conservation area consent, building warrant and planning consent, leading to the project being delayed or cancelled/amended • Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development • Planning restrictions may impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park • Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings • Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres (specification and design of Urban Park may be compromised if costs increase for commercial development) • Programme risk around development of Urban Park portion as it is heavily dependent on commercial development in both parts of the site. <p>ACC Risk Appetite</p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to</p>

	<p>deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as Amber (medium to high).</p>
<p>Advantages & Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> • Improved connectivity & permeability • Connection from Broad Street to West North Street • Urban Framework • Efficient floorplates • New setting and breakout space to Lemon Tree and Arts Centre • Active ground floor • Child friendly environment • Park framed by historic façades • Mixed use proposal • Terraced gardens. <p>Disadvantages</p> <ul style="list-style-type: none"> • Screening required to existing façade to Scottish Courts and Tribunals Service • Former Police HQ is demolished (embodied carbon impacts) • Less Green space than Option 2 and Option 5 and possible dilution of what constitutes an “Urban Park” • Less flexibility than Option 5 around advance programme delivery for Urban Park as site is heavily dependent on commercial development.
<p>Viability</p>	<p>Option 4 provides a truly mixed-use development site providing an Urban Park alongside a new build residential block to the Northwest and new build Commercial on the site of the former Police HQ. Unlike Option 3, the residential development for Option 4 is better suited to the Build to Sell market because it provides fewer units. The Build to Rent market typically looks at developments of 150-200 units and therefore the residential accommodation provided for Option 4 would be too small to attract demand for this sector.</p> <p>The Build to Sell market is typically housebuilders who are active in the local market. They deliver larger units such as 2- and 3-bedroom apartments rather than studio’s and 1 beds. The residential units have therefore been valued in a different way to Option 3. The property advisor has taken the total net developable area and applied a sale rate in line with modern apartments sold in the city centre (approx. £290 psf), rather than considering a rental income and applying a yield.</p> <p>As is discussed in the soft market testing commentary, there are a small number of large developers who would deliver mixed use developments. However, if the residential is being delivered as a ‘Build to Sell’ they would usually partner with a housebuilder to deliver and sell the final product.</p> <p>Considering the above, to consider the viability of Option 4, three potential scenarios have been considered:</p>

1. *A development partnership (comprising a housebuilder and commercial developer) purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park, the residential and commercial accommodation.*

As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable. Combined, the parties can secure a capital value (or Gross Development Value) for the residential and commercial buildings in the region of £50million, however capital costs are approximately £71million. **The appraisal produces a negative land value of approximately £35million** after allowances for finance costs, sales, and marketing fees.

2. *ACC secure planning consent, prepare the site for development, deliver the urban park, and sell the prepared sites to developer(s) OR ACC work with a development partner and carry the cost of the urban park works*

This appraisal assumes a scenario where ACC complete the site preparation, demolition of the former Police HQ and delivery of the Urban Park. They then sell the former Police HQ and North Block site to receive a capital receipt and cover some of the expenditure of creating an urban park or work in partnership with a developer and agree a mutually agreeable structure.

The assumption is that ACC would receive a capital receipt and reduce the overall cost of creating an urban park. However, with the rise in build costs and additional allowances for inflation, risk etc. **the proposed development would not be viable for a developer even with ACC covering the costs of the site preparation and demolition. The appraisal produces a negative land value of £12million.** In practice, the land sale would not provide a positive capital receipt.

3. *ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.*

Despite Scenario 2 not offering a viable solution, the theory of creating value from development land to help reduce the overall cost to ACC is still possible. ACC could consider pump priming the proposed scheme and reduce the risk for a developer by providing a rental income guarantee also known as a lease wrap or income strip on the office building.

This is similar to the deal structure adopted to encourage the delivery of Marischal Square. In summary, ACC sign a c. 40-year lease over the proposed building at a % of the market rent, and at the end of the lease they have the right to buy back the building for £1. The main purpose is to reduce the risk, create a viable project and encourage a developer to

proceed with the project knowing that they will get a return from their investment. In return, ACC will retain ownership of a key city centre site at the end of the lease and could benefit from a 'profit rent' throughout the term should they achieve lettings over the rent that they are contracted to pay

Valuing this structure is difficult at the current time due to volatility in the gilt markets upon which the pricing of income strip deals is based.

To assess how this structure might produce a land value for ACC, and therefore help towards the cost of the park, the property advisor produced an appraisal over the commercial development land as follows:

- Aberdeen City Council agree to 'guarantee' 80% of full rental value (£2,535,553)
- The income stream is valued at 3.75% producing a revenue of approximately £67.5million. Gilts are currently changing rapidly, and the Council should be aware that this is likely to change between now and the investment being released to the market
- Less Build Costs
- Less Profit @ 20% of build costs
- Less Finance, marketing, and acquisition fees.

Due to the provisions of the Housing Scotland Act (1974) residential tenancies of longer than 20 years are prohibited and therefore income strip structures can only be adopted for the commercial block.

As such, adopting this strategy, in June 2023, produces a land value of approximately £2.5million based on a profit on cost of 20%. If the building was pre-let to the Council and pre-funded, then there is a strong argument that a developer would deliver the office building for reduced profit and therefore more value would accrue to the land.

While this offers a positive capital receipt to ACC and reduces their total cost including the park to approximately £15million, it is a relatively modest sum compared to the overall scale of the project.

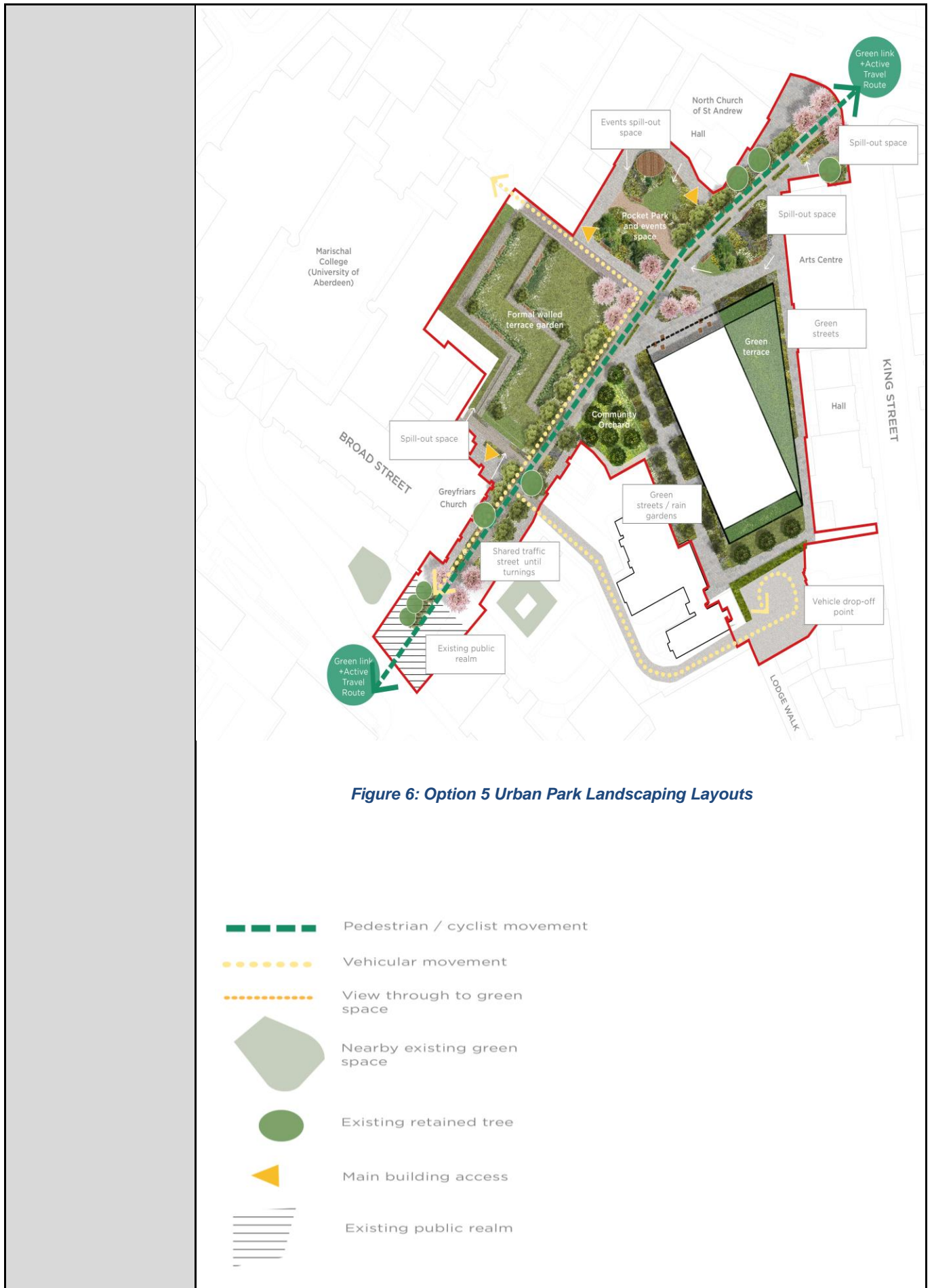
In addition, gilt yields are constantly fluctuating as inflation expectations remain more entrenched in the UK economy. Yields are therefore very likely to change between now and the resulting agreed investment being released to the market. The yield profile would have to be monitored closely to accurately price the investment if this route was going to be considered.

In summary, this strategy is intended to provide ACC with an initial cash injection or contribution towards the cost of the urban park. It allows new Grade A Office development to be delivered in the city centre encouraging footfall and economic growth, creates a Central Business District around Marischal Square and Marischal College, and creates a 'limited risk' option to encourage a developer to deliver the project. The deal structure also allows ACC to own the asset at the end of the 40-year lease. However, there is risk of additional costs, and the contribution or cash injection is small because the residential development parcel continues to make a loss and reduces the value created from the structure.

	For the avoidance of doubt, the above assumes that the office is completed to a BREEAM Excellent / EPC A standard to meet current market demands. The residential development should be completed to a high standard in line with typically housebuilder specifications.
Other Points	N/A.

7.5 Option 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former police HQ.

Description	<p>Linear Urban Park and streetscape located through the centre of the site linking Broad Street and West North Street. Hard civic square with green space created next to the Lemon Tree. A community orchard is integrated to the south of the main street. The northern quarter of the park contains a walled terraced garden.</p> <p>Urban Park to the north, development to the south which could include a new build office with 100,000 sqft lettable space and commercial activity at ground floor or residential space dependent on the results of market engagement. Roof terraces at lower levels to provide outdoor breakout (potentially green) space.</p> <p>Alternatively, the existing Police HQ could be retained and converted into a retro first workspace or residential development depending on market preference at the time of preparing an FBC.</p> <p>The layouts below highlight what an Urban Park could look like under Option 5.</p>
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Total area of open space
(full site excl. building
footprint):
approx 9772.77m²



Area of public green
space:
approx 5,200m²



Area of private
green space (roof
terraces and private
courtyards):
approx 710m²

	<p>Option 5 - Landscaping features:</p> <ul style="list-style-type: none"> • A linear linking pedestrian and cyclist route. • Formal terraced gardens, incorporating existing stone walls, providing a setting to the adjacent historic buildings, and creating intimate space for seating and socialising. • Accessible roof terraces for professionals. • Community orchards/growing spaces. • A pocket park and flexible events space which can host spill out from the Lemon Tree and Trinity Church. • Provision of spill-out space for Greyfriars Church. • Green streets with incidental play spaces and rain gardens. <p>Option 5 - Landscape Opportunities</p> <ul style="list-style-type: none"> • Provision of a range of green spaces to cater to the needs of different user groups. • Potential to mitigate footprint of development through use of green roofs which would also help to provide a more diverse range of habitats. • Green streets and pocket parks could be linked to city-wide strategies to improve local well-being, biodiversity, and sustainable drainage. • Defined hierarchy of pedestrian focused streets and spaces. • Better definition and enclosure of pocket park / events space. • Public realm connection between proposed retail units and existing retail offer along Upperkirkgate. • Formal walled garden would be sympathetic to adjacent Marischal College buildings and would provide outdoor space for all • More public open space than Options 3 and 4. • Greater retention of existing trees. <p>Option 5 - Landscape Constraints</p> <ul style="list-style-type: none"> • Less public open space provision than full urban park option. • Less space for residential green streets shown in Option 3.
<p>Expected Costs</p>	<p>The Capital Cost of this Option would be in the region of £60.665m, which includes allowances for, risk, inflation, and professional fees.</p> <p>This cost is split down between the following:</p> <ul style="list-style-type: none"> • Phase 1 Urban Park £20M • Phase 2 Development of Southeast area of the site £40.665M. <p>Revenue Costs to ACC for the area of Linear and Urban Park would be circa £45,000 per annum at 2023 rates.</p>

	<p>Income through Business Rates for Commercial space could be circa £1,077,000 per annum or a cumulative total of £10,809,000 over 20 years.</p>
<p>Expected Benefits</p>	<p>Based on an assessment by economists at Stantec UK Ltd, the total present value economic impact of this option is an estimated £191.2 million, with a benefit-cost ratio of 3.20. This is broken down below:</p> <ul style="list-style-type: none"> • Construction GVA benefits: £24.4million • Land value uplift benefits from proximity to green space: £20.2 million • GVA from new commercial workspace: £146.6 million. <p>As with all other options, there are likely to be further placemaking and health & wellbeing benefits associated with the development of a new city centre green space, however the potential for these will be lower for this option than for the more comprehensive green space investment offered by Option 2.</p> <p>These expected benefits may differ should the FBC for the development of the former Police HQ portion of the site recommend an alternative development option for that portion.</p>
<p>Risks Specific to this Option</p>	<ul style="list-style-type: none"> • Clearing the site, could result in large cost increases due to unforeseen problems with demolition of the existing Police HQ building, services relocations, removal of basements and complex ground conditions • Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape and vacancy of site • Neighbouring properties and businesses object to development proposals resulting in programme delays and reputational loss to ACC and negative publicity for the project • Failure to secure statutory consents including conservation area consent, building warrant and planning consents, leading to the project being delayed or cancelled/amended • Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development • Planning restrictions impact on the level of development (height of proposed buildings) that could potentially help financially support an Urban Park • Additional costs could be incurred dealing with associated high-quality finishes to rear facades and exposed gable ends of surrounding buildings • Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres. <p>ACC Risk Appetite</p> <p>In terms of the commercial risk to ACC of taking forward this Option, it is relatively high as ACC is relying on outside parties such as a Developer to</p>

	<p>deliver the project and ACC is exposed to the variabilities of market conditions.</p> <p>The commercial risk of this Option has therefore been assessed as Amber (medium) based on being lower than Options 3 & 4 given the Urban Park can be delivered independently of the commercial developments and ACC has more flexibility around reviewing Options for the Police HQ site.</p>
<p>Advantages & Disadvantages</p>	<p>Advantages</p> <ul style="list-style-type: none"> • Improved connectivity & permeability • Connection from Broad Street to West North Street • Urban Framework • Efficient floorplates • New setting and breakout space to Lemon Tree and Arts Centre • Active ground floor • Child friendly environment • Park framed by historic façades • Mixed use proposal • Increased green space over Options 3 & 4 • Terraced gardens • Programme delivery for Urban Park independent of commercial development and can be carried out as a first phase. <p>Disadvantages</p> <ul style="list-style-type: none"> • Screening required to existing façade to Scottish Courts and Tribunals Service • Former Police HQ is demolished (embodied carbon impacts) • Lack of security and surveillance after hours • Less green space than Option 2.
<p>Viability</p>	<p>To consider the viability of Option 5, three potential scenarios have been considered.</p> <p>1. <i>A developer purchases the land as exists (but with planning consent), prepares the site for development, delivers the urban park and the commercial office</i></p> <p>As outlined in the Development Appraisals undertaken by the Property Consultant, this option is considered as not financially viable. Despite the significant capital receipt that could be realised from a fully let commercial development (est. £42million), the cost of preparing the site for development, demolition, delivering the urban park and building the office is very high at over £60million. The appraisal produces a negative land value of £30million, after taking into consideration finance, sales, and marketing costs. All parties spoken to have confirmed that they would not consider a speculative office development at the current time.</p>

2. *ACC secure planning consent, prepare the site for development, deliver the urban park, and sell the prepared sites to a build to rent developer / investor OR ACC work with a development partner and carry the cost of the urban park works*

This appraisal assumes a scenario where ACC completes the delivery of the Urban Park and that the studies on future development of the former Police HQ site will result in the demolition, site clearance and disposal of the site to a commercial development partner or work to develop the site in partnership under a mutually agreed structure, with the future capital receipts used to offset the front funding of the Urban Park. Estimated capital receipts for Option 5 will be heavily reliant on the chosen outcome for the development of the former Police HQ portion of the site.

The assumption is that ACC would receive a capital receipt and reduce the overall cost of creating an Urban Park (of 5,200m² for this Option). However, with the rise in build costs and additional allowances for inflation, risk etc. **the proposed development would not be viable** for a developer even with ACC covering the costs of the site preparation and demolition. **The appraisal produces a negative land value of approximately £6million.** In practice, the land sale would not provide a positive capital receipt for ACC.

3. *ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.*

Despite Scenario 2 not offering a viable solution, the theory of creating value from development land to help reduce the overall cost to ACC is still possible. ACC could consider pump priming the proposed scheme and reduce the risk for a developer by providing a rental income guarantee also known as a lease wrap or income strip on the office building.

This is similar to the deal structure adopted to encourage the delivery of Marischal Square. In summary, ACC sign a c. 40-year lease over the proposed building at a % of the market rent, and at the end of the lease they have the right to buy back the building for £1. The main purpose is to reduce the risk, create a viable project and encourage a developer to proceed with the project knowing that they will get a return from their investment. In return, ACC will retain ownership of a key city centre site at the end of the lease and could benefit from a 'profit rent' throughout the term should they achieve lettings over the rent that they are contracted to pay.

Valuing this structure is difficult at the current time due to volatility in the gilt markets upon which the pricing of income strip deals is based.

To assess how this structure might produce a land value for ACC, and therefore help towards the cost of the park, an appraisal has been prepared over the commercial development land as follows:

	<ul style="list-style-type: none"> • Aberdeen City Council agree to ‘guarantee’ 80% of full rental value (£2,535,553) • The income stream is valued at 3.75% producing a revenue of approximately £67.5million. Gilts are currently changing rapidly, and the Council should be aware that this is likely to change between now and the investment being released to the market • Less Build Costs • Less Profit @ 20% of build costs • Less Finance, marketing, and acquisition fees <p>Adopting this strategy, in June 2023, produces a land value of approximately £10million, which reduces the cost of the project to ACC to approximately £8million. However, gilt yields are constantly fluctuating as inflation expectations remain more entrenched in the UK economy. Yields are therefore very likely to change between now and the resulting agreed investment being released to the market. The yield profile would have to be monitored closely to accurately price the investment if this route was going to be considered.</p> <p>In summary, this strategy is intended to provide ACC with an initial cash injection or contribution towards the cost of the urban park. It allows new Grade A Office development to be delivered in the city centre encouraging footfall and economic growth, creates a Central Business District around Marischal Square and Marischal College, and creates a ‘limited risk’ option to encourage a developer to deliver the project. The deal structure also allows ACC to own the asset at the end of the 40-year lease. The ideal scenario is that the building is fully let at current market levels (or higher) by the time the build work is complete, thus leading to ACC’s potential rental costs being fully covered. However, there is a risk that the building will have vacancies which ACC will need to cover and, further, that rental values fall, and ACC have to cover the difference in rental value paid.</p> <p>The above assumes that the office is completed to a BREEAM Excellent / EPC A standard to meet current market demands.</p>
Other Points	N/A.

7.6 Scoring of Options Against Objectives

The Option Appraisal exercise consisted of two elements:

- **Defining the scoring criteria:** the Design Team met with ACC to develop a robust set of scoring criteria to assess the options against. The scoring criteria consisted of 7 overarching categories with several subcategories for each. Weightings were also given to each category and subcategory to align with ACC and the Steering Group's perceptions of importance.
- **Scoring the shortlisted options:** once a final set of scoring criteria was agreed, members of the team scored each option.
 - Options were scored on a scale from 0 to 5. Zero means that the option does not address the criterion at all, five means that it addresses the criterion in full.
 - The options were initially scored independently by Design Team members, the average across the group was carried forward. The scores for each option were then reviewed in turn in subsequent workshops.
 - The scores were then normalised so that the scores corresponded to the overall criteria percentage weighting. For example, if an option scored 5/5 for the Instruction to Council criteria, which has a weighting of 16%, it received a score of 16.

The table below is from Economic Consultant Stantec's Options Appraisal Summary report of June 2023.

Option Appraisal		Option 1	Option 2	Option 3	Option 4	Option 5
Criteria	Weighting	<i>Do Minimum/Minimal Intervention</i>	<i>Urban Park (7,300m2) and pavilion with landscaping to northwest and southeast development areas</i>	<i>Urban Park (3,466m2) with housing development to northwest and refurbished/repurposed Police HQ to form residential development to southeast.</i>	<i>Urban Park (3,400m2) with housing development to northwest and new build workplace to southeast on site of former Police HQ.</i>	<i>Urban Park (5,200m2) with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.</i>
Instruction to Council	16%	0.0	16.0	8.3	8.3	9.9
Strategic alignment	20%	0.0	9.3	15.2	13.6	13.5
Estimated Impact on Economic Growth	12%	0.0	3.0	8.0	10.0	9.0
Impact on Placemaking	12%	0.0	8.3	8.9	9.1	9.0
Affordability to ACC	12%	6.0	2.9	6.9	6.6	6.2
Deliverability and Financial Sustainability	15%	9.0	9.5	10.3	10.3	10.5
Community and Wellbeing	13%	0.0	12.6	8.1	8.0	8.7
Total Weighted Score (/100)	100%	15.00	61.55	65.66	65.77	66.77
Rank		5	4	3	2	1

Summary of scores

Option 5 scored the highest out of all Options, albeit the difference in scores between Options 3, 4 & 5 is very small. The Do-Nothing Option 1 as would be expected scored significantly lower than all other Options and Option 2 the full Urban Park scored around 8% less than Options 3, 4 & 5.

Development Appraisals

In support of the above, property consultants have summarised the viability of each option below through preparation of Development Appraisals for each Option.

Option 2: A Full Urban Park is estimated to cost in the region of £25.674million (a breakdown of this cost and assumptions is included in Appendix 2 – Cost Estimate Report). The alternative Options have been considered as a means to support the delivery of the Urban Park and ideally offset the high cost for ACC. However, due to the increase in build costs over the last 24 months, the costs to deliver the proposed residential and commercial buildings outweighs the potential revenue and therefore does not offset the cost of the Urban Park as intended.

Notwithstanding the above, various scenarios have been considered which look at interventions from ACC that would help to create a viable scheme, encourage delivery of the Urban Park, and help to offset the costs of doing so.

These scenarios (which are described in fuller detail in the Options Appraisals in Sections 7.1 to 7.5), and their outcomes are summarised below:

Option	Description	Area of Urban Park	Scenario	Estimated Cost to Developer	Estimated Cost to ACC	Ability to Offset ACC Costs	Comments
1	Do nothing	None	N/A	Minimal to market site	Minimal to market and sell site	N/A	£6M committed by ACC on land assembly etc.
2	Full Urban Park	7,300m ²	N/A	N/A	£26m	N/A	
3	Urban Park, new Residential to	3,466m ²	1*	£39m	Minimal to market and sell site	N/A	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.

	NW and refurbished Police HQ to provide residential		2**	£26m	£13m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
4	Urban Park, new Residential to NW and new Commercial (Office) to SE	3,400m ²	1*	£71m	Minimal to market and sell site	N/A	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.
			2**	£53.5m	£17.5m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
			3**	£53.5m	£17.5m	Yes – est. £2.5million	Adopting this scenario offsets, the Council's costs by c.£2.5m, reducing to c. £15m . This contribution is minimal and any minor changes to build costs or the design could put this at risk.
5	Urban Park and new Commercial or Residential to SE	5,200m ²	1*	£61m	Minimal to market and sell site	No	Cost to deliver considerably outweighs potential revenue for Developer so development is not viable.
			2**	£43m	£18m	No	Cost to deliver considerably outweighs potential revenue for Developer so development does not offset cost to deliver the Urban Park.
			3***	£43m	£18m	Yes – est. £10million	Adopting this scenario offsets, the Council's costs by £10m, reducing to £8m .

*Scenario 1: A Developer delivers 100% of the scheme including Urban Park

**Scenario 2: ACC secure planning consent, prepare the site for development, deliver the urban park and either sell the prepared sites to a developer / investor OR ACC work with a development partner and carry the cost of the urban park works.

*** Scenario 3: ACC secure planning consent, prepare the site for development (including demolition), deliver the urban park and either sell the residential development parcel and the former Police HQ site to a developer(s) or work in partnership with them AND offer a 'lease wrap' over the office building for 40 years at 80% of the rental value.

In summary, Options 4 & 5 could help to offset the costs of delivering an Urban Park for ACC. However, this is only possible if ACC choose to intervene and agree a 'lease wrap' on the proposed commercial buildings. A similar model of this approach was adopted at Marischal Square. Soft market testing has confirmed that Developer's appetite for this project significantly reduces without this support from ACC.

7.7 Recommendation

Using evidence based on the options appraisal and the objectives scoring, clearly articulate the recommended option, showing the best fit against the project's stated objectives, and balancing cost, benefits, and risk. Note, if an option fails to deliver any essential objective, then it must be discounted as unsuitable. The recommendation should not be made on objectives scoring alone but the table can be used to eliminate those options that score poorly as a first stage, with the second stage being a more detailed analysis of the remaining options. Bear in mind:

- Investment Appraisal
- Assumptions
- Constraints
- Dependencies

Sequence of activities and key decisions

Key decisions:

- A recommendation to approve the principle of Option 5, Urban Park with landscaping to northwest development area (Phase 1) and new build development (residential or commercial or a mix of both) to the southeast on the site of the former Police HQ (Phase 2) as the Preferred Option
- Taking forward detailed design and construction of an Urban Park to the northwest of the site; undertake stakeholder consultation (including public); obtain necessary consents; negotiate parking/access changes while also carrying out further market research and testing on the type of development best suited to the southeast of the site based on ACC's risk appetite for development.

The recommendation for the former Police HQ is to move to Full Business Case to determine suitability for either refurbishment or rebuild, with residential and commercial office space as use options to come back to Council by December 2023.

There is a sequence of activities which could ultimately change the mix in Option No 5:

- 1) To proceed with all soft strip and demolition activities as approved which do not trigger a planning application due to it being a conservation zone

- 2) To immediately proceed with detailed design and planning activities associated with the Urban Park per Option No 5
- 3) To immediately proceed with a soft market engagement exercise to assess viable uses for the remaining part site under ACC's ownership, based on both full demolition and refurbishment options of the former Police HQ
- 4) Following this soft market engagement an update to be provided examining uses for the residual site which complements the planned Urban Park. These options could include development in full, in part, deferred development or sale and Urban Park in full.

8. Benefits

In the tables below, identify the key benefits the project will deliver.

All benefits need to be measurable, realistic and have a baseline or comparable starting point. These benefits will be monitored during and after the project close to gauge project success and value for money. If a benefit is more subjective, then that should be supported by, for example, staff or customer surveys taken **before and after** the project.

Give an idea of the total financial benefits if these exist.

List any dis-benefits where appropriate, e.g., the loss of a disposal receipt where it is proposed to utilise a surplus building instead of selling it.

Note:

The Benefits outlined below relate to the Preferred Option Nr 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former police HQ.

8.1 Customer Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Economic impacts	GVA from construction activity	Stantec Economic Impact Assessment	0	£24.4M	2024-2027	Post project evaluation
	Land value uplift benefits from proximity to green space	Stantec Economic Impact Assessment	0	£20.2M	2027 onwards	Post project evaluation
	GVA from new commercial workspace	Stantec Economic Impact Assessment	0	£146.6M	2027 onwards	Post project evaluation
Non-monetisable impacts	Number of people accessing green space at Queen Street	N/A	0	Not assessed	2026 onwards	Post project evaluation
	Number of visitors attending events at Queen Street	N/A	0	Not assessed	2026 onwards	Post project evaluation

8.2 Staff Benefits						
Benefit	Measures	Source	Baseline	Expected Benefit	Expected Date	Measure Frequency
Quality of life and health and wellbeing benefits from access to Green Space	Number of Council staff accessing green space	N/A	0	Not assessed	2026 onwards	Post project evaluation

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8.3 Resources Benefits (Financial)							
Benefit	Measures	Source	Capital or Revenue?	Baseline (£'000)	Saving (£'000)	Expected Date	Measure Frequency
N/A							

9. Costs
<p>Use the tables below to provide cost information. Costs must include capital investment and where relevant any ongoing revenue costs incurred by the project or as a result of the project.</p> <p>The source/basis of any estimates should be clearly identified.</p> <p>Refer to the Government Green Book and the Supplementary Guidance on Optimism Bias for information on determining costs. Outline any assumptions in estimating costs in Section 17 and confirm in the Checklist that you have followed this guidance.</p> <p>Green Book Supplementary Guidance Optimism Bias</p> <p>The Green Book 2022 (HM Treasury Guidance)</p> <p>To improve the design development process for capital projects there is a need to consider full life cycle costs, including maintenance. Therefore, costs should be considered at least over a 5-year period. It is an estimate of the resources and capabilities (people, physical resources, and funding) needed to deliver the project and sustain the benefits. The estimates need to cover both the direct project costs and the ongoing (business as usual) costs for the lifetime over which the benefits are to be considered.</p> <p>Include information on where the budget will come from.</p> <p>Full costs breakdown to be included.</p>

Any impact on business as usual or service delivery.

Note:

Capital Costs have been prepared by Turner & Townsend Cost Management as part of their Stage 1 Cost Estimate Report of 27 June 2023 (See Appendix No 2).

The figures in Section 9.1 below relate to the Preferred Option No 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.

Year 1 has been assumed as 2024.

9.1 Project Capital Expenditure & Income

(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Land Acquisitions (sunk costs already incurred by ACC excluded)	0	0	0	0	0	0	0	0	0	0	0
New Vehicles, Plant or Equipment	0	0	0	0	0	0	0	0	0	0	0
Construction Costs for Option Nr 5 – Urban Park with landscaping to northwest development area and new build workplace to southeast on site of former Police HQ.	£2.890m	£44.474m	£13.300m	0	0	0	0	0	0	0	£60.665m

Note: The capital costs included in this section could change depending on the optimal solution for the former Police HQ building and the southeast portion of the site.												
Capital Receipts and Grants	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	£2.890m	£44.474m	£13.300m	0	0	0	0	0	0	0	0	£60.665m

9.2 Project Revenue Expenditure & Income (to be developed)											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Non-Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Revenue Receipts and Grants	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0

9.3 Post- Project Capital Expenditure & Income (to be developed)											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total

Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Land Acquisitions	0	0	0	0	0	0	0	0	0	0	0
New Vehicles, Plant or Equipment	0	0	0	0	0	0	0	0	0	0	0
Construction Costs	0	0	0	0	0	0	0	0	0	0	0
Capital Receipts and Grants	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0

9.4 Post- Project Revenue Expenditure & Income (to be developed)											
(£'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Staffing Resources	0	0	0	0	0	0	0	0	0	0	0
Non-Staffing Resources											
Expenditure - maintenance and upkeep of Urban Park and Public Realm areas, Option No 5 (2023 figures)	0	0	0	-45	-45	-45	-45	-45	-45	-45	-315
Revenue Receipts and Grants											
Income from Commercial Development on southeast portion of site (2023 figures)	0	0	0	1,077	1,077	1,077	1,077	1,077	1,077	1,077	7,539

Income from Urban Park Pavilion (2023 figures)	0	0	10	10	10	10	10	10	10	10	80
Sub-Total											

10. Key Risks	
Description	Mitigation
<p>Fully explain any significant risks to the project that you are aware of, especially those which could affect the decision on whether and in what form the project goes ahead.</p> <p>Append your full Risk Log if available.</p>	<p>Details of any mitigating action already taken or suggested.</p>
<p>A full Project Risk Register is available if readers of this OBC wish to view it. Please contact Sandy Beattie for this document.</p>	
<p>The significant risks to the project are summarised below.</p>	
<p>Insufficient budget or inability to provide appropriate developer receipts, thereby delaying/stalling the development and potentially resulting in blight on the City Centre landscape</p>	<p>Prepare robust development appraisals and carry out market research</p>
<p>Changes in the market demand which may result in the redundancy of the OBC, and scheme being deemed as inviable. This would again result in abortive work and blight on the City Centre landscape</p>	<p>Continuously monitor market trends, provided by property consultants</p>
<p>Neighbouring properties and businesses object to development proposals resulting in Programme delays and reputational loss to ACC and negative publicity for the project</p>	<p>Prepare Communications and Stakeholder Engagement Plan for neighbouring properties and businesses and engage with stakeholders</p>
<p>Failure to secure statutory consents including conservation area consent, building warrant and planning consents, leading to the project being delayed or cancelled/amended and not meeting optimal solution for Queen Street</p>	<p>Ongoing engagement and consultation with ACC Strategic Place Planning to understand any key issues and address development as a result.</p>
<p>Delivery of new mortuary facility is delayed resulting in delay to developing proposals and demolition of Police HQ building and sequencing of development</p>	<p>Construction of new facility at Foresterhill now underway – continue to monitor Programme. ACC have a responsibility to maintain mortuary services. To be open by Summer 2024</p>
<p>Scale, massing, materiality and setting in the context of surrounding listed buildings and townscape will have an impact on the Planning Authority's assessment of the proposals</p>	<p>Early discussions with Strategic Place Planning to understand what level of development could be permitted.</p>
<p>Construction cost inflation remains a significant risk to all projects in the foreseeable future, especially complex ones in city centres.</p>	<p>Cost Manager to monitor closely and include robust inflation and contingency allowances within Cost Estimates.</p>

11. Procurement Approach

If this project will involve the procurement of products or services, describe the approach that will be taken based upon the recommended option.

The Design Teams must conduct a check on the Health & Safety track record on tender documentation and submission prior to award and confirm this has been done.

Procurement

The Council will directly appoint a partner to develop the urban park element of the proposals, and the Council will retain ownership of these land parcels. The delivery mechanism for any other project elements is still to be determined, however options include:

- **A call for open market proposals between ACC and a private investor/developer:** with the two parties remunerated either through a profit share or a through a ground lease arrangement; or
- **A restricted call for proposals between ACC and Hub North Scotland Ltd through its Territory Partnering Agreement:** with the two parties again remunerated through either of the above mechanisms.

The team considered two further delivery mechanisms, which they discounted following consultations with ACC officials:

- **Direct sale of Land / Assets between ACC and Private Investor(s)/Developer(s):** the team and Council officials discounted this option due to concerns that the degree of associated risk would make the proposition unattractive to developers and investors; and that it would diminish the level of strategic control that ACC could exert over the site.

Soft Market Testing

A high-level soft market testing exercise was carried out by property consultants late in June 2023 to support the market commentary and viability assessments for Options 3 ,4 and 5.

This involved discussing the proposed developments with a range of local and national developers who are actively delivering mixed use, residential and/or commercial development opportunities. Options 1 & 2 were excluded from these discussions as there would be no market involvement.

Outlined below are the key messages from various parties however the main take away is that the market fully supports a development of this site to provide high quality accommodation in the city centre. There is support from local and national developers to find a structure that works for both parties and to be involved in an iconic city centre scheme.

However, due to market conditions and current finance costs then demand from local and national developers is not on a speculative basis for the office element at the current time. All developers would need ACC to de-risk the project through a rental guarantee or pre-let agreement to make it viable.

There is also a degree of nervousness with regards to the residential development particularly where construction costs currently are for new and refurbished projects relative to developer returns. One residential developer that was contacted suggested that they would require an extended ACC rental guarantee for the development whilst another was more relaxed and

commented that as long as all numbers stacked up (for a hybrid PBSA / BtR scheme) then they were in principle interested.

Their key messages are:

Office / Commercial Development

- There is demand to deliver a high quality, Grade A office however all developers would need a lead from ACC to de-risk the project by offering rental guarantees or a pre-let (developer's positions are that they need the support at the back end of the process, upon completion of the development. They are not willing to building speculatively regardless of Council input upfront and will not build without a guaranteed exit strategy)
- There is no demand for a speculative development scheme. One developer commented that they would not deliver a speculative office development anywhere in the UK currently
- The design will be paramount. Offices will need to be completed to a Grade A specification with BREEAM Excellent rating and EPC A
- Car parking is essential for office space
- Some developers would be happy to build the Urban Park, but it would need to be supported by ACC either through a capital payment or rental and would need to have an agreed exit to attract a funding partner
- Positive response on the impact an office scheme could have on this area of Aberdeen and there is an expectation of demand from office occupiers of various scale.

Residential Development

- Concern about the viability and costs relative to developer returns / Capital values
- Interest in both Purpose Built Student Accommodation (PBSA) and BtR and a potential hybrid
- No interest in a private for sale scheme
- Potential requirement for some form of long-term income guarantee
- Edinburgh & Glasgow are the key focus for developers currently as there is greater depth in the funding market. They would look at Aberdeen if it was viable and investor appetite to forward fund could be evidenced.

12. Time

12.1 Time Constraints & Aspirations

Detail any planned or agreed dates, any time constraints on the project or the affected business areas and any other known timescales.

- New Mortuary at Foresterhill to be complete by Summer 2024 to allow the existing Mortuary in the basement of the former Police HQ building to relocate
- Existing Telecoms masts on the roof of the former Police HQ building to be removed by the end of 2023

- Asbestos removal, soft strip and services separation in the former Police HQ building requires to be completed by early 2024 before work can take place on the southeast part of the site
- Securing Conservation Area Consent (It should be noted that a full Urban Park option will likely, or significant elements of it at least, be deemed as 'permitted development' and will not require planning permission. See Section 20 for fuller details).

12.2 Key Milestones for Option 5 – Urban Park with landscaping to northwest development area and development to southeast on site of former Police HQ.

Description	Target Date
Approval of OBC	August 2023
Soft Market Engagement exercise for Southeast site (based on full demolition of the former Police HQ building)	October 2023 (Soft Market Engagement)
Service update (FBC) which will identify a preferred development use for the Southeast site	December 2023
Service update (FBC) based on Preferred Option for Southeast portion of the site	August 2024
Take forward detailed design and construction of the Urban Park to the Northwest of the site; undertaking stakeholder consultation (including public); obtaining necessary consents and negotiating parking/access changes	By end Q3 2025
Soft strip and demolition activities at the former Police HQ building as approved which do not trigger a planning application due to it being a conservation zone	Complete during Q1 2024
Selection of Tier 1 Contractor and design up to reach Financial Close	October 2023
Phase 1 Construction (Urban Park to Northwest of site and Central Spine)	October 2024
Phase 1 Handover	Complete during Q1 2026
Phase 1 Defects liability period (12 months after handover)	Q1 2027
Phase 2 Construction (Development to Southeast of site)	Feb 2025
Phase 2 Handover	Q1 2027
Phase 2 Defects liability period (12 months after handover)	Q1 2028

13. Governance

Include any plans around the ownership and governance of the project and identify the people in the key project roles in the table below.

Role	Name	Service
Project Sponsor	Steve Whyte	Resources
ACC Project Manager	Sandy Beattie	Resources

14. Resources

List the staff resources and expertise required to implement the project. Ensure support services are included, such as Project Management, Legal, Procurement and Communications.

Task	Responsible Service/Team	Start Date	End Date
ACC Project Sponsor - Steve Whyte	Resources	August 2023	January 2027
ACC Project Manager - Sandy Beattie	Resources	August 2023	January 2027
Project Manager	HNSL	August 2023	January 2027
Architect	HNSL	August 2023	January 2027
Landscape Architect	HNSL	August 2023	January 2027
Property Consultant	HNSL	August 2023	January 2027
M&E Engineer	HNSL	August 2023	January 2027
Structural Engineer	HNSL	August 2023	January 2027
Cost Consultant	HNSL	August 2023	January 2027
FBC Authoring	HNSL	August 2023	January 2027
Legal	ACC	August 2023	January 2027

Is a Buildings Checklist being completed for this project?		Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
If No, what is the reason for this?			
The project is not at the stage where a Buildings Checklist can be completed. This will be undertaken if appropriate at FBC stage.			
Procurement	ACC	August 2023	January 2027
Stakeholder Engagement	HNSL	August 2023	January 2027
Communications	HNSL	August 2023	January 2027

15. Environmental Management

Fully explain any impacts the project will have on the environment (this could include, e.g., carbon dioxide emissions, waste, water, natural environment, air quality and adaptation). Include both positive and negative effects and how these will be managed. Include details on how this has been assessed, giving an idea of the cost implication if this exists.

The project aims to contribute towards the Council's carbon reduction objectives.

While the project is unlikely to be deliverable and affordable in a completely carbon neutral way, and if development other than a full Urban Park is taken forward, some energy from the grid may be needed to heat and power the residential units. It should be possible to provide all the heating required for the commercial buildings (if decided by ACC to include in the development mix) by connecting them to a local district heating network.

The project offers the potential to reuse and reinvent the existing Police HQ, seeking to implement architectural solutions that preserve the high embodied carbon materials. Retaining the reinforced concrete shell of the building and converting the Police HQ into a commercial or housing scheme will provide essential office space or homes, populating the city centre whilst creating job opportunities. This approach will further enhance the surrounding Urban Park.

The project will be developed based on 20-minute neighbourhood principles to minimise the need for vehicular transport.

16. Preserving Our Heritage

Describe fully any impacts the project will have on the heritage of the city or more widely in the region or nationally. This could include but is not exclusive to the following examples:

- Specific historical items of interest;
- Features of significant local or regional importance/interest;
- Granite elements of existing structures.

Include both positive and negative effects and how these will be managed.

Include details on how this has been assessed, giving an idea of the cost implication if this exists.

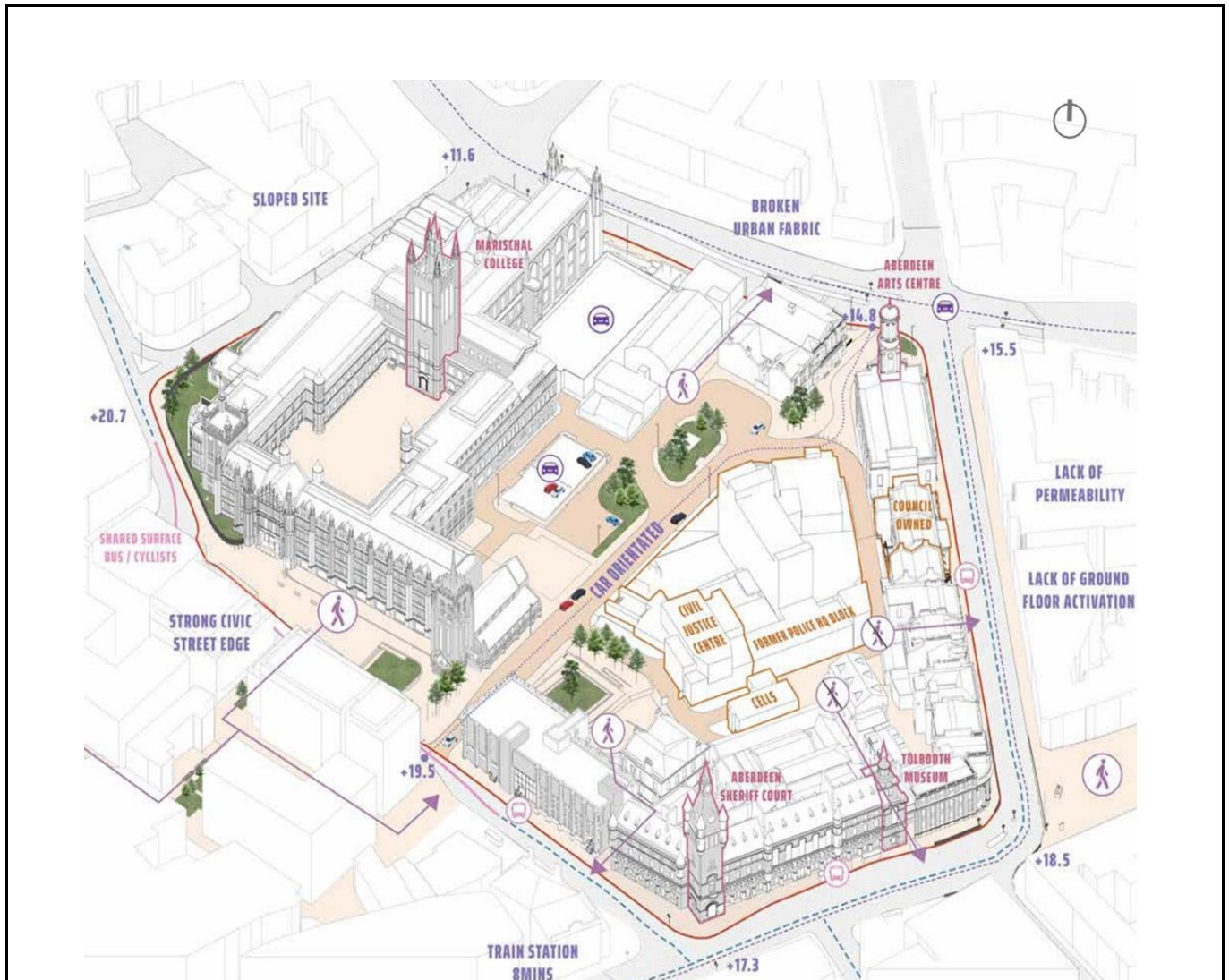
There are several listed buildings and structures in the study area, as well as conservation area designation to consider. Rather than be seen as constraints, the civic and other built heritage can be considered assets that contribute to creating a sense of place that Aberdeen must develop to differentiate from its competitors.

There is the opportunity to incorporate the Arts Centre, Archibald Simpson House on King Street, and the Lemon Tree redevelopment (pending Business Case outcomes of these buildings).

Architectural expression and urban form are critical to the perceived success of the new development. This brief will not be prescriptive about materials and specific finishes, those will emerge as the design develops and be appropriate to the proposed urban form. It is essential that key vistas and landmarks are respected and celebrated in proposals for Queen Street.

The potential to retain and reuse the existing Police HQ will positively contribute to the surrounding heritage as well as the embodied carbon within the project, contributing to a low carbon future. This strategy will improve placemaking, strengthening connections for city users.

The illustration below shows the existing Queen Street Development Zone site and key adjoining buildings of significant architectural interest.



17. Stakeholders

List the key interested individuals, teams, groups, or parties that may be affected by the project or have an interest in it, including those external to the organisation. Show what their interest would be and their level of responsibility. Also note any plans for how they will be engaged including the use of any existing communication channels, forums, or mechanisms already in place.

In the event the Business Case projects a total capital expenditure of more than £10 Million, stakeholders should include “ACC Bond Investors” who may require to be communicated with through the London Stock Exchange.

As part of the wider City Centre and Beach Masterplan engagement, the Council is undertaking an engagement exercise involving residents and businesses. As business cases are developed this will include the newly established Stakeholder Forum and Disability Equity Partnership at the appropriate stages.

Ongoing engagement regarding Queen Street has been undertaken both formally and informally with Scottish Courts and Tribunal Services, Aberdeen Performing Arts, Police Scotland, Castlegate Arts, University of Aberdeen, Robert Gordons University and Greyfriars and Trinity Churches.

Discussions with Estates Departments at Robert Gordons University and the University of Aberdeen resulted in similar messages that there is no real additional demand for one and two bed student accommodation that cannot be met with existing properties. There is however a demand from overseas students for family accommodation although both Universities advised that due to Home Office rules, it is very difficult to predict this in advance of students arriving in Aberdeen.

Recent discussions with the Lemon Tree performing arts venue have confirmed that their own project to improve this venue is on hold due to lack of funding. They have developed a more modest proposal which follows similar principles to the original and this should still work well with the urban space proposed in all Options in this OBC.

18. Assumptions

Document the high-level assumptions that have been made during the development of the Business Case and any other unanswered questions that may be significant. Refer to the Supplementary Guidance on Optimism Bias and detail the assumptions you have made in constructing the costs and business case.

[Green Book Supplementary Guidance Optimism Bias](#)

Assumptions

- Design work undertaken to date is at feasibility level, not detailed design and Capital Cost allowances are as a result high level in nature
- Capital Costs are exclusive of land acquisition, finance costs etc
- Capital Costs incorporate Preliminaries and Overheads & Profit at 15%
- Capital Costs incorporate project risk at 15% based on the project being RIBA Stage 1
- Design team fees have been included at 10%
- A budgetary general allowance has been included for diversion of existing major services running through the site
- A budgetary general allowance has been included within each of the costed options for street furniture and children's play areas
- A budgetary general allowance has been included for phased delivery of the project
- Current costs are not inclusive of a defined embodied carbon target

- Any fees or costs associated with abnormal works including but not limited to ground decontamination, remediation works to bring site to a condition suitable for the intended use including removal of contaminated land or material are excluded
- Works outside of the site boundary including upgrading and reconfiguration of surrounding infrastructure and transport connections are excluded.

19. Dependencies

Document any projects, initiatives, policies, key decisions, or other activities outside the control of the project that need to be considered or which may present a risk to the project's success, or on which this project depends.

The former Police Scotland HQ, now in Council ownership, is a key component of the Queen Street intervention zone and delivery of the City Centre and Beach Masterplan.

Tender packages for the former Police HQ asbestos removal, soft strip and services separation are in the process of being issued to the market and appointments will be made for this work in Q3 2023. Site starts for this work should follow on shortly after.

Proposals are dependent on the relocation of the City Mortuary proceeding as planned, which started on site at Aberdeen Royal Infirmary in October 2022. The City Mortuary, located in the former Police HQ at Poultry Market Lane, will require to be kept operational until practical completion of new premises at ARI in Foresterhill (expected by Summer 2024).

Removal of Telecom masts on the roof of the former Police HQ building is required before any demolition work can take place. A new mast is proposed on Marischal Square prior to decommissioning the last old one. This is still waiting approval, but it is expected will be removed by the end of 2023.

SCTS have confirmed that they will not be vacating their current building in Queen Street and therefore this OBC is based on their operation remaining in situ and continuing as is.

20. Constraints

Document any known pressures, limits or restrictions associated with the project.

Services and utilities are currently integrated between the former Police HQ, City Mortuary and the Scottish Courts and Tribunal Services (SCTS). A strategy is under development to separate services enabling independent re-use or demolition of the former Police HQ, leaving the SCTS building to continue current operation.

Development must also work around existing Scottish Courts and Tribunal Services Court buildings and reduce any impact upon the Court Service's ability to carry out its duties. Access must also be maintained for the other buildings on Queen Street and a through-route must be maintained for emergency vehicles. The Council remains in dialogue with stakeholders regarding future operations and activities in the Queen Street Annexe.

The following key considerations are intrinsic to delivering the project.

Mortuary

The City Mortuary is in the basement of the former Police HQ building and needs to remain operational throughout demolition of the building. When a new facility is completed at ARI Foresterhill (scheduled for Summer 2024) comprehensive redevelopment can take place on the southeast portion of the site, though any delays to this relocation could impact on the pace at which the site can be redeveloped.

Demolition of the former Police HQ building

Options 2, 4 & 5 would require the existing Police HQ building to be either partially or fully demolished. A separate design team, under the management of HNSL, is progressing the design of this project along with the required services separation to allow the SCTS to continue business as usual indefinitely. The programme of necessary asbestos removal and soft strip will commence before the end of 2023 to limit ACC's exposure to holding costs.

The existing Police HQ has extensive underground structures, supporting adjacent roads and buildings. There will be constraints and challenges to remove elements of existing structure so as not to overly impact the future development of the site with legacy, underground structures.

Planning Constraints

Any Queen Street redevelopment proposal will be assessed against the relevant development plan and associated planning context at the time of any planning or associated applications. As of the 19th of June 2023, the 'development plan' now consists of the National Planning Framework 4 (itself adopted by Scottish Government in February 2023) and the newly adopted Aberdeen Local Development Plan 2023. While this represents a formal change in the development plan position that was in place at the time of the SOC for Queen Street, both documents had previously been considered in draft, and therefore the policy position concerning the Queen Street development project remains largely the same. In any instances of potential or perceived incompatibility between NPF4 and the LDP, whichever of them is the later in date is to prevail; in such an instance, the provisions of the Aberdeen LDP 2023 will prevail and is considered first below.

The Aberdeen Local Development Plan 2023 notes the site as being located within a Mixed-Use Area (under Policy H2), specifically identified as Opportunity "OP81 Queen's Square – City Centre Masterplan Intervention Area". This identifies appropriate uses within the site as including Class 1 (Retail), Class 2 (Service), Class 3 (Food and Drink), Class 4 (Offices), Class 7 (Hotels), Class 9 (Houses), Class 10 (Non-residential Institutions) and Class 11 (Assembly and Leisure).

As such, all 5 options being considered would be consistent with the uses referred to in the LDP.

National Planning Framework 4 includes Spatial Principles, and Priorities for the Northeast which are relevant to the Queen Street site, with more detailed specific Policies which would need to be applied to the assessment of any future planning applications for redevelopment. The Spatial Principles relevant to the project include Just transition; Conserving and recycling assets; Local living; and Compact urban growth. NPF4 notes that the application of these Spatial Principles will support the delivery of sustainable places; liveable places; and productive places. In addition, one of the identified key Priorities for the Northeast is to focus

on “continued regeneration through the principles of local living and 20-minute neighbourhoods to sustain the skilled workforce and improve local liveability”, to which the Queen Street proposals can contribute.

Aligning with these Spatial Principles and key Priorities are the specific national planning policies stated within NPF4. While these will need to be considered in more detail as development proposals mature, but of particular relevance are likely to be: Policy 1 - Tackling the climate and nature crises; Policy 2 - Climate mitigation and adaptation; Policy 7 - Historic assets and places; Policy 9 - Brownfield, vacant and derelict land and empty buildings; Policy 14 - Design, quality and place; Policy 15 - Local Living and 20 minute neighbourhoods; Policy 16 - Quality homes; and, Policy 27 - City, town, local and commercial centres.

Specifically in relation to the existing Police HQ building, Conservation Area Consent will be required to demolish an unlisted building within the City Centre Conservation Area (CAC), and any new building(s) to replace the Police HQ would require planning permission. The consideration of any such CAC application for demolition will need to consider both the built heritage impacts of the loss, but also the loss of embodied carbon and the NPF4 support for the re-use of existing buildings. In addition, Historic Environment Scotland’s guidance indicates that consent to demolish should in general be given only where there are acceptable redevelopment proposals, and typically a condition would be attached to any consent requiring confirmation that a contract is in place for the redevelopment proposals prior to demolition commencing. The redevelopment options that are being considered in this OBC are considered to be compliant with the LDP, and therefore will likely be acceptable to the planning authority. While a condition restricting the demolition of a building until contracts for its replacement are in place is typical, this will need to be discussed with the planning authority, in that, given the Council commitment to the project through the business cases, the risk of redevelopment proposals not proceeding is low. This is a similar position to that reached in relation to the demolition of the Aberdeen Market in advance of contracts being in place for its redevelopment, and this can be considered further with planning officers at a future stage. It should be noted that, while significant elements of the Urban Park option could be deemed as ‘permitted development’, there will be elements that will likely require a ‘change of use’ planning application (e.g., to change from car park to urban park/open space). Once a ‘change of use’ permission is in place, then it is anticipated that ‘permitted development’ rights would then apply, and this would cover the detailed public realm/landscaping design and interventions proposed within any Urban Park

In summary, following the selection of a Preferred Option, future planning considerations for the project will include:

- Police HQ retention/demolition considerations and justification in relation to both built heritage and embodied/net zero carbon considerations
- Consenting processes and justification required for any proposed demolition (or part demolition) of unlisted buildings within the Conservation Area
- Consenting process in relation to the degree of comfort in relation to redevelopment proposals being agreed in advance of any demolition being allowed
- Any Urban Park, or elements of Urban Park, will likely be considered ‘permitted development’ and therefore not require planning permission (consistent with the City Centre Streetscape projects)
- Design impacts within the context of the Conservation Area and adjacent Listed Buildings, particularly any proximity to Marischal College

- Detailed design in relation to placemaking, scale, form, massing, and materiality
- Technical considerations including drainage, site conditions and both vehicular and active travel access.

Site constraints

A number of key site constraints/aspirations have been assumed for the purpose of the study as follows:

- Service access to Marischal College to be maintained.
- Access via Queen Street to Marischal College accessible/blue light parking to be maintained. This is to be located to the rear of Greyfriars Church.
- Access via Queen Street to multi storey car park to be maintained.
- Managed access for special events could be allowed into Marischal College quad.
- Emergency vehicle/service access to be maintained on Queen Street.
- Potential Lemon Tree extension to be considered and accommodated.
- Potential North Church of St Andrew extension to be considered and accommodated.
- Allowance for external seating at the rear of Greyfriars Church.
- Arts Centre to be maintained as is.
- Building on Poultry Market Lane/Lodge Walk to be demolished.
- Existing vehicle access/egress to cells on Poultry Market Lane/Lodge Walk to be maintained, or more efficient route established.
- New development to minimise vehicular movements to priorities active travel and public realm.
- Potential opening and incorporation of historic permeable routes where possible.
- Ability for vehicle access along Queen Street exiting on East North Street to be confirmed.
- Demolition split between Civil Justice Centre/Commercial Court and Police HQ to be confirmed.
- Conservation statement potentially beneficial to set out importance of surrounding built fabric, identifying keys landmarks, views etc.

21. ICT Hardware, Software or Network infrastructure

List any new ICT systems or changes likely as a result of the project. If there are no ICT changes, then record as 'none'.

Description of change to Hardware, Software or Network Infrastructure	Approval Required?	Date Approval Received
None.	N/A	N/A

22. Change Controls Issued by the Project

Date	Change Ref ID	Approval Route	Change Description
	None at present		

23. Support Services Consulted

The minimum **consultation period for Outline/Full Business Cases is 10 working days** unless the Programme Board Chair agrees there are exceptional circumstances that require a shorter turnaround time.

Note:

- **It is mandatory for Capital projects to consult with the full list below.**
- If any services are not consulted, this should be indicated in the Comments section, along with the reason why. All comments received should also be noted, or reasons given for discounting them.
- It is a legal requirement for the Council to carry out an [Equality and Human Rights Impact Assessment \(EHRIA\)](#) to evaluate the impact our decisions have on our customers.

Note: There is a copy and paste version of the consultation list below which you can use for circulating your Business Case – [Support Services Consulted Circulation List](#)

Service	Consultee	Comments	Date
Resources	Chief Officer, Finance jbelford@aberdeencity.gov.uk		
Resources	Chief Officer, Corporate Landlord		

Service	Consultee	Comments	Date
	stbooth@aberdeencity.gov.uk		
Governance	Chief Officer, Governance (tbc)		
Place	Chief Officer, Strategic Place Planning DDunne@aberdeencity.gov.uk		
Place	Chief Officer, City Growth rsweetnam@aberdeencity.gov.uk		
Operations	Chief Officer, Operations and Protective Services mareilly@aberdeencity.gov.uk		
Operations (Facilities)	Andy Campbell, Facilities Manager AnCampbell@aberdeencity.gov.uk		
PMO	PMO Programme Manager RMacTaggart@aberdeencity.gov.uk		
Finance	Scott Paterson, Finance Partner spaterson@aberdeencity.gov.uk		
Asset Management	Alastair Reid, Team Manager alareid@aberdeencity.gov.uk		
Legal (Property/ Planning & Environment)	Ross Campbell roscampbell@aberdeencity.gov.uk (for Capital Board consultations only)		
Legal (Property/ Planning & Environment)	Alan Thomson alathomson@aberdeencity.gov.uk (for Transportation Board consultations only)		
Legal (Commercial & Procurement)	Michele Pittendreigh, Team Leader MPittendreigh@aberdeencity.gov.uk		
Legal	Elena Plews EPlews@aberdeencity.gov.uk		
Legal	Fiona Closs FCloss@aberdeencity.gov.uk		
Procurement	Boguslawa Symonowicz BSymonowicz@aberdeencity.gov.uk		
ICT – Digital & Technology	Steve Robertson, Digital & Transformation Manager sterobertson@aberdeencity.gov.uk		
Design – Public Buildings	Neil Esslemont, Team Leader nesslemont@aberdeencity.gov.uk		
Grounds Maintenance	Steven Shaw, Environmental Manager stevens@aberdeencity.gov.uk		
Communications	tbc		
HR	Lindsay MacInnes, People & OD Manager lmacinnnes@aberdeencity.gov.uk		
Transportation Strategy and Programmes	Joanna Murray, Team Leader joannamurray@aberdeencity.gov.uk		
Place – TSAP	Nicola Laird, Senior Project Officer		

Service	Consultee	Comments	Date
	NLaird@aberdeencity.gov.uk		
Roads Management	Stuart Allan, Team Leader Technical StuAllan@aberdeencity.gov.uk Vycki Ritson, Team Leader Engineering vritson@aberdeencity.gov.uk		
Roads Projects	Alan McKay, Team Leader AlanMcKay@aberdeencity.gov.uk		
Emergency Planning Officer	Fiona Mann FioMann@aberdeencity.gov.uk		

You can attach a link to your document to the list above but will need to attach **a copy of your document** to the consultees below as the link function doesn't work for generic addresses:

Service	Consultee	Comments	Date
Estates	Property Estates Manager Estates@aberdeencity.gov.uk		
Environmental Policy	EPConsultations@aberdeencity.gov.uk		
Equalities	Baldeep McGarry/ Faiza Nacef equality_and_diversity@aberdeencity.gov.uk		
Planning	Local Development Plan Team LDP@aberdeencity.gov.uk Development Management PI@aberdeencity.gov.uk		

24. Document Revision History

Version	Reason	By	Date
1.0	First draft OBC	Peter McKinlay, HNSL	30 May 2023
2.0	Second draft OBC	Peter McKinlay, HNSL	19 June 2023
3.0	Third draft OBC	Peter McKinlay, HNSL	3 July 2023
4.0	Fourth draft OBC incorporating ACC feedback	Peter McKinlay, HNSL	14 July 2023
5.0	Fifth draft incorporating ACC feedback	Peter McKinlay, HNSL	17 July 2023
6.0	Sixth draft incorporating ACC further feedback	Peter McKinlay, HNSL	19 July 2023
7.0	Seventh draft incorporating ACC further feedback	Peter McKinlay, HNSL	27 July 2023
8.0	Eighth draft incorporating HNSL review feedback	Peter McKinlay, HNSL	2 August 2023

25. Decision by Capital Board	Date
* Approved/Not Approved to:	

* Insert approval decision from Capital Board.

APPENDICIES

Appendix Nr 1 – Stantec Options Appraisal Report June 2023

Appendix Nr 2 - Turner & Townsend Cost Management Stage 1 Cost Estimate Report June 2023.

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 rd August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	City Centre and Beach Masterplan: GENERATION ABERDEEN
REPORT NUMBER	COM/23/269
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Craig Innes
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 To seek Council approval for the new construction information design for the City Centre and Beach Masterplan Projects

2. RECOMMENDATION

That Council:

- 2.1 Approves the adoption of the new construction information design for the City Centre and Beach Masterplan Projects:
GENERATION ABERDEEN.

3. CURRENT SITUATION

- 3.1 A number of projects are now moving into mobilisation phases and require safety hoarding to be placed around a number of sites approved by Council. As such it would be appropriate for construction information design to be utilised on construction hoarding providing details that the project is being undertaken/funded by Aberdeen City Council.

3.2 Beach and City Centre Masterplan Vision

- Regeneration of the City Centre
- Promote civic pride in the City
- A vibrant City Centre where people want to live, work and visit – a reason to come/stay in Aberdeen
- Make Aberdeen the new place to visit in Scotland
- Union Street – fix “the beating heart of the city” first - this is what the people of Aberdeen want
- An improved quality of Place – an attractive City improving wellbeing
- Connect Union St Gardens to Union St and the Beach and bring the Beachfront back to life

- Re-occupy and re-purpose empty City Centre properties
 - Move to a green, renewables based economy
 - An energy transition that builds on the knowledge economy from Oil & Gas
 - Improve links with Higher and Further Education - attract and keep more graduates in the City
 - Economic diversification including tourism and life sciences
 - A future proofed City based on evidence based solutions ensuring flexibility
 - More commercial assets that generate income
 - Infrastructure investment that shows a return on spend.
- 3.3 Following this workshop it became clear that a versatile, overarching construction information design was required that could be used to demonstrate the visionary and ambitious nature of Aberdeen City Council's plans for the city and the outcomes of the City Centre and Beach Masterplan Projects.
- 3.4 The design had to be used immediately but have longevity. It had to have the potential to fit across each of the projects separately but have an overarching theme.
- 3.5 It was critical that as many as possible of the citizens of Aberdeen, of all ages, visitors and those considering visiting, businesses and all other stakeholders, could see themselves having ownership of this design.
- 3.6 The design development project began more than a year ago, when initial ideas were sought, these were then developed over many months. Research was carried out on cities across the world on how their 'regeneration' projects were branded. The design team also worked with the Aberdeen City Council partnership agreement to extract key words and straplines that could be incorporated into the final design idea. More than 70 straplines and key words were considered.
- 3.7 Following this period of research, a workshop to establish the favourite words found 'regeneration' to be a key descriptive, but it was felt it had some negative connotations.

Aberdeen City Council has generated a new vision for the city, so to that end, the design **GENERATIONABERDEEN** was forged.

The word "Generation" allows us in one fell swoop to encapsulate all the positive elements of the project, whilst simultaneously drawing in all age groups. Each individual generation will see Aberdeen as theirs, creating ownership of the past, present and future. It is for all. This is in keeping with the on-going work with young people on the development of the beach.

There is a subliminal reflection of the word "Regeneration" in the logo without any negative connotations of regeneration being required. This reminds people that Aberdeen City Council is investing heavily in 'generating' huge improvements within the city.

It allows each age group, young and old, to immediately identify themselves as being their **GENERATIONABERDEEN**. Hope and aspiration for the future without forgetting the past and all its achievement.

The design options and name have now been developed further through consultation, briefing, reference to existing brand guidelines and those of partners, the City Centre and Beach Masterplan vision and materials, and consultation with ACC colleagues and Councillors.

GENERATION ABERDEEN is versatile and allows the word “Aberdeen” to be replaced with a lexicon reflecting the work that is currently being done. If required it can also be used on other projects yet to be started as well as aspirations, from “Education” and “Energy” to “Tourism” or “Transportation”, the scope is vast. The announcement on the climate emergency also fits with both allowing “NetZero” to be added with ease. This allows the logos to be integrated into everything the council is delivering beyond the City Vision.

3.8 *Our City of Opportunity* strapline was chosen by the councillor focus group as the key supplementary messaging on the logo. This was selected from the more than 70 straplines that were developed from extensive research of other cities, and from the Council’s partnership agreement.

3.9 The final development in this year long process was where the logos take shape and are brought to life. Real life applications were generated, and execution across a variety of media considered, these include the “Levelling Up” logo where appropriate for the Market. These have been developed more thoroughly following extensive consultation with Aberdeen City Council Councillors and Officers.

3.10 Following more than a year of consultation, it is apparent that Aberdeen citizens and organisations would like a website developed that contains the most up-to-date information on the City Centre Masterplan projects. With that in mind www.generationaberdeen.co.uk and www.generationaberdeen.com have both been reserved for Council use.

4. Next steps

Following Council approval of the preferred design, the following steps will be taken;

- The development of a City Centre and Beach Masterplan Projects website.
- The development of social media templates.
- The development of design use guidelines.
- Full use of the logo across all project materials and engagement.

5. FINANCIAL IMPLICATIONS

5.1 The indicative costings to date and for the next steps shown in paragraph 4 are £12K and are drawn from existing resources.

5. LEGAL IMPLICATIONS

5.1 There are no identified legal implications.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no identified environmental implications. The design will be a digital resource available to the Council.

7. MANAGEMENT OF RISK

- 7.1 An initial Project Risk exercise has been carried out. The outcomes of which are noted below:

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	Without the development of an identifiable design for these projects, we fail to raise the necessary awareness and impact to attract interest and investment.	Universal use of the new design, demonstrating that this is in support of the future direction (and investment) for the City Centre and Beach Masterplan Projects.	L	Yes
Compliance	No risk identified	N/A	N/A	N/A
Operational	Ensuring all publicity and communication materials utilise the new design.	1. Undertake awareness training for all staff engaged in the City Centre and Beach Masterplan Projects. Following more than a year of consultation Aberdeen citizens and organisations would like a website developed that contains the most up-to-date information on	L	Yes

		<p>the City Centre and Beach Masterplan Projects. With that in mind www.generationaberdeen.co.uk and www.generationaberdeen.com have both been reserved for Council use.</p> <p>2. A Communications Plan will be produced to explain the strategic use for the new design.</p>		
Financial	There are no identified risks beyond the initial cost of completing the design development of the new logo.	N/A	N/A	N/A
Reputational	Failure for the design to be recognised by its intended audience could lead to reputational damage.	The new design has been prepared by a known Scottish media and design specialist. It has been developed more thoroughly following extensive consultation with Aberdeen City Council including Councillors and Officers.	L	Yes
Environment / Climate	There are no identified environmental risks. The design will be a digital resource available to the Council.	N/A	N/A	N/A

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

8. OUTCOMES

The proposed outcome is that there will be universal adoption, usage and recognition of the design. In turn it is anticipated that this will lead to a higher profile of the Council's ambitions, leading to attracting further investment. The intended audience (and potential investment opportunities) is local, national and international. It is intended that the **GENERATION ABERDEEN** will obtain global recognition.

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	Supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. 1. – Continue to maximise community benefit from major developments.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	Supports Outcome 1 10% increase in employment across priority and volume growth sectors by 2026.
Prosperous People Stretch Outcomes	Supports Outcome 7 Child Friendly City which supports all children to prosper and engage actively with their communities by 2026.
Prosperous Place Stretch Outcomes	Supports Outcome 14 Addressing climate change by reducing Aberdeen's carbon emissions by 42.5% by 2026 and adapting to the impacts of our changing climate Supports Outcome 15 38% of people walking and 5% of people cycling as main mode of travel by 2026.
Regional and City Strategies	The report supports the priorities in the Regional Economic Strategy (RES) investment in infrastructure, regenerating our city centre, unlock development potential, improve the deployment of low carbon transport, to enable Aberdeen to realise development opportunities in the City Centre Masterplan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Assessment Impact	N/A
Data Protection Assessment Impact	N/A
Other	N/A

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 Appendix 1 – Final Design

12. REPORT AUTHOR CONTACT DETAILS

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Final Design : Stacked Format



GENERATION
ABERDEEN

OUR CITY OF OPPORTUNITY

Final Design : Landscape Format



GENERATION ABERDEEN
OUR CITY OF OPPORTUNITY

Final Design : Crest Combined Format



GENERATION
ABERDEEN
OUR CITY OF OPPORTUNITY

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 rd August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen Market - August 2023 Update
REPORT NUMBER	RES/23/249
DIRECTOR	Resources
CHIEF OFFICER	Corporate Landlord
REPORT AUTHOR	Stephen Booth
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the progress with the re-development of the site as 91 – 93 Union Street and 3 – 6 Market Street.

2. RECOMMENDATIONS

That the Council:

- 2.1 Note the report in relation to progress with the Project.

3. CURRENT SITUATION

- 3.1 Previous Council Instruction.

At its meeting of 14 December 2022, ([RES/22/290](#)) the Council noted the business case for Aberdeen Market and instructed the Director of Resources following consultation with the Chief Officer - Corporate Landlord to proceed with the negotiation and execution of contracts for delivery and report progress back to Council on a six monthly basis. This report provides an update on the project.

- 3.2 Operator Selection

A preferred operator is in place for the site following an extensive marketing campaign undertaken by external Chartered Surveyors. This exercise included engagement with local food and drink and retail operators along with directly targeting operators of similar venues throughout the UK. From this exercise detailed discussions and negotiations have been undertaken both in relation to agreeable terms but also in relation to the design of the building and the development of the concept.

Heads of Terms have now been finalised as has the overall design which has allowed a revised planning application ([Link to planning application](#)) to be

submitted for the project incorporating a revised and simplified layout. An abbreviated operating proposal from the operator is enclosed as Appendix A.

Members should note that the working title for the project from the operator is 'Union Street Market' although this may be subject to change.

3.3 Planning and Design Development

The revised planning application was validated in June 2023 and this is currently going through the process. Reaction to the revised scheme which sees spaces off Union Street and at the green 'more open', appear positive whilst allowing greater flexibility in the future use and operation of the scheme.

In advance of submitting the revised application, Planning Officers were consulted to review the updated layouts, and these were also presented to the Disability Equity Partnership (DEP).

The scheme is being developed with Hub North Scotland and our approach with them has moved to the next stage to allow detailed design development. It is anticipated that financial close will be met in January 2024.

As part of the design development to date, investigation and survey work has been carried out to confirm the site conditions. This has included ground penetrating radar (GPR) surveys to identify buried utility services in the surrounding areas, water pressure tests to confirm availability of water supply for the new development, 3D laser scans to accurately record the existing buildings and the site, CCTV surveys of the sewerage network to confirm size and location of pipework and investigation of the adjoining buildings on Union Street to ensure there are no structural implications from working against the gable walls.

In addition to this, investigation was required to confirm the ground conditions following the completion of the demolition works and this involved coring a number of holes through the existing reinforced concrete ground slab. This confirmed the depth of the slab across the site and enabled further investigation to be carried out by means of sampling and testing of the ground below the slab itself.

The outputs from these various investigative works have been used to inform the revised design that was submitted to planning and will be used further to develop the detailed design.

The Fire Strategy has been updated to reflect the revised design and this is currently being finalised with Zurich insurers to address some of the queries they have raised around building materials, sprinkler systems and alarm system coverage. Once this is agreed, the fire strategy and associated building details will form the initial building warrant application in August as part of a phased warrant programme agreed with Building Control.

The revised scheme provides greater opportunity around feature landscaping and lighting. This is being taken forward in consultation with the wider city

centre team to ensure external areas complement the streetscaping proposals that they are also working on.

3.4 Demolition and Site Works

There are some outstanding snagging works being pursued with the demolition contractor. This is the delaying the erection of the permanent hoarding around the site although this should be in place during August 2023. Discussions have progressed with the Roads authority around maintaining minimum footpath widths and ensuring necessary permitting is in place.

The pre-construction programme has been developed with all design team input, so it's critical that the design is now progressed to meet the agreed dates for work packages, tender enquiries etc.

A preferred Tier 1 Contractor is in place as we push towards commercial close, with the aim of having DBDAa and site start in place in early 2024. Construction plans are being developed and discussions have commenced with the Roads authority to agree suitable traffic management for the area during the site works. The bus priority zone in the city centre has been considered and this is influencing the proposed construction traffic routes, with the ultimate aim of ensuring public safety

The contractor and the design team have identified a number of suppliers for the various work packages, and these will form the basis of the competitive tendering process later this year to ensure best value.

3.5 Enabling Works

The team are currently looking at elements that could be progressed early as part of an enabling works package, including hoarding upgrades, partial slab removal, fill material removal and further survey works.

As part of their traffic management and site establishment, the contractor has proposed a phased approach that involves re-aligning sections of hoarding as the works progress. To give greatest flexibility and to ensure safe working room for their staff, new hoarding will be installed to the perimeter of the market site, and this is being proposed for August 2023.

Scottish Water has confirmed that rainwater attenuation is required at the development, so a buried storage tank will be installed as part of the main construction works. To facilitate this, a section of the existing concrete slab will need to be removed and proposals for this are being finalised and necessary permissions put in place to commence in September.

As a safety measure, the demolition contractor retained material on site and formed a temporary embankment to the retaining walls. This material will need to be removed from site to allow some further structural investigation work to be carried out in advance of main construction commencing and this is also likely to commence in September.

There is an opportunity to commence work at 91-93 Union Street, but this is dependent on erecting scaffolding to protect the public and to provide working room for the contractor. Initial discussions with the Roads Authority indicate that this is unlikely to be possible until early January 2024 to avoid any conflict with festive activities, such as erecting/removal of Christmas lights and festive parades.

Scottish & Southern Electricity (SSE) has an above ground junction box located in the footpath directly in front of the new Market Street entrance and investigation has commenced around relocating this box to Hadden Street. The timing for this has not been confirmed, but it is possible that this work could be carried out in advance of the main construction works.

3.6 District Heating

As previously confirmed, the new development will be supplied from the district heating system with the infrastructure extension being carried out by Aberdeen Heating & Power. ACC Energy team are reviewing this at present in terms of the route to provide greatest long term benefit.

3.7 Ancillary properties.

To consolidate title and control areas around the development, 4 retail units in Union Street were purchased either as part of the original purchase or the subsequent purchase. All 4 units are currently occupied by retail businesses albeit on relatively flexible short term leases to reflect the uncertainty of the construction period on the properties.

4. FINANCIAL IMPLICATIONS

- 4.1 The project remains within the capital spend parameters identified in the business case for the site.
- 4.2 Financial profiling will be further developed during design development and reported as part of the capital plan.
- 4.3. The project is part funded through levelling up funding although the monies allocated to the market project equate to costs in purchase and site clearance.

5. LEGAL IMPLICATIONS

- 5.1 Detailed Heads of Terms have been agreed and also approved by the council commercial property advisor for the site. Solicitors are now progressing the formal lease. External advice is being obtained to ensure that all legal implications are thoroughly addressed and mitigated.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The project has been designed to reduce lifecycle costs and meet current environmental standards and the Scottish Government's Heat in Buildings strategy.
- 6.2 As noted the building will be connected to the District Heat network and as such the project will require to have the existing network extended from Broad street to the site. This is consistent with the wider strategic aims of the network. Whilst this will mean that the site is in theory 'gas' powered the opportunity exists to have the network de-carbonised in future tears.

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	Risk of non - delivery and limited impact on city centre	Experienced delivery team and operator identified.	L	Yes
Compliance	n/a	n/a		Yes
Operational	Site development and operational Health and safety compliance.	Risks transferred to operator/ developer.	L	Yes
Financial	Increased construction costs. Operator failure.	Experienced design team appointed with early contractor engagement. A suite of KPIs is being developed with the operator to track performance and success of venue. Council will have step in rights based on commercial performance.	M M	Yes
Reputational	Project not delivered or further extensions to programme.	Non-delivery of project or significant delay would have reputational damage to the council both with citizens and funding partners. The high-level design is now frozen to give certainty on design delivery	L	Yes
Environment / Climate	Enhanced carbon footprint of estates.	Designed developed to be energy efficient.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	Outcome 1: No one will suffer due to poverty by 2026: The project, through its business activities and economic initiatives, can create job opportunities and stimulate economic growth in Aberdeen. By generating employment and income opportunities for the local population, it can help uplift individuals and families out of poverty.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	The development has been identifies as a key site within the city centre masterplan in creating a 'destination' redeveloping a key site on Union Street but also by increasing connectivity between Union Street, the Green and the station beyond.
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

None

11. APPENDICES

11.1 Operator Statement – to follow

12. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 rd August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Land Options within the Energy Transition Zone
REPORT NUMBER	RES/23/287
DIRECTOR	Steve Whyte
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Stephen Booth
TERMS OF REFERENCE	Introduction 6

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Council with an updated position on the planning status of sites under Council ownership at Aberdeen South Harbour. The report presents options to collaboratively develop three strategic sites within a strategic partnership with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (POA), owned and operated by Aberdeen Harbour Board (AHB) to drive a transition towards renewable energy technologies and sustainable practices. The report also considers how the resulting economic growth and benefits could directly uplift and empower the local community.

2. RECOMMENDATIONS

That Council:

- 2.1 Note that the Aberdeen Local Development Plan has now been approved and has designated sites at St Fittick's, Gregness and Doonies for development as part of the Energy Transition Zone (ETZ). The three strategic sites make up around 10% of the total ETZ area;
- 2.2 Note that Gregness OP62 and part of St. Fittick's OP62 is under the ownership of Aberdeen City Council but leased to the Aberdeen Harbour Board who have an option to purchase this land;
- 2.3 Approve that St Fittick's OP56 and Doonies OP61 be made available to support future investment and development in the Energy Transition Zone, whilst also improving local amenity;
- 2.4 Instruct the Chief Officer – Corporate Landlord that the St. Fittick's OP56 and Doonies OP61 sites are only to be made available for lease and must remain in Council ownership and that, furthermore, any such lease agreement is only to be entered into at the point where financial close is reached on a particular development;

- 2.5 Instruct the Chief Officer - Corporate Landlord to enter formal dialogue with Energy Transition Zone Ltd (ETZ Ltd) and Port of Aberdeen (PoA) to discuss the optimum partnership arrangements to take forward the future development of the sites and ensure the delivery of the outcomes identified by ETZ Ltd in their masterplan and in Aberdeen's Regional Economic Strategy;
- 2.6 Instruct the Chief Officer - Corporate Landlord, following consultation with the Chief Officer – Finance and Chief Officer – Governance, to consider as part of such potential partnership arrangements how returns from the sites could be re-invested in both the further development of the Energy Transition Zone and in the local community; and
- 2.7 Instruct the Chief Officer – Corporate Landlord to report the outcome of these discussions to the meeting of the Finance and Resources Committee in December 2023.

3. CURRENT SITUATION

- 3.1 Aberdeen's economy has long been anchored to the oil and gas industry, making it highly susceptible to market fluctuations and shifts in global energy demands. As climate change concerns intensify, there is increasing pressure to decarbonise and adapt to a low-carbon economy. This approach has been endorsed in both the Regional Economic Strategy and the Council's ambitions to reach Net Zero and is key to future jobs and the region's competitiveness on the global stage.
- 3.2 In line with the 2015 Regional Economic Strategy, and subsequent City Region Deal, Aberdeen Harbour Board worked collaboratively with partners to deliver the extension to Aberdeen South Harbour. As part of this programme, Aberdeen Harbour Board took a short-term lease of four parcels of land in December 2016 and subsequently entered into an options agreement over three of those areas (the agreement excluded Walker Park). The option agreement provides that Aberdeen Harbour Board can trigger the option to purchase or agree a long-term ground lease of all or parts of the land.
- 3.3 In April 2021, Energy Transition Zone Ltd (ETZ Ltd) was established with the objective of positioning the North East of Scotland as a global leader in energy transition to net zero and becoming a net exporter of low-carbon products, services, technologies, and skills. Funded by the UK (United Kingdom) and Scottish Governments and Opportunity North East Ltd, ETZ Ltd operates as a private sector-led not-for-profit company with a clear commercial focus. ETZ Ltd have been successful in obtaining grant funding to service development sites in the Energy Transition Zone.
- 3.4 ETZ Ltd aims to create an integrated energy cluster focussed on delivery of net zero. The company will play a pivotal role in accelerating the delivery of net zero within Scotland and the UK by providing on-shore infrastructure to support and service established, emerging, and future low-carbon energy activities within a net zero exemplar environment.

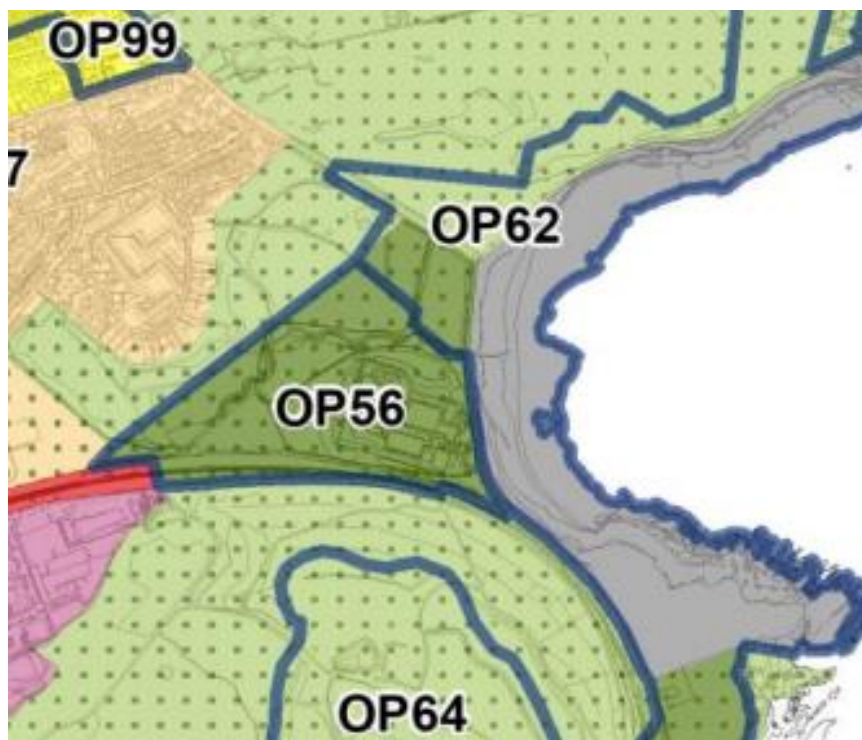
- 3.5 One of the key objectives of ETZ Ltd outlined in 1.1 of their masterplan is to ensure that any financial benefit from public sector funding or future income is reinvested into common interests for the benefit of all, promoting the development of energy transition activities in the region.
- 3.6 ETZ Ltd have recently submitted their masterplan for the Energy Transition Zone to Aberdeen City Council and this is currently undergoing a period of consultation. The Masterplan aligns with the adopted Local Development Plan and outlines the ambitions for the Energy Transition Zone, including detail on proposed community and environmental mitigations and enhancements. The Masterplan also describes how the three strategic sites identified contain a range of environmental and infrastructure assets, and the LDP (Local Development Plan) recognises that potentially significant opportunities exist in the area for net zero development and specialist port co-located activity.

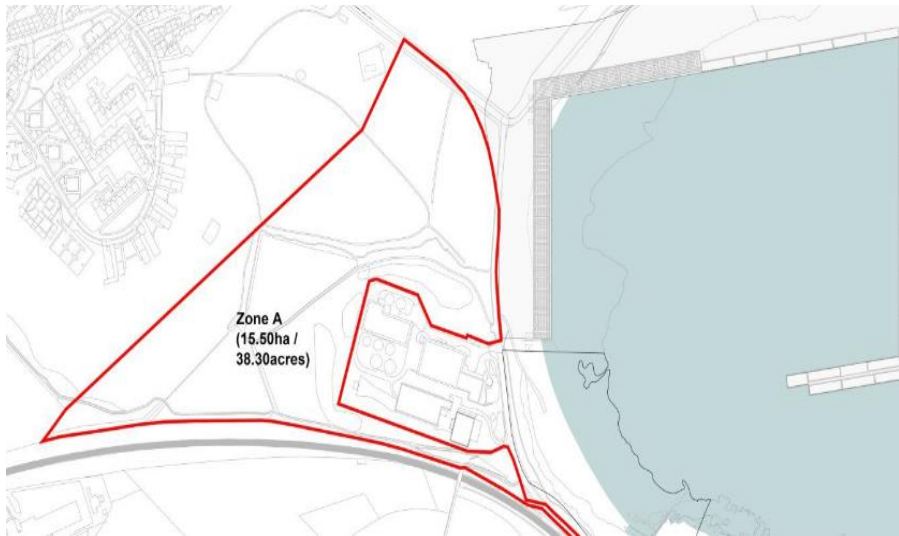
Land

- 3.7 St. Fittick's (OP56 in LDP) is in Aberdeen City Council ownership. Aberdeen Harbour Board have an option over part of the area OP62 which is likely to be exercised.

At this stage, significant capital expenditure will be required to enable and service land suitable for future investment. The diagrams below show the area of St Fittick's Park that is included in the LDP along with the proposed development plan. ETZ Ltd have secured funding for the development of the site along with a range of environmental and other improvements including play areas, protected walkways, and interpretation.

- 3.8 Plan of St Fittick's

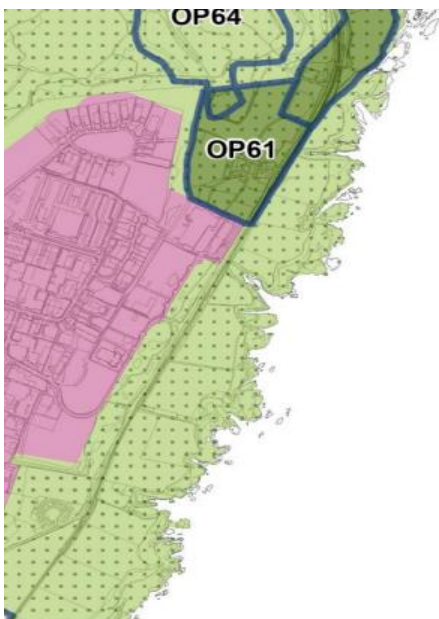


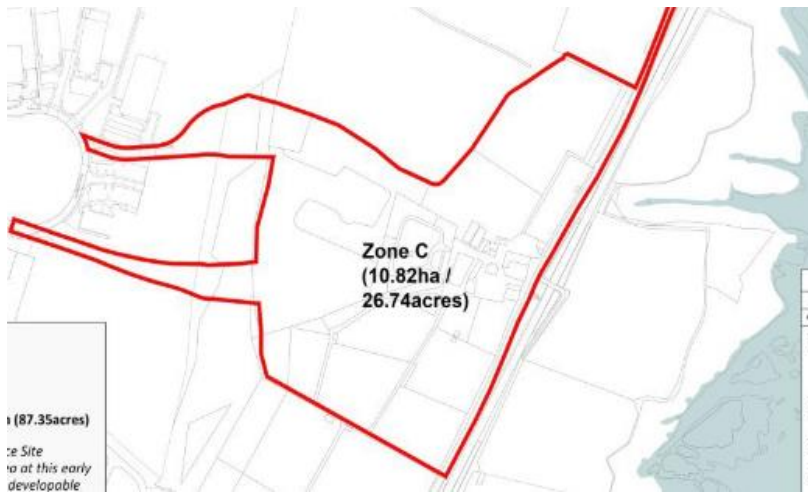


3.9 Doonies (OP61) is a greenfield site currently in agricultural use and in Aberdeen City Council ownership. The agricultural lease will end later this year giving the opportunity for the site to be redeveloped as part of the Energy Transition Zone.

Again, ETZ Ltd have a financial model to service the sites for Energy Transition related uses. The remaining land out with the ETZ will remain in Council ownership and is likely to be offered by ACC for short term agricultural related uses.

3.10 Plan of Doonies

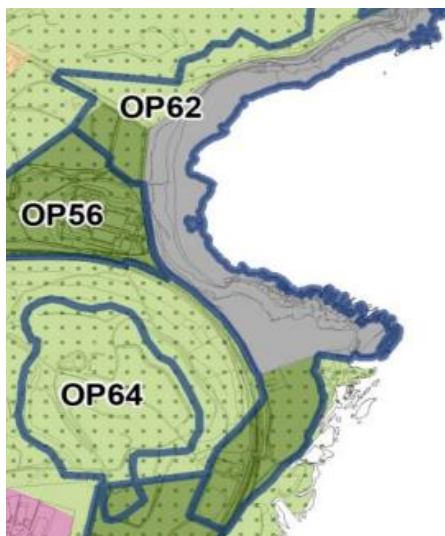




3.11 Gregness (OP62 Part) is under ownership of Aberdeen City Council but leased to the Aberdeen Harbour Board who have an option to purchase which is likely to be exercised. This site includes a substantial workshop facility.

3.12 Plan of Gregness – Aberdeen City Council ownership

Plan of Gregness – Allocation in Local Development Plan 2023





Options Summary

3.12 Option 1 - Do Nothing

If partners do not work together to develop these key strategic sites, it would be a missed opportunity for Aberdeen to diversify its economy and adapt to the changing energy landscape.

It would limit the ability to secure a return on the investment in the Energy Transition Zone and the Aberdeen South Harbour Expansion and limit investment to fund ongoing operations and improvements to the zone/community. Continued reliance on the oil and gas sector may lead to economic stagnation and vulnerability to market volatility. Furthermore, failing to address climate change and reduce carbon emissions could have severe environmental impacts, affecting the well-being of the community and potentially attracting regulatory penalties.

Taking no action would hinder the city's progress towards a sustainable future and could lead to social and economic disparities among residents who would otherwise benefit from investment in the community.

3.13 Option 2 – Development by Aberdeen City Council

Consideration has been given to the Council developing the sites in isolation. This has been discounted for several reasons: -

- Inability to attract sufficient external funding to service sites
- Financial risk to the Council
- Abortive costs to ETZ Ltd in the significant planning and design development works undertaken to date.

- Loss of ability to jointly promote the sites area.
- Existing options arrangements Aberdeen Harbour Board has on sites

3.14 **Option 3 – Sale of Sites**

Consideration has been given to the Council simply selling its interest in the sites to a 3rd party, which would create the lowest risk to the Council. This has been discounted for the following reasons: -

- Guarantee of external funding being delivered on sites
- Lack of control over future development
- Lack of ability to ensure sites used for intended use
- Lack of ability to directly benefit local community from the development.

3.15 **Option 4 – Development in partnership with ETZ Ltd and PoA**

Conversations have taken place with ETZ Ltd over the future development of the sites and several opportunities have been discussed including a Joint Venture, with the potential to work collectively with the PoA (Port of Aberdeen) to promote the area and create the level of transformation and economic benefit envisaged.

A Joint Venture model with partners could:

- Secure external funding for site works
- Retain control over the type and scale of development
- Ensure development is taken forward
- Ensure the sites are properly promoted to create the best economic return
- Allow opportunities to be explored around the re-investment of any return in both the Energy Transition Zone and community.
- Optimise the use of ETZ funding by ensuring a VAT (Value Added Tax) efficient model, which will benefit the overall project

How a Joint Venture model could function requires to be worked up in further detail along with a range of other workstreams including further work on the financial model, site investigations, marketing approach etc.

Further to advancing these discussions, officers are seeking a decision that the Council approve the sites being taken forward as part of the Energy Transition Zone development.

If approved, a future report will be brought back identifying the optimal structure to allow the region to benefit from ETZ Ltd related funding.

The basic premise would be that the Council would contribute the land, ETZ Ltd would bring the funding to service the sites, and the parties would work together to find occupiers and a development model for developing the service sites. ETZ Ltd would be lead agency and carry the development risk with returns being reinvested in the Energy Transition Zone and local community.

3.15 Conclusions

By leveraging the Council's and partners' assets and capabilities, the recommended option is to work in partnership to develop sites, to ensure that these sites become a catalyst for positive change, establishing Aberdeen as a hub for high value manufacturing, research, development, and implementation of cutting-edge technologies, supporting the community and contributing to a more sustainable and prosperous future aligned to the Regional Economic Strategy.

3.16 The proposed partnerships with ETZ Ltd and Port of Aberdeen will: -

- offer an innovative approach to leveraging public and private sector expertise and resources in the pursuit of net zero objectives.
- place significantly less pressure on Aberdeen City Council resource.
- streamline delivery of investment and demonstrate far stronger commitment to both investors and community.
- give the ability to secure the return of ETZ Ltd investment to fund ongoing operation and improvements to the Energy Transition Zone and local community.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report. Further details of all financial implications will be considered in a future report.

5. LEGAL IMPLICATIONS

5.1 There will be no direct legal implications until further discussions are held in relation to the nature and structure of any Joint Venture arrangement. Such discussions would require consideration of such matters such as:

- Subsidy Control
- Any community interest and options for community development funding
- Best Value for Council land

6. ENVIRONMENTAL IMPLICATIONS

6.1 The proposed Joint Venture with ETZ Ltd aligns directly with Aberdeen City Council's commitment to environmental sustainability and achieving net zero objectives. By supporting energy transition projects, the joint venture will contribute to reducing carbon emissions and promoting environmentally friendly practices.

6.2 Partnership Agreements such as a Joint Venture strongly align with the core objectives and strategies of Aberdeen City Council (ACC) and play a pivotal role in achieving its business goals and long-term plans. As ACC collaborates with ETZ Ltd to establish new renewable energy sites across the city, formal partnerships directly support ACC's existing policies and strategies aimed at addressing climate change, promoting sustainable economic development, and transitioning towards a net-zero future.

- 6.3 ACC's vision, as outlined in the document "A climate-positive city at the heart of the global energy transition - A Vision & Prospectus for Aberdeen," focuses on making the city climate-positive while leading the world's rapid shift to a net-zero future. Leveraging its unique assets and capabilities to support the global energy transition, ACC aims to position Aberdeen as a pioneering city in the fight against climate change.
- 6.4 By supporting investment in renewable energy infrastructure and technology, ACC is taking a significant step towards realising its ambition of becoming a climate-positive city. The establishment of new renewable sites in partnership with ETZ Ltd signifies ACC's dedication to promoting clean energy adoption and reducing greenhouse gas emissions.

7. RISK

- 7.1 The recommendations contained within this report and the assessment of risk contained within the table below have been carefully considered against the Council's Risk Appetite Statement. The proposals set out in the recommendations are consistent with the Council's approved Risk Appetite Statement.
- 7.2 The full risks of Partnership/JV models will be reported back to Committee once the heads of terms have been established.

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	If partners do not work together to develop these key strategic sites, it would be a missed opportunity for Aberdeen to diversify its economy and adapt to the changing energy landscape.	Approve the recommendations within this report.	L	Yes
Compliance	Compliance with relevant commercial legislation including trading, procurement, and Subsidy Control.	Full legal review of proposals to be completed prior to entering into any agreements.	L	Yes
Operational	The sites if empty will require	Risks in this area will be managed in	L	Yes

	continued management by the council.	line with the risks around all council land and buildings.		
Financial	A Joint Venture does not perform against the financial model	The financial model will be overseen and managed by the ETZ Board which includes observers from ACC and UK/SG so early intervention for alternative models can be addressed if required.	M	Yes
Reputational	<p>Failure to obtain Council approval to enter into partnership agreements to develop land may impact on the reputation of the Council and Aberdeen's leading position in Energy Transition and its commitment to support ETZ Jobs and Skills plan that was submitted to ACC.</p> <p>The proposals, if delivered, will see greenfield land developed for business use, which may create some objections within the local community and beyond.</p>	<p>Approve the recommendations within this report.</p> <p>ETZ Ltd have already undertaken significant community engagement, along with the LDP having gone through external scrutiny. A range of environmental improvements are proposed as part of the project.</p>	L M	Yes
Environment / Climate	Failure to obtain approval to enter partnerships to develop land may impact on Aberdeen's Net Zero Targets	Approve the recommendations within this report. The submitted ETZ masterplan and future PPIP application will consider environmental impacts in detail and will seek to achieve net positive enhancement on biodiversity and a range of measures to mitigate any environmental impacts, for example a commitment to improve current poor	L	Yes

		water quality in East Tullos Burn		
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8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals in this report support the following aspects of the Policy Statement:</p> <p>Empowering Aberdeen's Communities:</p> <ul style="list-style-type: none"> • The actions recommended in the report will not only empower Aberdeen's communities but also ensure that a portion of the revenues generated from various initiatives is reinvested directly back into the community. • Through these efforts, local communities will have greater control over the services and facilities they need, leading to more impactful and tailored solutions that directly address their specific needs and aspirations. • Enabling residents to have a say in spending priorities and ensuring that a fair share of resources goes back into the neighbourhoods that contribute to the city's prosperity. <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> • The report's emphasis on a Joint Venture (JV) partnership with ETZ Ltd to pursue net-zero objectives demonstrates a commitment to addressing the climate emergency. • By working with partners, including the private sector and the government, the report aims to ensure a just transition to a carbon-neutral economy and promote sustainable economic development. <p>A Prosperous City</p> <ul style="list-style-type: none"> • The report acknowledges that Aberdeen and the North East have been significant drivers of the Scottish and UK economies. To ensure continued prosperity, the report emphasises the need for a genuine partnership with the private sector, third sector, residents, and the government. • The report advocates for the development of a sustainable and inclusive economy, in line with the managed transition to a carbon-neutral economy. By stimulating sustainable economic development and collaborating with businesses, the report aims to foster innovation and entrepreneurship, creating new employment opportunities and driving economic growth.

[Aberdeen City Local Outcome Improvement Plan 2016-26](#)

<p>Prosperous Economy Stretch Outcomes</p>	<p>The planned JV will contribute to all three economy stretch outcomes.</p> <p>Outcome 1: No one will suffer due to poverty by 2026: The joint venture, through its business activities and economic initiatives, can create job opportunities and stimulate economic growth in Aberdeen. By generating employment and income opportunities for the local population, it can help uplift individuals and families out of poverty.</p> <p>Outcome 2: 400 unemployed Aberdeen City residents supported into Fair Work by 2026: Formal partnerships such as a joint venture can play a vital role in supporting the Fair Work agenda by offering employment opportunities to unemployed residents in Aberdeen. Through its operations and workforce requirements, a joint venture can actively collaborate with local employment agencies and training institutions to identify and recruit suitable candidates. Moreover, it can work to ensure fair wages, equal opportunities, and employee well-being, fostering an environment of Fair Work for its workforce.</p> <p>Outcome 3: 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026: A joint venture will be committed to driving Aberdeen's transition towards a sustainable, net-zero future. As part of this vision, the joint venture recognises the significance of a just transition from traditional oil and gas industries to the burgeoning green economy. The initiative will not only create employment prospects for individuals but also contribute to a greener and more resilient economy that benefits the entire community.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>The planned Joint venture is poised to play a vital role in supporting the delivery of Stretch Outcome 7, which aims to ensure that "95% of children living in our priority neighbourhoods (Quintiles 1 & 2) will sustain a positive destination upon leaving school by 2026."</p> <p>Through its commitment to fostering a green economy and sustainable job creation, the joint venture will create opportunities for skill development and employment within these priority neighbourhoods. By providing avenues for young people in these areas to access meaningful and stable career options, the joint venture aims to contribute significantly to the achievement of this Stretch Outcome. By empowering and uplifting the communities in SIMD (Scottish Index of Multiple Deprivation) Quintiles 1 & 2, the joint venture aims to enhance social mobility, reduce disparities, and provide a brighter future for the youth in these neighbourhoods.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>The planned joint venture, in collaboration with ETZ Ltd, holds great promise in supporting the delivery of Place</p>

	<p>Stretch Outcome 13, which is centred around addressing climate change by committing to reduce Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate.</p> <p>ETZ Ltd, as a key partner in this endeavour, brings expertise in sustainable technologies and renewable energy solutions. By leveraging ETZ Ltd.'s knowledge and experience, the joint venture aims to play a vital role in facilitating the region's transition away from its historically dominant oil and gas sector. This transition will not only contribute to emission reduction targets but also create new job opportunities in green industries and foster the development of innovative technologies that align with the city's sustainability goals. Together, they will pave the way for a greener and more resilient future for Aberdeen and its communities, shaping the region as a hub for sustainable practices and advancements in the face of the global climate challenge.</p>
<p>Regional and City Strategies</p>	<p>The proposals in this report demonstrate a joint venture with the established ETZ Ltd which will further enhance the Local Development Plan, the Strategic Development Plan, and Regional Economic Strategy, as well as the Regional Skills Strategy, City Centre Masterplan and Net Zero Route map.</p> <p>The joint venture will collaborate with ETZ Ltd to develop three key sites across Aberdeen, driving substantial investments, job creation, and skill development in the energy transition sector. By synergising efforts with ETZ Ltd, the joint venture aims to accelerate the region's transition away from a dominant reliance on the oil and gas sector, actively promoting the adoption of renewable energy technologies and sustainable practices. This collaboration will unlock new employment opportunities, stimulate innovation, and fortify the city and region's economic future, contributing significantly to Aberdeen's carbon emission reduction targets and effectively addressing the impacts of climate change.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required at this stage.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

10.1 [ETZ Draft Masterplan March 2023 V8 update clean \(aberdeencity.gov.uk\)](https://www.aberdeencity.gov.uk)

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Medium Term Financial Strategy for the Council's General Fund, 2023
REPORT NUMBER	RES/23/250
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Jonathan Belford
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

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

2. RECOMMENDATIONS

That the Council: -

- 2.1 Note that the Scottish Government published its latest Medium Term Financial Strategy in May 2023. This indicates that while the Scottish Resource Budget is increasing up to 2027-28, in both cash and real terms, it is not expected to rise at the same rate as the spending bill, creating a growing funding gap over time;
- 2.2 Note that in light of the deficit in the Scottish Budget forecast as part of the Scottish Governments MTFS, May 2023, and expectations for Local Government included in the Resource Spending Review, published in May 2022, the future funding assumption within the MTFS has been revised to flat cash for the period through to 2025/26, with a 1% increase thereafter. Further information will be available once the Scottish Budget for 2024/25 is published in December 2023 and the Local Government Settlement is issued. At this point the MTFS model will be updated to reflect the latest data;
- 2.3 Approve the Medium Term Financial Strategy for the General Fund, 2023;
- 2.4 Note that the Strategy relies on delivering its intentions contained in the TOM1.2 report [Council, August 2022, CUS/22/171] which describes the approach the Council intends to take through transformation and multi-agency working to contribute towards closing the gap between income and expenditure forecast;

- 2.5 Note the reported impact that pay and price inflation and supply chain volatility is continuing to have on our current financial year [Finance & Resources Committee, August 2023, RES/23/255] and that the impact is anticipated to continue to have an effect on the future funding gap;
- 2.6 Note that the commitments contained within the Partnership Agreement, adopted on 18 May 2022, as part of the 2023/24 budget setting process were prioritised and where appropriate the decisions taken by the Council have been incorporated into the MTFS to reflect the financial implications of those decisions;
- 2.7 Note that a review is being undertaken of the Capital Programme, in light of the financial environment, and the best value considerations, with a report being provided to the Finance and Resources Committee in September 2023;
- 2.8 Note that the current Capital Programme, as included in the Council Financial Performance Quarter 1, 2023/24 report, is the basis for capital financing costs and debt levels referred to in the MTFS and following the regular review of the Loans Fund Repayment Policy, approve the policy for 2024/25 and beyond as described in Table 5 of the MTFS;
- 2.9 Note the 2024/25 Budget will be discussed and set by the Council in February/March 2024 following an extensive public engagement exercise as required by the Scheme of Governance and Budget Protocol. Councillors will be issued with full detail of the Phase 1 consultation referred to in Section 5.10 of the Appendix. For Phase 2 consultation, this will be based on the central scenario shown in the MTFS 2023 and the results of this will be reported to Council in December 2023;
- 2.10 Note that the Council's Financial Resilience Framework shows that the value of useable reserves has continued to rise on the back of additional funding being provided late in financial years for specific purposes. The General Fund has underlying resilience of £12m (uncommitted reserves) which is a falling percentage of the net General Fund budget. The Council should consider if, in the current financial climate, that is sufficient and decide during the 2024/25 budget setting process whether to budget for this to increase;
- 2.11 Note that the strength of the Council Balance Sheet as at 31 March 2023 (net worth is £1.5bn) is broadly similar to the year before. Key changes are a reduction in long-term pension liabilities (down £0.1bn) offset by an increase in total borrowing (up £0.1bn);
- 2.12 Note that the Resilience Framework identifies that the total value, and cost of servicing, debt is rising. The rising cost of debt will have to be managed and it is notable that short-term debt has risen during 2022/23, which has been a deliberate choice to avoid locking into rising interest rates for the long-term when financial forecasts would suggest the cost of borrowing reducing over the short to medium term;
- 2.13 Note that the options available to the Council for managing rising debt levels include reducing the scale and scope of the General Fund Capital Programme

or extending it over a much longer period. With the costs rising, as noted at 2.12, these capital financing costs are forecast to become a larger proportion of the Council's net income. The Council must consider if the proportion of revenue resources allocated to capital financing is appropriate, as per the Prudential Code, and it should make changes as necessary as part of the 2024/25 budget setting process; and

- 2.14 Note that the Chief Officer – Finance will continue to develop the Financial Resilience Framework with a view to embedding it across the councils financial planning, financial monitoring and financial year end reporting arrangements.

3. CURRENT SITUATION

- 3.1 The Council's MTFFS was approved by the City Growth and Resources Committee on 24 August 2022, with the financial forecasts updated as part of the budget setting process for financial year 2023/43, approved in March 2023.
- 3.2 Having this overarching document is increasingly important in an environment that has continued to be more challenging and more complex, which has seen the effects of global events such as Russia's invasion of Ukraine and resulting war, and the supply chain volatility and energy price shocks. Inflation peaked last year, according to the Bank of England, and while the turbulence of high inflation, not seen for 40 years, appears to be now moving in the right direction the cost of living crisis that has been left behind, with higher borrowing costs and higher prices leaves local government and public services with high demand and very limited funding.
- 3.3 The Scottish Government published its latest revised Medium Term Financial Strategy (SGMTFS) in May 2023, which followed last year's publication of the first Resource Spending Review since 2011. The spending review was accompanied by a Review of Capital Spending. The SGMTFS comments that it "...demonstrates that the fiscal environment has become even more challenging than when the Resource Spending Review (RSR) was published (May 2022)."
- 3.4 After taking account of the financial environment, the information provided by Scottish Government and the approved budget setting decisions for 2023/24 an updated Medium Term Financial Strategy for the Council's General Fund has been completed and is attached as Appendix 1.
- 3.5 The Target Operating Model (TOM1.2) [Council, August 2022, CUS/22/171] presented the Council with a way forward to transform services and to contribute to closing the future budget gap. Programmes of work include eight on transformation of Council services and four that cut across the Council and our partners as part of our multi-agency transformation approach.
- 3.6 Together, the MTFFS and TOM1.2 documents represent the fiscal framework for Aberdeen.
- 3.7 The MTFFS provides the Council with an overview of the financial situation and how this is evolving in these uncertain times, and to consider how sensitive the

financial situation is to changes in income and exposure to demand and inflation.

- 3.8 The strategy draws on a range of information and data and relies on scenario planning to express a range of financial consequences that will only become certain with actual experience and with more and better information over time.
- 3.9 Scenarios do allow us to develop the actions and activities needed to balance our finances, and a Central Scenario is presented alongside Upside and Downside Scenarios, giving us an insight into the spectrum of difficulty that the Council faces.
- 3.10 The strategy sets out a range of principles for income, expenditure and capital investment that are designed to support financial resilience and financial sustainability and these are included at paragraphs 1.1 to 1.20 of the Strategy.
- 3.11 The question of financial resilience is one that continues to be very important to local government, greater emphasis is being placed on the test of 'going concern' than ever and while local government is presumed to be a going concern it is clear from s.114 notices in England, for example, that this cannot be taken for granted. The report on the MTFs last year instructed the Chief Officer – Finance to continue to develop the framework for financial resilience and additional data has been included and this has led to further recommendations.
- 3.12 The Financial Resilience Framework was populated with information from the Council's Annual Accounts, for the three years up to 31 March 2022 and this has been updated to include the unaudited Annual Accounts for 2022/23. The information is therefore the cumulative effect of decisions taken over many years and does not by itself reflect what the future position may look like. I have made reference to the table at 6.36 of Appendix 1, to whether the ratio appears to be stable or improving ☺ or if we should be watching it ☹. The figures on their own provide information to provide assurance to the Council that the underlying strength of the finances are healthy given the volatile and high-cost environment we are working in, i.e. it has financial reserves on which to draw in the event of further financial shock, but that resource is finite and non-recurring.
- 3.13 It is acknowledged that the benefits from having this data are yet to be fully realised, with further work and comparison required. That said there is sufficient insight to highlight indicators that should be carefully considered when making budget decisions going forward.
- 3.14 I have included Directors of Finance Section for Local Government in engaging in the development of the various strands of the framework with a view to the Financial Resilience Framework developed by the Council, being adopted sector wide.
- 3.15 I will again provide commentary and data as part of the 2024/25 budget setting process, and I will continue development work in conjunction with partners.

4. FINANCIAL IMPLICATIONS

- 4.1 There are none arising directly from the report. The Medium Term Financial Strategy 2023 sets out the financial implications for the Council's General Fund and will be the financial parameters within which the annual budget setting process will be undertaken.
- 4.2 The budget engagement and consultation that the Council will undertake, as Phase 2 of the Budget Protocol, will use the Central Scenario presented by in the MTFs, which is a gap of £82.745m over the next four years, the end of the current Council term. This sits in the context of the whole five year MTFs which presents the financial challenge as follows:

After Assumed Savings:	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
General Fund Budget Gap	£M	£M	£M	£M	£M	£M
Downside Scenario	0	65	124	168	201	240
Central Scenario	0	35	62	76	83	95
Upside Scenario	0	10	18	13	-2	-3

5. LEGAL IMPLICATIONS

- 5.1 While there are no direct legal implications arising from the recommendations of this report, there are additional reporting requirements due to the London Stock Exchange listing, for example the requirement to notify them ahead of publication of the report.
- 5.2 The financial constraints that are now faced by local government sector and by the Council mean that serious questions have to be raised as to the affordability and sustainability of Council services and the scope, quantity and quality of them going forward challenging at what point statutory services cannot be delivered.
- 5.3 The Council has a statutory duty to set Council Tax and a balanced budget, and the Strategy sets out the related challenges and the parameters within which this will have to be done. Any failure to comply with this duty would leave the Council open to legal action and/or regulatory intervention.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 While there are no direct environmental implications from the recommendations in this report, the development of the MTFs must have a reference to the environmental objectives and targets that the Council has a duty to deliver on. Those duties come at a cost and where possible the scale of the challenge has been described, it is clear however that an enormous amount of further work is required in order to quantify the detailed proposals, business cases and funding solutions to meet of those duties.
- 6.2 The MTFs will continue to take account of the latest information in relation to our actions towards Net Zero as it is regularly refreshed.

7. MANAGEMENT OF RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Failure to recognise the consequence of the economic and local circumstance could lead to poor use of resources	The Strategy is in place to look forward into the medium term and plan for the future to improve the likelihood of resource allocation being aligned to strategic outcomes.	L	Yes
Compliance	Failure to set balanced budget.	A robust process is in place to ensure budgets are prepared and presented for approval by the Council at the start of March.	L	Yes
Operational	Failure to take account of the financial constraints described in the MTFs and to change operational arrangements to be affordable could lead to unplanned spending reductions.	A robust process is in place to ensure budgets are prepared and presented for approval by the Council at the start of March.	L	Yes
Financial	The assumptions are insufficiently sensitive to the situations that might arise, resulting in a larger financial challenge.	The strategy is based on scenarios that present a range of potential impacts for the Council's finances. It will be kept under review. Financial planning assumptions are subject to two reviews annually, the MTFs and the Annual Budget report.	M	Yes

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

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Partnership Agreement	Financial planning, budget setting and resource allocation are all enablers for the delivery of the outcomes and regular performance reviews ensure that the Council's stewardship and financial management are robust.
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The Council continues to invest in front-line services across its statutory responsibilities as well as capital infrastructure. Investment in the city will have a positive impact on the economy.

Prosperous People Stretch Outcomes	Robust and effective management of the Council's finances will ensure that services can continue to be provided.
Prosperous Place Stretch Outcomes	Investment will enhance the place by creating a better and more vibrant city in which to live.

9. IMPACT ASSESSMENTS

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

10. BACKGROUND PAPERS

None.

11. APPENDICES

Appendix 1 – Medium Term Financial Strategy for the Council's General Fund 2023

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*MEDIUM TERM
FINANCIAL STRATEGY FOR
THE COUNCIL'S GENERAL
FUND, 2023*



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1. INTRODUCTION

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

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

'A place where all people can prosper'

1.3 The Council, 24 August 2023 [CUS/22/171], agreed the Target Operation Model (TOM) 1.2 for 2022-27 to support the necessary scale of transformation to deliver the level of savings required over the next 5 years, as outlined in the Medium-Term Financial Strategy (MTFS). The objectives of TOM 1.2 are:

1. Support the Council to address the 5-year funding gap of £134m as outlined in the MTFS.
2. Continue to exploit digital technologies within the Council's Digital Transformation agenda to enable services to adopt technology for various activities and processes, thus enabling the Council to fully leverage technologies to accelerate their processes.
3. Develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within the Council's operating model. :

1.4 Our approach to achieving this is by organising ourselves for the future. The key strategic linkages to create a future environment for the way in which we will operate can be summarised in the following dimensions:

- The nature of our work (why we work) - we work to prevent our citizens from experiencing negative and harmful outcomes and increasingly will be providing less direct service delivery and focusing more on helping our citizens, families, and communities to be empowered to help themselves and each other.
- Building our 'Workforce' of the future (how we work and how we behave) - enabled by technology, the public sector and partner organisations have, and will increasingly make use of, more varied work arrangements, accessing more diverse pools of skills and capabilities, both inside, outside and across organisational boundaries. As a result of the next phase of our digital maturity journey, our staff will undertake less and less transactional work, thereby creating more capacity for our workforce to focus on building relationships with citizens and supporting community capacity building. We will work with a singular focus on outcomes, working as groups of staff to make our contribution to those outcomes. And as teams, we will enjoy increased empowerment and flexibility.
- Re-imagining our 'Workplace' of the future (where we work) - technology, and new models for employing talent, are starting to redefine the workplace and its organisational supports. These changes have and will continue to impact physical

workspaces (including remote and hybrid work) along with policies that promote employee well-being. We will no longer define our workplace by a defined building and instead will view our workplace as wherever we can best serve our citizens

1.5 The key objectives of the MTFS are as follows:

- To ensure that effective financial planning and management contributes to the Council achieving the priorities in the Council Delivery Plan;
- To frame and define the parameters for financial decisions to be taken;
- To direct resources to the Council's priorities to support the achievement of the Council Delivery Plan;
- To highlight and promote the maximisation of income to support the priorities of the council;
- To identify the context within which decisions about resource allocation will have to be made;
- To highlight the need to improve value for money - managing our resources as efficiently as possible; streamlining processes and systems; getting better value from commissioning and procurement; whilst seeking to minimise the impact of budget savings on priority services; and
- To ensure the Council's financial standing is understood and identify where action is needed to enhance financial resilience.

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

1.7 Supporting financial planning relies on national and local data, from which assumptions emerge, that can be applied to a range of scenarios. Due to the nature of a local authority, it is not in control of all the determinants of its income and cost base, and crucially this includes the financial support provided from public funds. Many statutory services are provided free at the point of delivery / use and therefore the scale, scope and shape of services is substantially determined by how much subsidy (grant) is provided in total. Complexity multiplies as the statutory duties and commitments increase.

1.8 The ability of a local authority to develop medium and long-term financial planning is significantly influenced by the following factors:

- the ratio between locally and nationally determined levels of taxation and fees and charges and the prospects of this changing over time; and

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

- whether government provides certainty regarding the level of government grant beyond the immediate next financial year.
- 1.9 Global events have brought an immediacy to action in recent years, particularly the global health pandemic that occurred in 2020 and the Russian invasion of Ukraine in 2022, to name but two, and therefore it has been difficult to look ahead of what is needed now. While the health pandemic continues to have a longer than expected impact on citizen, business and visitor behaviours it can be said that the impact of dispersal, asylum and welcome schemes is now a dominant factor on the cost and demand placed on the Council. This is something that does not appear to be short term, and will have an impact for the foreseeable future.
- 1.10 The associated emergence of inflation levels that the country has not seen for forty years, makes the task of medium and long-term financial planning even more challenging. The impact of higher costs from pay and prices is adding cost to the Council that changes the baseline, meaning the Council has to deal with future cost pressures on top of current costs that are higher than forecast. This arises, for example, from a mismatch between actual and assumed inflation.
- 1.11 The national need for financial support shifted last year to addressing the ‘Cost of Living Crisis’ with billions of pounds being spent last year by the Chancellor in making payments to support the most vulnerable people from the effects of energy increases and inflation in their daily lives. The affordability of that nationally is not sustainable and more targeted support is being provided rather than universal provision. This impacts people and businesses and the Council receives more demand as a result.
- 1.12 With borrowing by the UK Treasury at levels not seen for many decades both the UK and Scottish Government will be required to make political choices in terms of what is affordable in the short, medium and long term.
- 1.13 The latest information made available by the Scottish Government was on 25 May 2023, when it published its Medium Term Financial Strategy². This provides the context for the Scottish Budget and the Scottish Parliament. This updates the country following the last Resource Spending Review³ that was published in May 2022. Priorities, commitments and actions for the year ahead were set out in the annual publication, Programme for Government 2022/23⁴.
- 1.14 The UK Government 2023 Budget⁵ followed the Autumn Statement 2022, which made decisions on tax and spending to counteract the financial shocks that had taken place in September and October 2022. The 2023 Budget describes the “difficult decisions needed...to restore economic stability, support public services, and lay the foundation

² [SG Medium Term Financial Strategy, 25 May 2023](#)

³ [Investing in Scotland’s Future: Resource Spending Review, 31 May 2022](#)

⁴ [Scottish Government, Programme for Government 2022/23, September 2022](#)

⁵ [HM Treasury, Spring Budget 2023, March 2023](#)

for long-term growth.” The Budget was ‘quiet’ compared to the Autumn Statement and revealed that while the shorter term economic picture has improved slightly, the longer term one is little different to before. In particular, the potential future growth rate of the UK economy remains very poor, at 1.75% a year. This means that in the medium term there is, at present, no room for giveaways, in terms of tax cuts or spending increases, without breaching the Chancellors own primary fiscal target, a declining debt ratio after five years.

- 1.15 This medium-term strategy sets out assumptions based on all of this latest data regarding the ongoing, now limited impact of the Covid-19 pandemic, and more significantly the financial environment of high inflation and rising demand, particularly from our local population, in terms of financial year 2023/24 and then goes on to make some informed assumptions for financial years 2024/25 – 2027/28.
- 1.16 The Council will recognise that with so much of its income outside of its control, the assumptions that underpin the MTFs cannot, by definition, be exact, they are subject to refinement and change over time. Therefore, a series of scenarios should be used to describe a range of income possibilities. This refresh of the MTFs focuses on the changes to a central scenario, while recognising upside and downside scenarios that have had to be revised to take account of the more extreme nature of the financial environment in which we operate. These scenarios are refreshed regularly as part of the budget setting and strategic planning processes.
- 1.17 The detail contained in this document reinforces the conclusion in the 2022 MTFs that the following principles are needed to guide our financial management approach, and there are additions given political developments in the last year,.

1.18 *Principles the council should follow for planning its income are:*

- 1) Be prudent about the level of Scottish Government funding that will be provided in the local government settlement both in short, medium and long term.
- 2) Be prudent in the financial assumption regarding the funding of national priorities and commitments, and be agile to changes that the New Deal with Local Government (the Verity House Agreement⁶) may present – “From this point onwards, the default position will be no ring-fencing or direction of funding.”
- 3) Be aware of the potential threat of funding being removed if national priorities are not met.
- 4) Exercise the discretion it has over local taxation and increase the Band D charge for Council Tax annually to support future budgets.
- 5) Account for any income source that is non-specific as a corporate resource to support the whole revenue budget.

⁶ [New Deal with Local Government, June 2023, Verity House Agreement](#)

- 6) Identify and track funding streams being directed from UK Government such as the Levelling Up and Shared Prosperity Funds so that the Council can be pro-active in applying for funding that becomes available to support local outcomes.
- 7) Apply its Service Income Policy to support the effective and sustainable delivery of services where charges can be applied and exercise that discretion annually and collect the income that is rightfully owed.
- 8) Identify and evaluate emerging discretionary powers on a regular basis to determine their applicability to Aberdeen City, ensuring that decisions are taken in a timely manner to ensure maximum benefit is achieved.
- 9) Be aware in respect of the financial risks to the council from global events Russian invasion of Ukraine, resettlement and dispersal schemes and the funding that may or may not accompany them.
- 10) Apply its approved Reserves Policy, retaining recommended uncommitted General Fund Reserves and thereby avoiding the use of one-off income streams for recurring costs.

1.19 *Principles the council should follow for planning its expenditure are:*

- 1) Scenarios are developed and the Chief Officer – Finance will, in conjunction with the Extended Corporate Management Team (ECMT), establish appropriate financial assumptions to apply.
- 2) Recognise that there should be a deliberate shift of resources towards prevention and early intervention actions, which is in line with the three tier intervention framework⁷.
- 3) Develop its approach to strategic resource allocation to further shape where and how resources are deployed, noting the potential reduction in ring-fencing and direction through the Verity House Agreement. Through this approach we will attain greater understanding of how resources align to outcomes and the related impact and consequences of our decisions.
- 4) Local constraints should be minimised wherever possible to provide as much flexibility to achieve resource shift and deliver savings.
- 5) Align commissioning intentions, service standards and budget allocations thereby ensuring council focuses on the very highest of priorities and on the most important outcomes.
- 6) Decommission services and/or reduce service standards where funding levels cannot sustain existing commissioning intentions and service standards.
- 7) Increase the scale of service redesign to address the emerging financial scenarios.

⁷ [Aberdeen City Council, March 2023, Prevention & Early Intervention \(CUS/23/064\)](#)

- 8) Recognise and act on the reality that financial challenges of the scale reported are not deliverable from small service budgets, and all have to contribute to achieving balance budgets and ensuring financial sustainability is to be addressed.
- 9) Annual efficiencies from all operations must be delivered.
- 10) Financial Resilience Framework data must be considered as part of decision making, including reference to the Risk Appetite Statement.
- 11) Capital investment revenue implications must be incorporated into financial scenario plans, both from ongoing operational delivery and capital financing perspectives.

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

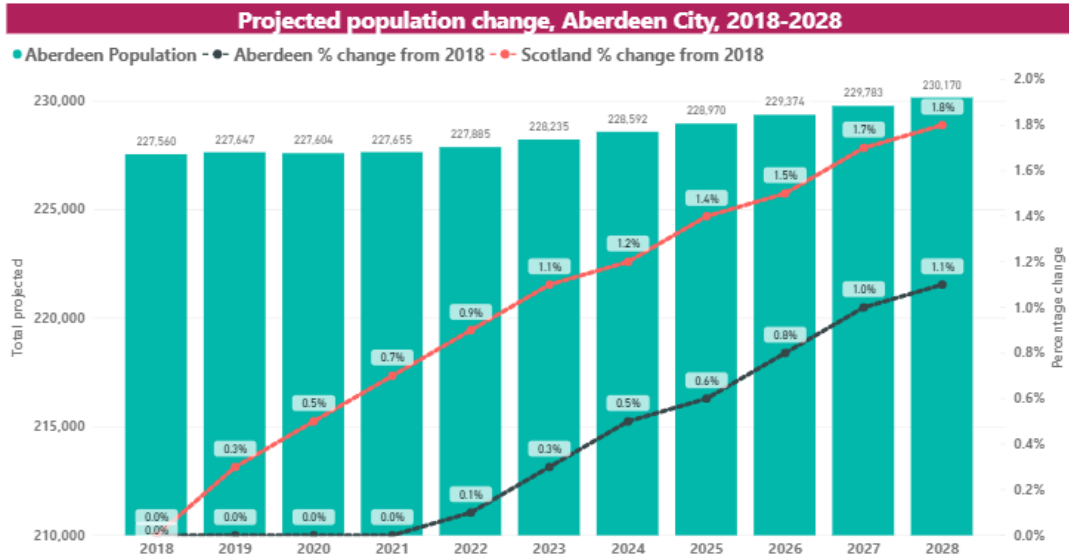
- 1) Capital investment must be prudent, affordable and sustainable, as defined by the Prudential Code.
- 2) The business case methodology must be used to document capital investment opportunities.
- 3) Revenue implications of capital investment opportunities must be identified and agreed with the Chief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

1.21 *Aberdeen - Background and Context*

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

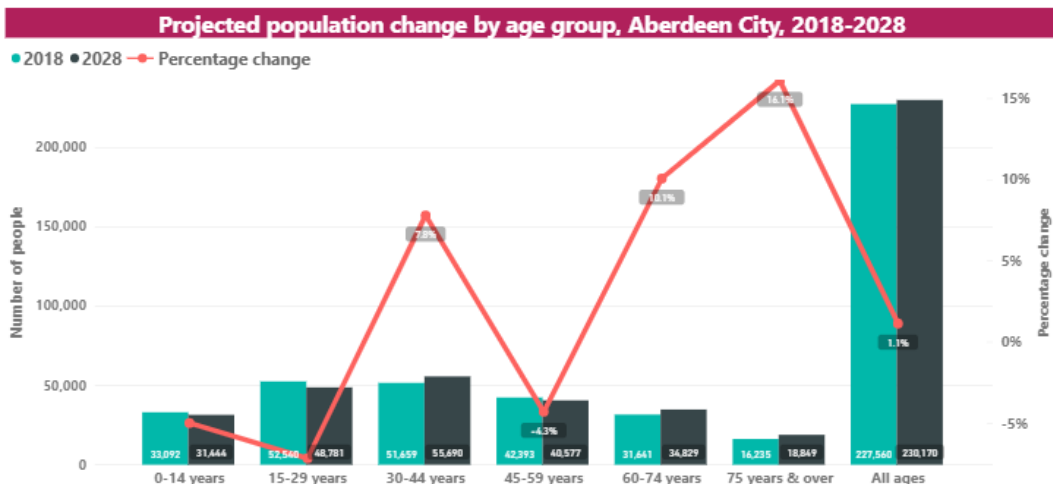
1.21.2 Population – Due to the delayed Census, the most recent population figures, published by National Records of Scotland (NRS), are for 2021 (updated figures due in Autumn/Winter 2023). The estimated population of Aberdeen in 2021 was 227,430.

The figure below shows the most recently available population projections for the City and Scotland, as published by National Records of Scotland (NRS). However, these projections are based on 2018 data (NRS have delayed their planned update). This is now due during 2023. The estimated actual population for the city in 2020 was c.1,500 above these projections.



Source: National Records of Scotland, Population Projections for Scottish Areas (2018-based). Updated March 2020.

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



Source: National Records of Scotland, Population Projections for Scottish Areas (2018-based). Updated March 2020.

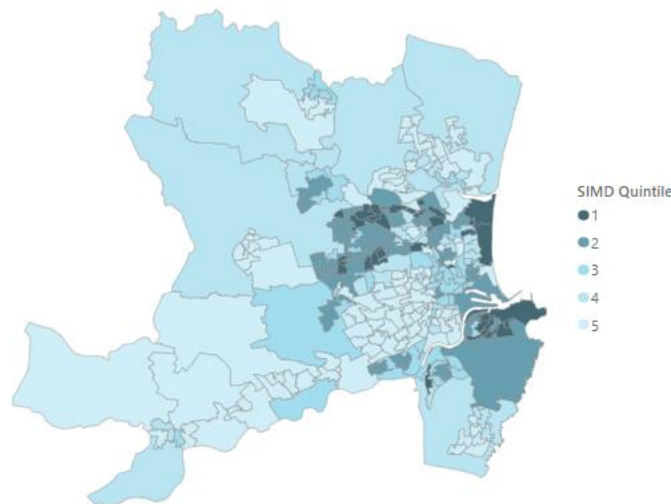
1.21.4 Housing – In 2022 there were 123,363 dwellings in Aberdeen City – an increase of 1,121 (0.9%) on the number of dwellings in 2021. Whilst there is a considerable demand for housing in Aberdeen, in 2022, the average purchase price for a residential property in Aberdeen City was £187,169 – down from £193,402 in 2021 and considerably lower than the 2015 peak of £220,665. The number of properties sold in 2022 decreased slightly from 4,799 in 2021 to 4,729 in 2022. In 2022, the average

monthly rent in Aberdeen City and Shire (Broad Rental Market Area) was £469 for a one-bedroomed property, £663 for a 2-bedroomed property, £931 for a 3-bedroomed property and £1,371 for a 4-bedroomed property. These were broadly similar to the average rents in 2021 with the exception of 4-bedroomed properties which increased from £1,319 in 2021. Rents for all property types are lower than pre-2015 levels.

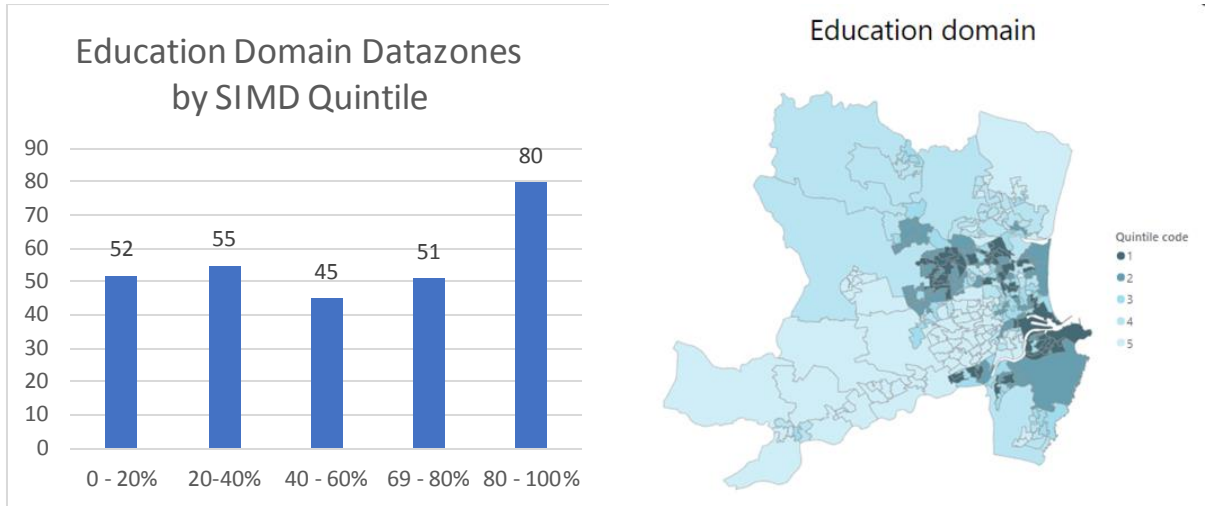
1.21.5 Deprivation - Within Aberdeen there are areas of significant deprivation and inequality. Aberdeen continues to have deprivation ‘hot spots’ that are amongst some of the most deprived areas in the country and these can lie adjacent to some of the least deprived areas. In Aberdeen, 29 areas are among the 20% most deprived in Scotland in 2020, 7 more than in 2016. Highest levels of deprivation are recorded for crime, housing and education domains. Whilst deprivation is a key driver of demand, it has, proportionately, a smaller impact on funding allocated to the council. The Population Needs Assessment prepared in advance of the review of the City’s Local Outcome Improvement Plan in 2021 highlighted the following key points:

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

Areas of Multiple Deprivation 2020



- 1.21.6 Education - Significant investment has been made, and continues, to modernise the city's school buildings. In line with falling population projections and the potential increase in digital methods of learning, the school estate will continue to be reviewed to ensure it matches future levels and nature of demand. Education is the single largest area of spend for the Council and most funding received is based on the population however due to the 'floor' mechanism in the distribution formula there is never a point at which funding 'catches up' with population increases.
- 1.21.7 There has been a considerable rise in demand for education and children's services. In 2022/23 there were 14,573 primary school pupils, compared to 14,084 in 2021/22 and 10,430 secondary pupils, compared to 10,041 in 2021/22. There were also 140 pupils enrolled in Special Schools. 36.5% of primary pupils and 43.5% of secondary pupils had additional support needs. The most common reason for support for both primary and secondary pupils was English as an additional language. In 2022, 6,294 (25%) of all pupils in Aberdeen City did not have English as their main home language. The five main home languages (other than English) are Polish, Arabic, Russian, Urdu and Ukrainian (Scottish Government, 2023). There has been a notable decrease in the number of children transitioning into private education and increasing evidence of families returning to Local Authority schools.
- 1.21.8 Recent evidence from school rolls shows an increase in the number of children coming to the city with parents, who are studying at the two Universities, the surprisingly large numbers have been seen as the world emerges from the Covid-19 pandemic and students and study programmes catch up. It is understood that the Universities will continue to seek to attract foreign students, the impact on school populations is unlikely to be at its peak yet.
- 1.21.9 Add to this the fact the Council has proactively supported those seeking sanctuary in the city because of conflict, for example from Ukraine or Syria. The city now supports a high proportion of those in need of humanitarian aid. The Russian invasion of Ukraine has seen over 1,800 refugees arrive in Aberdeen, creating more demand for the services with particular emphasis on schools. With the war continuing it is unclear how long the demand will remain or how much further the numbers will rise.
- 1.21.10 There is significant variation in educational outcomes across different areas in Aberdeen with 52 datazones being classed within the 20% most deprived in Scotland for the education domain of the Scottish Indices of Multiple Deprivation in 2020.



1.21.11 Children’s Services - Aberdeen has more than 500 children who are “looked after” by the authority (LAC). This is, proportionately slightly higher than the national average (2020 comparisons), a higher rate of the city’s LAC are placed either with foster carers or in residential accommodation and a significantly higher proportion of Aberdeen’s LAC have a recorded disability. The city is largely consistent with the national average of children on the child protection register (2020 comparisons).

1.21.12 The implementation of the National Transfer Scheme has seen an increase in the diversity of our children and young people with care experience. As a result, some unaccompanied minors require to be placed into our local residential children’s homes given their age and stage. The age and stage of some is unclear with comprehensive age assessments being required to determine the level of support required. This assessment process places considerable pressure on children’s social work services.

1.21.13 The Public Health restrictions of the last few years, downturn in the local economy and increased costs being experienced by families, is impacting on the needs of children and families. There is a notable rise in vulnerability and need and this is increasing demand for more specialist services. As would be anticipated, there is a level of need apparent in those seeking sanctuary in the city.

1.21.14 It is exceptionally difficult to predict ongoing demand with any certainty. Hotels can be secured for asylum dispersal schemes at short notice with limited information about the age and stage of those being placed locally. Services continue to be proactive in their response.

1.21.15 Employment - The labour market in Aberdeen has seen both challenges and positive developments in recent times. In 2022, the employment rate was 71.2%, marking its lowest level since 2016, while Economic Inactivity reached a record high of 24.9%. One particularly affected group has been young people, with the youth employment rate (age 16-24) falling by nearly 10 percentage points to just over 50% during the pandemic, although it has since recovered. Prior to the pandemic, Aberdeen's youth employment rate stood among the highest rates of all local

authorities in Scotland, at over 70%, but it declined sharply to below 40% by mid-2022. Despite these challenges, North East Scotland has one of the highest densities of private sector employment in Scotland. Throughout the pandemic, Aberdeen experienced a slower recovery in job postings compared to other major cities and the overall Scottish average. However, since August 2022, Aberdeen has surpassed its pre-pandemic level of job postings, reaching a recent high in June 2023.

- 1.21.16 Claimant count provides data on individuals receiving out of work benefit. In Aberdeen City this had risen from 4,165 individuals in March 2020 to 9,295 by years end. Since February 2021, numbers have decreased and from June 2022 have remained around 5,200. Still higher than pre-covid. Aberdeen City has 11th highest rate of claimant count receipt as a proportion of working age population of the 32 Scottish local authorities.

1.22 *Increased financial risk and sensitivity – What Covid-19 means for the short-term*

- 1.22.1 After over 3 years of the UK having to respond and start to recover from the Covid-19 pandemic it remains the case that the city and the council feel the lingering effects of the restrictions, the changes in lifestyle and behaviours and in market conditions. How long these will last and whether they are simply the start of shift in what will be the future normal is hard to say.
- 1.22.2 On 5 May 2023⁸, the World Health Organization (WHO) Emergency Committee on COVID-19 recommended to the Director-General, who accepted the recommendation, that given the disease was by now well-established and ongoing, it no longer fit the definition of a Public Health Emergency of International Concern (PHEIC).
- 1.22.3 The UK, like many other countries, have spoken about "living with the virus" and wound down many of the tests and social mixing rules and Dr Mike Ryan, from the WHO's health emergencies programme, said the emergency may have ended, but the threat is still there. "We fully expect that this virus will continue to transmit and this is the history of pandemics" and "In most cases, pandemics truly end when the next pandemic begins."⁹
- 1.22.4 The financial settlement for Scottish Local Government now contains no additional funding for Covid-19 related pressures, with Councils relying on funds retained on the balance sheet at 31 March 2023 to provide resilience into and beyond this year. Implications that remain in 2023/24 are the loss of income from parking and loss of income from events and commercial ventures such as Marischal Square and TECA, although the remaining Covid-19 implications are now intertwined with the cost of

⁸ [WHO, May 2023, Coronavirus disease \(COVID-19\) pandemic](#)

⁹ [BBC News, May 2023, Covid global health emergency is over, WHO says](#)

living crisis, a high inflation environment and local economy that has not yet returned to past levels.

- 1.22.5 The impact on the next financial year and beyond is again difficult to predict with a high level of certainty. At a local government sector level, the speed and scale of economic bounce back economically is crucial to the financial settlement provided to local government, with 100% of the national non-domestic rates (NDR) income being allocated to local government. If the economic position doesn't demonstrate the ability to pay for NDR in 2023/24 then there must be concern over the adjustments that are needed to correct this in 2024/25 and beyond.
- 1.22.6 That said, the latest Scottish Government forecast¹⁰ shows that the NDR pool will increase by 9% in real terms over the next four years, showing more modest optimism than a year ago when 20% increase was forecast. While the Scottish Government must allocate the NDR to Local Government, all too often the increase attributable to NDR is deducted from the General Revenue Grant funding provided through the block grant resulting in the benefit funding other national priorities rather than core Local Government services.

1.23 *Increased financial risk and sensitivity – Poverty and cost of living crisis*

- 1.23.1 The recent Centre for progressive policy report¹¹ summarised the impact of the cost of living crisis in Scotland “Earlier this year, a report published by the Scottish Human Rights Commission set out in stark terms the scale of challenge faced in Scotland to reduce deprivation and inequalities.¹² Poverty rates are rising, and as wages have struggled to keep pace with the minimum amount of income needed to cover the basics, some 60% of adults in Scotland living in poverty are in working households.”
- 1.23.2 Examples of what it really means for those in poverty was provided in the report “...high levels of food insecurity across the country, citing the significant increases in reliance on charitable food provision between 2008-2020, while data from the Trussell Trust suggests that the number of food parcels it has distributed in Scotland rose by 30% between 2021/22 – 2022/23.”¹³ On fuel and energy costs “...there is concern that the energy crisis will have decreased the likelihood that these targets¹⁴ [for reducing fuel poverty] will be met.”

¹⁰ [Scottish Government, May 2023, Scotland's Fiscal Outlook, The Scottish Government's MTF5](#)

¹¹ [Centre for Progressive Policy, July 2023, The cost of living crisis across the devolved nations](#)

¹² Scottish Human Rights Commission (2022). Submission to the United Nation's Committee on Economic Social and Cultural Rights. Available at: <https://www.scottishhumanrights.com/media/2398/2023-icescr-pswg-submission-to-un-for-publication.pdf>

¹³ The Trussell Trust (2023). Emergency food parcel distribution in Scotland: April 2022 – March 2023. Available at: <https://www.trusselltrust.org/wp-content/uploads/sites/2/2023/04/EYS-Scotland-Factsheet-2022-23.pdf>

¹⁴ *Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019*

1.23.3 The report¹⁵ continued “Poverty rates are rising, and as wages have struggled to keep pace with the minimum amount of income needed to cover the basics, some 60% of adults in Scotland living in poverty are in working households. Irrespective of geography, virtually all households in Scotland will have been impacted, in some form, by high inflation. A recent poll conducted by the Joseph Rowntree Foundation found that the cost of living crisis had pushed the majority of people in Scotland to cut back on essentials – 7 in 10 – with this figure rising to 8 in 10 for those living in lower income households.”¹⁶

1.23.4 The type of pressure being felt in Aberdeen City is extracted from the report¹⁷, where the comparison across all Local Authorities can be seen.

Heatmap of Vulnerability indicators for Scottish Local Authorities:

Local Authority	Fuel Poverty	Food Insecurity	Child Poverty	Claimant Count	Low Pay	Economic Inactivity	Housing Costs
Aberdeen City	26.1%	7.6%	20.5%	2.5%	9.9%	24.9%	23.8%
Fuel Poverty	The % of households spending more than 10% of income on fuel costs and if the remaining household income is insufficient to maintain an adequate standard of living						
Food Insecurity	The % of households within a local authority experiencing struggle with food insecurity						
Child Poverty	The % of children who are living in households with below 60% median income after housing costs						
Claimant Count	The % of the local population claiming unemployment-related benefits						
Low Pay	The % of jobs that pay at least two-thirds below the UK median gross hourly pay by local authority						
Economic Inactivity	The % of the working age population who are not in employment and not actively seeking employment						
Housing Costs	The % of monthly take home pay required for someone earning the median in a local authority, to rent a median 1-bed property in the local authority area						

1.23.5 The Council remains aware of the financial risks from its arm’s length external organisations (ALEOs), reliant on large income streams from our citizens and visitors. And although all have remained self-sufficient throughout the challenges of the pandemic, the cost of living crisis and inflation/energy cost environment make trading conditions more and more difficult. The potential to require funding from the Council in economic shock situations remains a risk that cannot be fully mitigated.

1.24 Increased financial risk and sensitivity – Inflation and supply chain volatility

1.24.1 A combination of factors including ongoing market impacts from the pandemic, the UK’s exit from the European Union and the invasion of Ukraine affecting access to supply markets in Russia, Ukraine and surrounding area, have led to a massive rise in inflation and a cycle of market and price volatility and shortages across many commodities which is having a negative impact on the delivery of capital projects, on

¹⁵ [Centre for Progressive Policy, July 2023, The cost of living crisis across the devolved nations](#)

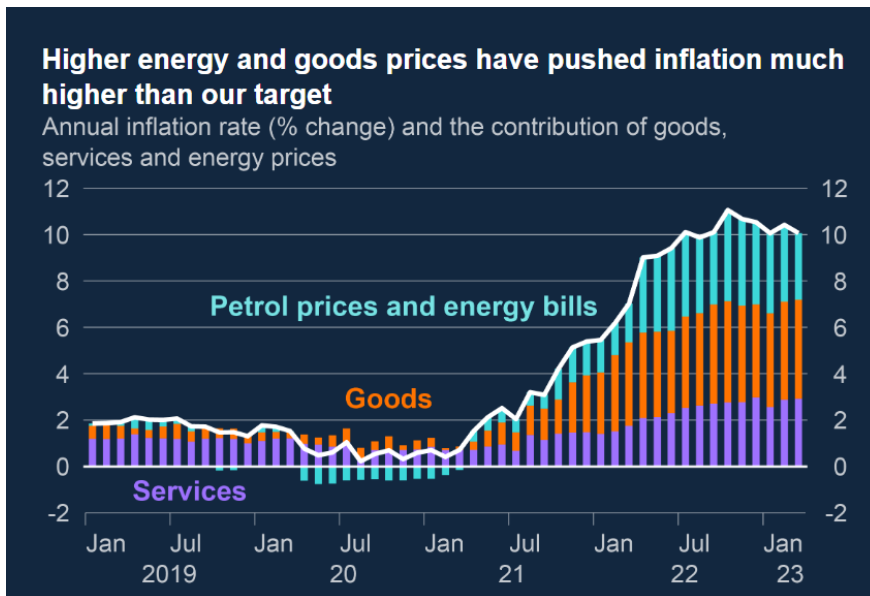
¹⁶ Cebula, C. & Birt, C. (2023). 10 cold, hard facts: Low-income Scottish families grow weary after another winter of the cost of living crisis. Joseph Rowntree Foundation [JRF]. Available at: <https://www.jrf.org.uk/blog/10-cold-hard-facts-low-income-scottish-families-growweary-after-another-winter-cost-living>

¹⁷ [Centre for Progressive Policy, July 2023, The cost of living crisis across the devolved nations](#)

budgets (General Fund and HRA), on revenue expenditure in the delivery of services and procurement processes carried out for affected commodities.

- 1.24.2 According to the Bank of England¹⁸, “Higher energy prices are one of the main reasons for this [inflation being higher than target]. Russia’s invasion of Ukraine led to large increases in the price of gas. Households’ energy costs have almost doubled since the start of last year. Higher prices for the goods we buy from abroad have also played a big role. During the Covid pandemic people started to buy more goods. But the people selling these have had problems getting enough of them to sell to customers. That led to higher prices – particularly for goods imported from abroad.”
- 1.24.3 But is not just from products coming into the country, “There is also pressure on prices from developments at home. Businesses are charging more for their products because of the higher costs they face. There are lots of job vacancies as fewer people are seeking work following the pandemic. That means that employers are having to offer higher wages to attract job applicants. Prices for services have risen markedly.”
- 1.24.4 This has now been present in our economy for the last eighteen months and the impact on people and household budgets is significant. For the Bank of England “As a result, the UK economy is growing slowly.”

Chart 1: Inflation (CPI) General Composition, Bank of England, May 2023



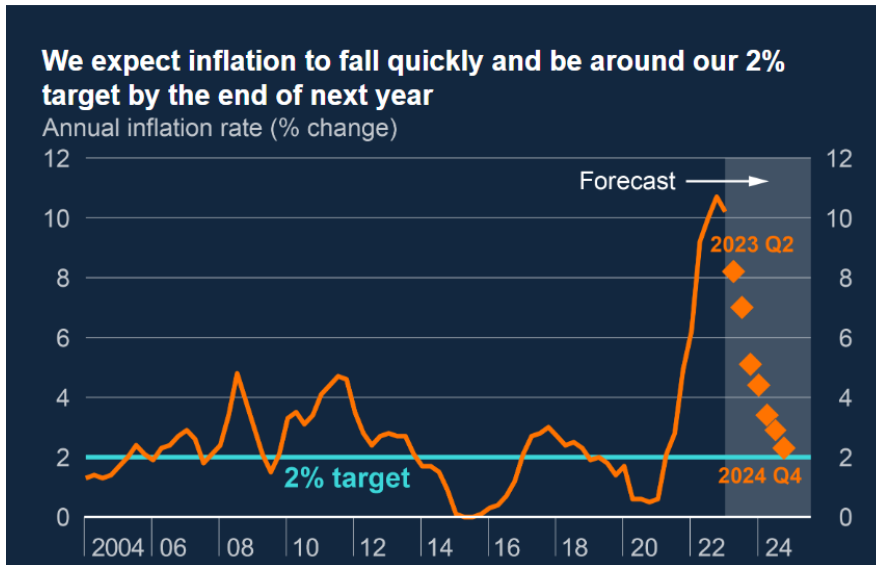
- 1.24.5 A forty-year high inflation across many parts of the world, including the UK, is presenting a significant challenge for organisations. The Monetary Policy Report¹⁹ published by the Bank of England in May 2023 estimates that inflation peaked last year and that it will fall to around 5% by the end the calendar year and the economy is growing slowly. For June 2023 the rate of inflation (CPI) was at 7.9%, down from

¹⁸ [Bank of England, May 2023, Monetary Policy Report](#)

¹⁹ [Bank of England, May 2023, Monetary Policy Report](#)

8.7% in May. The chart below from the report shows that inflation is anticipated to fall next year and be within the 2% target level by late 2024:

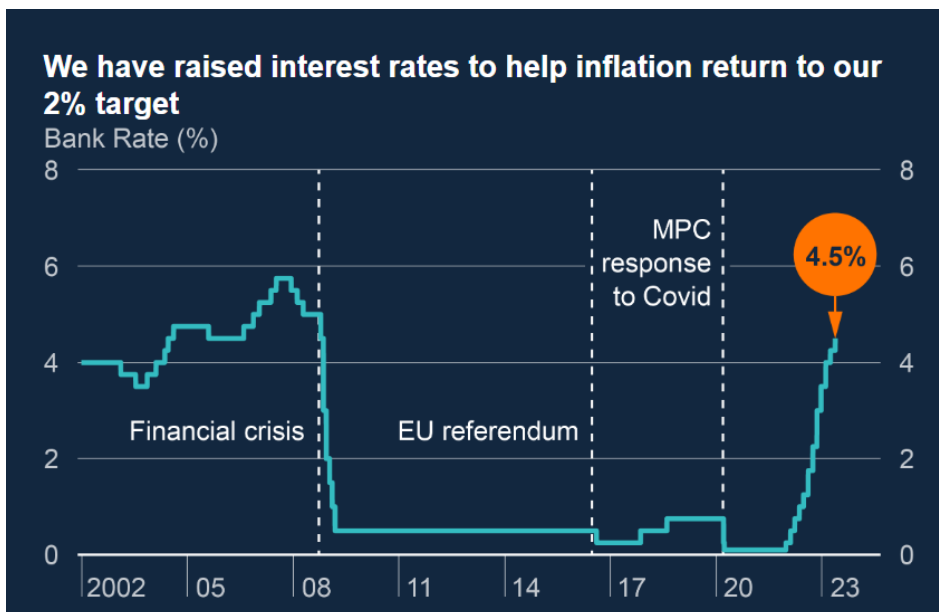
Chart 2: Inflation (CPI) Forecasts, Bank of England, May 2023



1.24.6 Lowering inflation means that prices will stop increasing as quickly as they were. The Bank of England are clear “Our aim is to bring back low and stable inflation. Low and stable inflation is vital for a healthy economy. An economy in which households and businesses can plan for the future with confidence and money holds its value.”²⁰

1.24.7 The Bank of England, in response, has increased the base interest rates for bank lending frequently since January 2022 to control inflation. The rate is now 5.00% (up from 0.25% in January 2022, and from 1.75% a year ago).

Chart 3: Bank of England Base Rates (%), May 2023



²⁰ [Bank of England, May 2023, Monetary Policy Report](#)

1.24.8 In pursuit of the low inflation goal the Bank of England acknowledge that they “...know that means that many people will face higher borrowing costs. Around one in three households in the UK have a mortgage. But high inflation that lasts for a long time makes things worse for everyone.”

1.24.9 “Higher interest rates make it more expensive for people to borrow money and encourage them to save. That means that, overall, they will tend to spend less. If people on the whole spend less on goods and services, prices will tend to rise more slowly. That lowers the rate of inflation.”

1.24.10 For the Council, it must consume many of the same goods and services that we all purchase, from ingredients for school meals, to fuel for our vehicles and buildings, these cost increases have not been reflected in the funding received in the past two years and therefore present an ongoing and material financial risk to the Council. To delivery our services there must be the funding in place to pay for the components – our staff, the buildings they work in and machinery and equipment they use and the goods and services that purchase.

1.25 *Increased financial risk and sensitivity – External demand from population changes*

1.25.1 There has been a considerable rise in demand for education and children’s services. The 11% rise in school roll since 2019 can largely be attributed to the steep rise in international students attending Higher Education Institutions, around 2,500 dependants of international students were enrolled in our schools for the first time over school session 2022/23, and this has a full year effect in the current year. There is also a notable decrease in the number of children transitioning into private education and increasing evidence of families returning to Local Authority schools. Notionally that constitutes a £14m cost to the Council, with the real day to day cost of increased numbers of teachers, pupil support workers and teaching spaces in use, being managed school by school taking on the additional variable costs as they arise.

1.25.2 The implementation of the National Transfer Scheme has seen an increase in the diversity of our children and young people with care experience. As a result, some unaccompanied minors require to be placed into our local residential children’s homes given their age and stage. As a result, greater pressure is being placed on local resources resulting in the need for continued use of external and out of authority placements. Monitoring and assessing the young people, to determine the level of support required, places considerable pressure on children’s social work services.

1.26 *Increased financial risk and sensitivity – Council resilience*

1.26.1 To counteract some of the risk, mitigation in place includes retaining funding provided over the last two year that the Council has been able to avoid spending. This remains

available as earmarked reserves on the Council Balance sheet at the end of March 2023, with the former Covid-19 funding being substantially reduced in 2022/23.

- 1.26.2 The Scottish Government has approved a few fiscal flexibilities over the last two years, and these have been in place to provide a degree of support to the Council. The Council used the deferral of debt in order to balance the budget in 2022/23 and approved the use of the service concession flexibility as part of the 2023/24 budget. There are no further flexibilities that the Council can turn to.
- 1.26.3 The Council's approved Reserves Policy confirms a commitment to retaining a minimum of £12m of uncommitted General Fund reserves to rely on in an emergency. As at 31 March 2023 that commitment was met, with £12m held in the General Fund Reserve. Given current economic conditions outlined increasing the uncommitted reserve would be prudent.

1.27 *Increased financial risk and sensitivity – Scottish Government Grant Conditions*

- 1.27.1 In response to potential local government savings proposals in schools for 2023/24 an unprecedented level of direction was introduced by the Scottish Government, making it clear that the financial settlement now contains a reduction in funding for failure to maintain teacher numbers and also pupil support assistant (PSA) hours in schools. The financial penalty has been implemented immediately as part of the cash payment arrangements, with £45.5m going undistributed to Councils until figures have been collated later in the year following the annual census. This means that the Council is not being paid c.£1.6m of funding that it is relying on to deliver services, and will only know for certain if it will receive that funding towards the end of the year and in any case will only receive the cash in the last two weeks of the year as part of the annual redetermination process.
- 1.27.2 This may represent a very small proportion of the funding that the Council receives but it does signal the additional risk being placed on Local Government, that it remains more and more difficult to implement savings due to Scottish Government direction. Fixing teacher and PSA costs at a minimum level fixed a level of expenditure that cannot be reduced. If you add in the constraints of conditions to not reduce (and increase) Health and Social Care Partnership Integration Joint Boards (IJB) funding then opportunities for savings are highly constrained.
- 1.27.3 The Verity House Agreement, signed in June 2023, between Scottish Government and Local Government under the New Deal for Local Government I trust will seek to address the conditionality, alongside the ring-fencing of grant funding as the relationship and ways of working develop. To work in an environment where there is the threat of funding being removed is not one that underpins positive working relationships nor delivers sustainable services or Local Government.

1.28 Conclusion

- 1.28.1 The council's operating environment remains extremely complex and multi-dimensional. The level of difficulty to manage current services with the constraints and financial pressures placed on the organisation is increasing.
- 1.28.2 A New Deal for Local Government has to be the springboard to improved relationships and also to improve the understanding of how our national and local outcomes are actually achieved over the medium and long term. At present however there are many risks hanging over the Council and not all of these can be addressed at a local level.
- 1.28.3 Demand and cost pressures arising from the financial environment are continuing and for the sustainability of the Council, we must find the balance between the limited funding that can subsidise our services and the level of services that we are able to provide. At a time of a cost of living crisis it is extremely difficult to find the right balance between finding savings and raising prices for our citizens and customers, those are the difficult decisions that Councillors must take, when there is increasing expectation of high ambition for improvement. This places pressure on the resourcing of all elements of council activity to the desired level and tension between where funds are deployed for best value.
- 1.28.4 Despite some funding from Scottish Government, to support pay awards in the last year and for 2023/24, there is no recurring additional funding to support the legacy of the pandemic, nor additional funding to support our core services going forward. The Council is receiving one off funding for resettlement and asylum schemes which helps with the immediate need however the demand is not reducing and not expected to soon, so funding is squeezed further as we look forward over the medium term.
- 1.28.5 Drawing on the detail in Section 3, following the Scottish Governments Resource Spending Review, published in May 2022, and nothing contrary included in the most recent Scottish Government MTFs, May 2023, the council must address the cost pressures it faces with a funding scenario that will offer no better than 'flat cash' for the foreseeable future. The potential of a 1% increase in cash in 2026/27 is in question given the forecasts and funding shortfalls that the Scottish Government has identified in its MTFs. On an annual basis the Scottish Budget and associated Local Government Settlement will next confirm the full extent of the funding package for Local Government for 2024/25, it is not expected that a multi-year settlement will be provided.
- 1.28.6 Council Tax remains the highest value financial lever that the council has, exercising an increase in the rate annually provides opportunity to increase income of a recurring nature although economic growth will have an impact on the value of uncollected sums and the overall rate of change in the number of chargeable properties. Consultation on changes to Council Tax bands E-H would increase charges to those in

larger/more valuable properties with a view to being introduced in 2024/25, additional income of c.£8m (gross) before any distribution effects are taken account. If introduced in law then the Budget report for 2024/25 will reflect the implications.

- 1.28.7 Fees and charges (internal and external) should be expected to remain a positive contributor to the council although the impact of behaviour changes in our customers since the pandemic and also the cost of living crisis is certainly being felt in the current year and we should not be surprised by further shocks or unplanned changes to our income going forward.
- 1.28.8 Balancing the budget and MTFS using the mechanisms described in Section 5 will mean that proposals for a 2024/25 budget [and indicative budgets for the four subsequent years] will be submitted to council's budget meeting in February 2024. This will follow the second phase of public consultation on the various options that the Council has to balance budgets across the next four years. The second phase of consultation will take place in the Autumn and the results reported to Council in December 2023.

2. THE FUNDING CONTEXT BEYOND 2023/24

2.1 *Economic Outlook*

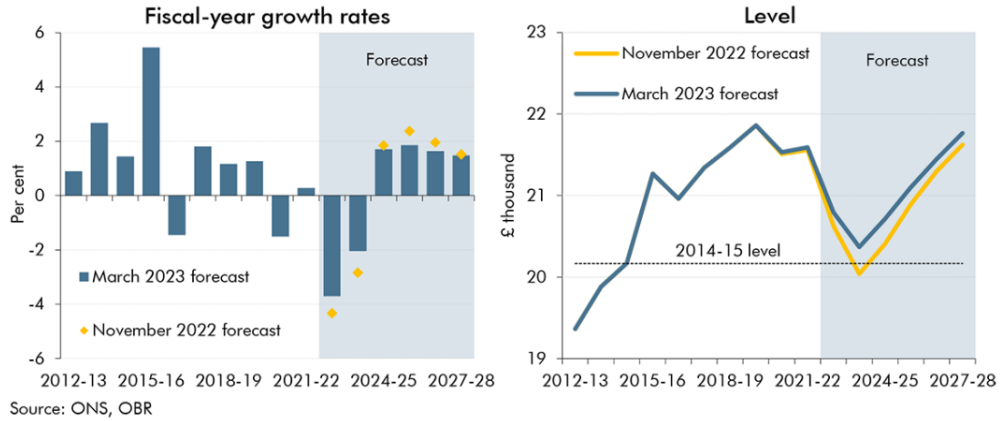
- 2.1.1 It is hard to believe that further financial shock and complexity would be added to our economy, so soon after a global pandemic, but the sheer extent of the cost of living crisis, the high inflation and high demand environment that has prevailed over the last year or more is evidence that the UK economy is still going through an escalated level of disruption and turmoil. The impact of which is being felt by all but for a very few, through higher costs from energy, from food and day to day living costs, from pay not matching or keeping up with rising prices and from the higher cost of housing, directly for those with variable / tracker mortgages and those renewing fixed rate mortgages; and indirectly through private landlords passing on their cost increases to tenants.
- 2.1.2 The impact of the global pandemic, while now officially over²¹, has brought about global changes in how we live our lives and the corresponding consequences on business and the economy. Today the legacy of the pandemic remains for individuals and for the economy and it is unclear what the medium to long term effects will be.
- 2.1.3 As the country, and the world, thought it was through the worst of the pandemic, this MTFS is presented in the context of continuing impact of the invasion of Ukraine by Russia in February 2022. This has brought untold human misery to the people of Ukraine, caught up in a conflict that continues today, with no end in sight, and the UK has received .
- 2.1.4 The war has also brought repercussions for the global economy, already damaged by the pandemic, by supply bottlenecks and by rising inflation.
- 2.1.5 The OBR²² observed that “A fortnight into the invasion, gas and oil prices peaked over 200 and 50 per cent above their end-2021 levels respectively.” The UK being a net importer of energy, higher global prices for energy will weigh-down a UK economy that is only just getting back to pre-pandemic levels.
- 2.1.6 The extent of the impact on the supply chain, the cost of commodities and inflation was reported to the City Growth and Resources Committee and detailed the impact that the volatility was having on the Council. The real impact is not only being experienced by the public sector, but for individuals, families, businesses, in fact everyone, the added costs are very real. The squeeze on household and business incomes does not make for good reading as a cost of living crisis emerges and continues to deepen.

²¹ [World Health Organization \(WHO\), Coronavirus Disease \(COVID-19\) pandemic, May 2023](#)

²² [OBR, March 2022, Economic and Fiscal Outlook](#)

2.1.7 The OBR²³ forecast that real household disposable income per person – a measure of real living standards - will fall by a cumulative 5.7% over 2022/23 and 2023/24. Lower than previous forecasts, it would still represent the largest fall since records began (1956/57). And this is going to take time to reverse with “living standards still 0.4% lower than their pre-pandemic levels in 2027/28.”

Chart 4: Change in real household disposable income per person

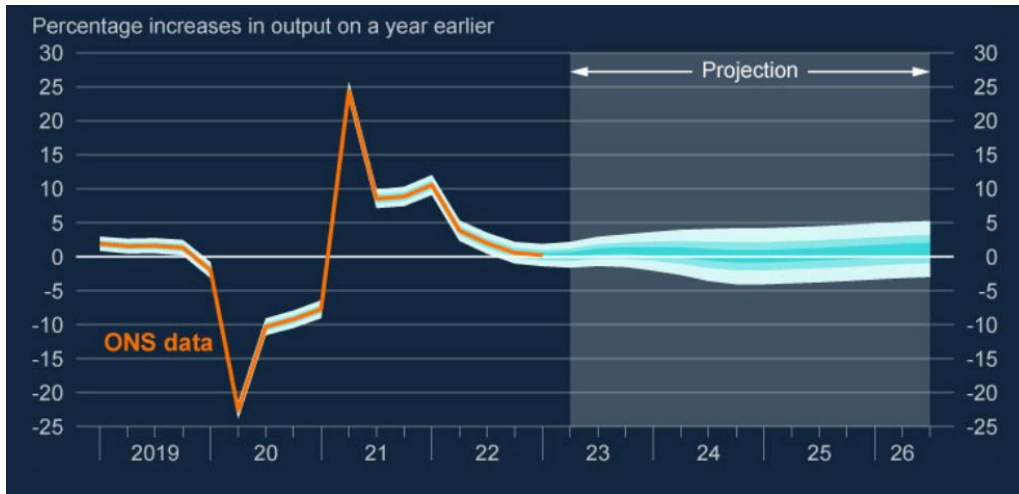


2.1.8 Last year this report referenced the Bank of England forecast that the UK will enter recession²⁴ however this year the economic picture has changed and in the Bank of England’s Monetary Policy Report, August 2023, recession is not mentioned. Instead it is tempered with a conclusion and key judgement that “past increases in Bank Rate, and the higher path of market interest rates on which the forecast is conditioned, weigh to an increasing degree on the UK economy in coming quarters. GDP growth remains below pre-pandemic rates in the medium term, also reflecting relatively weak potential supply and a waning boost from fiscal policy.” That higher path of interest rates is partially offset by the continued resilience of economic activity over the last few months.

²³ [OBR, March 2023, Economic and Fiscal Outlook](#)

²⁴ [Bank of England, August 2022, Monetary Policy Report](#)

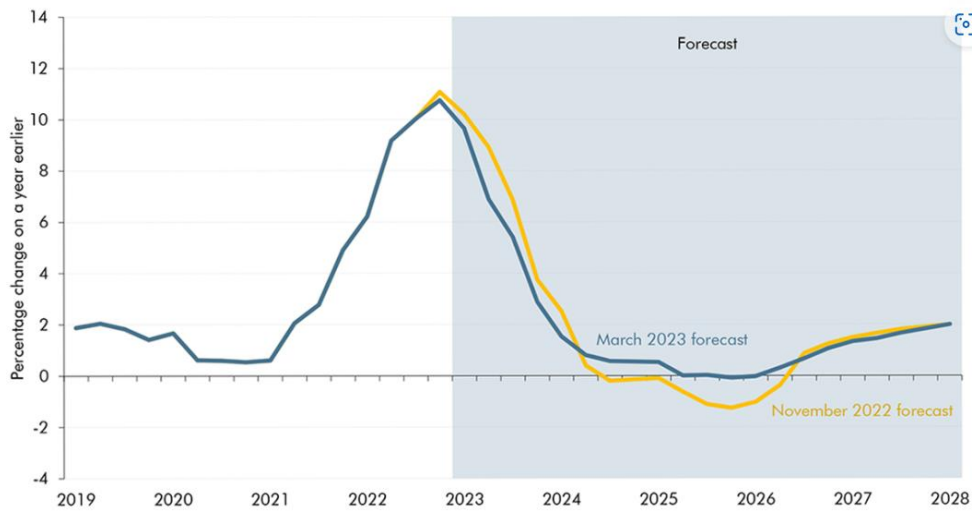
Chart 5: GDP growth projection based on market interest rate expectations, other policy measures as announced



Source: Bank of England

2.1.9 Consumer Prices Index (CPI) peaked in October 2022, however has remained difficult to bring under control, and this has seen the Bank of England increasing bank interest rates month on month for over a year. The latest forecasts by the OBR²⁵ show the difference that exists now between their forecasts made in November 2022, with an expectation of a slightly faster return towards the Bank of England target of 2%. As at June 2023 the actual figure for CPI was 7.9%, down from 8.7% in May 2023.

Chart 6: CPI Inflation



Source: ONS, OBR

2.1.10 The Bank of England, in their August 2023 Monetary Policy Report²⁶ forecast that inflation (CPI) will continue to fall, to an average of 6.9% in third quarter of 2023 and

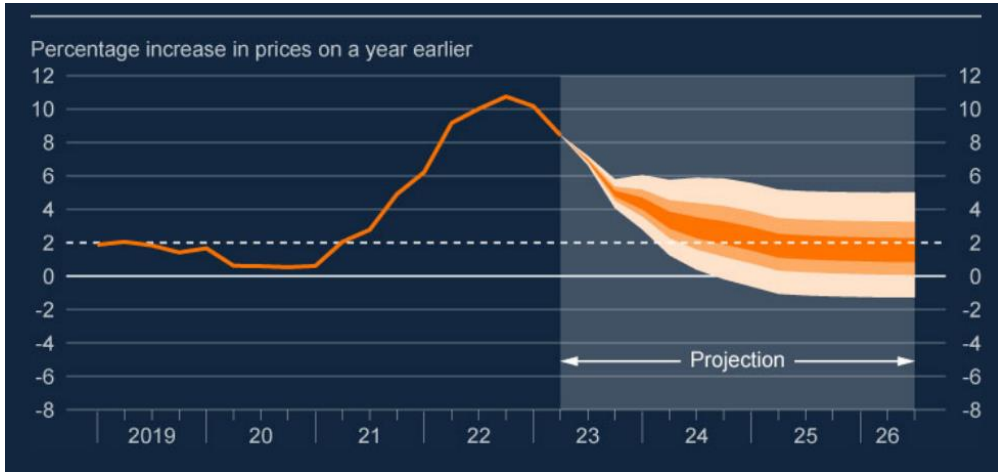
²⁵ [OBR, March 2023, Economic and Fiscal Outlook](#)

²⁶ [Bank of England, August 2023, Monetary Policy Report](#)

4.9% in the final quarter. That “decline is expected to be accounted for by lower energy, and to a lesser degree, food and core goods price inflation.”

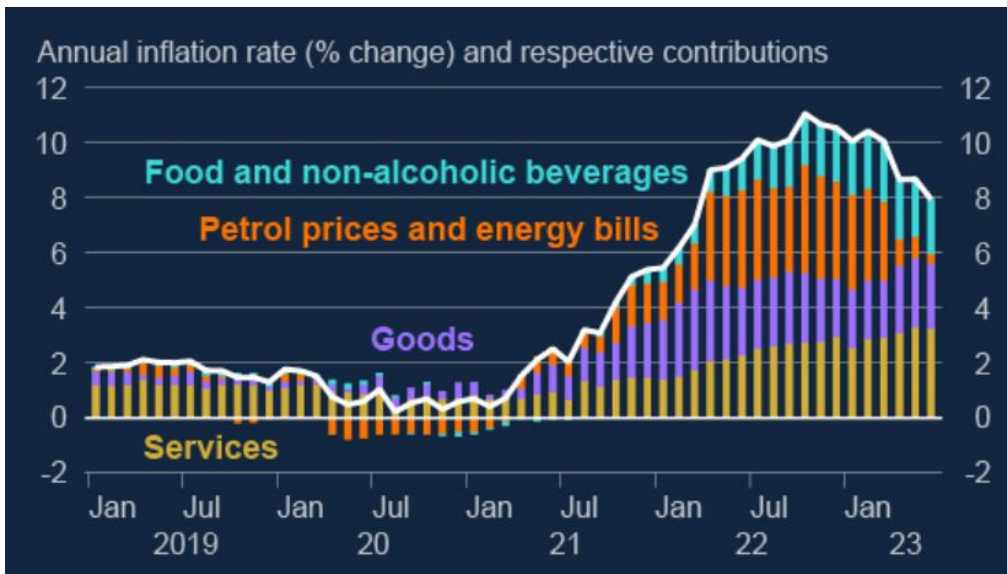
2.1.11 They conclude that “An increasing degree of slack in the economy and declining external cost pressures lead CPI inflation to return to the 2% target by 2025 Q2 and to fall below target in the medium term...mean[ing] CPI inflation is 2.0% and 1.9% at the two and three-year horizons respectively”.

Chart 7: CPI inflation projection based on market interest rate expectations, other policy measures as announced



2.1.12 To illustrate how the balance and impact of different goods and services are affecting the cost of living the Bank of England produced²⁷ shows the move away from energy and fuel costs being the biggest contributor to food and services being the largest proportion of forecast inflation.

Chart 8: CPI Inflation components



²⁷ [Bank of England, August 2023, Monetary Policy Report](#)

2.1.13 To control inflation the Bank of England has exercised its power to increase the cost of borrowing, and in doing so, encourage people to save money, the result is that, on the whole, less is spent on goods and services. Less spending on goods and services means prices tend to rise more slowly, reducing the inflation rate. Since December 2021 the Bank has increased the base interest rate steadily, with the rate reaching 5.25% following the August 2023 meeting of the Bank’s Monetary Policy Committee (MPC).

Chart 9: Interest Rates

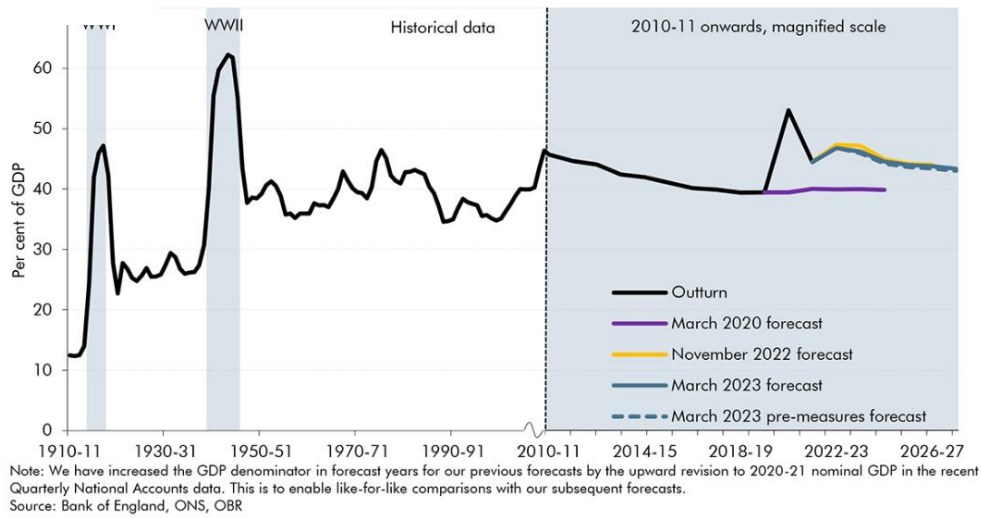


2.1.14 On public spending the Office for Budget Responsibility stated²⁸ “Having fallen back from its pandemic-induced peak of 53.0 per cent of GDP in 2020-21 to 44.5 per cent in 2021-22, energy support measures, higher inflation, higher interest costs, and weaker nominal GDP growth raise total managed expenditure (TME) to 46.8 per cent of GDP in 2022-23 and then 46.2 per cent next year [Chart 10].” And for the future, “But total spending is still 4.1 per cent of GDP higher at the forecast horizon than in our pre-pandemic March 2020 forecast, and at levels not seen on a sustained basis (outside shocks and their aftermath) since the 1970s.”

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

²⁸ [OBR, March 2023, Economic and Fiscal Outlook](#)

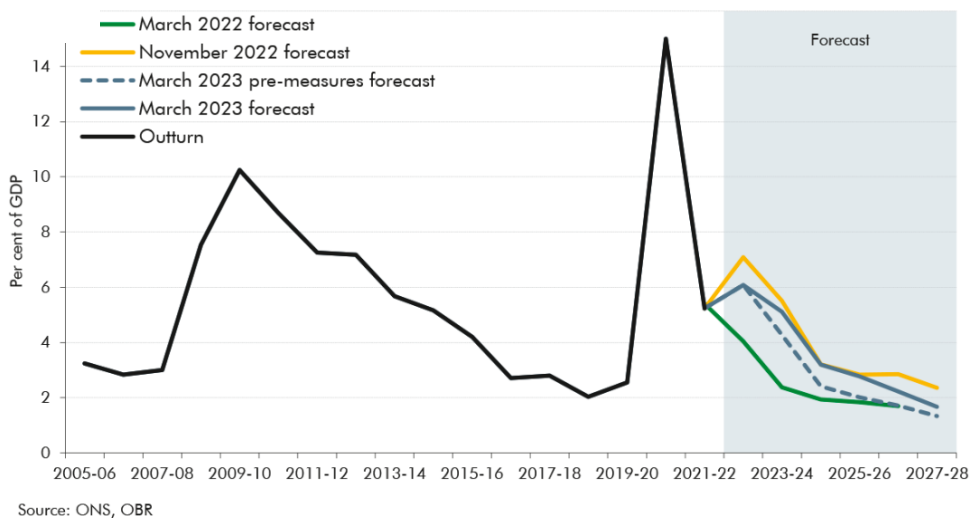
Chart 10: Public Spending as a percentage of GDP



2.1.16 “The modest improvement in economic prospects has flowed through to a somewhat brighter outlook for the public finances. Public sector net borrowing in 2022-23 is expected to be £152.4 billion, or 6.1 per cent of GDP...which reflects a mix of largely economy-related upward revisions to receipts (£14.8 billion) and largely energy-price-related downward revisions to public spending (£9.9 billion). Headline public sector net debt is expected to finish the year at 100.6 per cent of GDP, 1.2 per cent of GDP lower than forecast in November.”²⁹

2.1.17 The OBR forecast suggests that the headline measure of Net Borrowing will peak in 2023/24 at 103.1% of GDP, and fall back by 2027/28 to 96.9%. These downward revisions to the forecasts only reverse a small proportion of the uplift in borrowing that has been undertaken during 2022/23.

Chart 11: Public Sector Net Borrowing



²⁹ [OBR, March 2023, Economic and Fiscal Outlook](#)

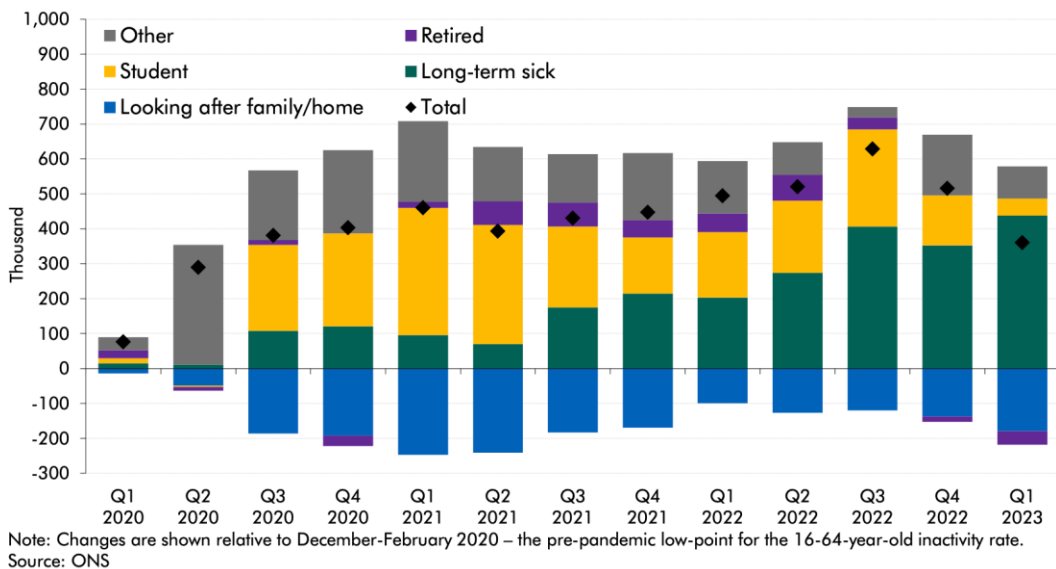
2.1.18 It should be noted that the rising cost of borrowing has a direct impact on the UK Government too, and with the tripling of interest rates from March 2022 to March 2023 means “the share of revenues consumed by servicing that debt rises from 3.1 per cent in 2020-21, to 6.2 per cent in 2021-22, to 7.8 per cent by the end of the forecast period.”

2.2 Other Significant External Risks

2.2.1 The second Fiscal Risks and Sustainability report³⁰ of the year by the OBR examines the aftershocks of three key risks that have crystallised since 2020 and considers their future fiscal implications. The three areas are:

- **Health related inactivity** - Over the 2010s, the UK’s working-age employment rate rose from 70 to 77%. The pandemic saw a reversal of this trend, with those classified as inactive rising by almost 650,000. Today, working-age inactivity in the UK remains 350,000 above pre-pandemic levels, in contrast with the many other advanced economies, where such inactivity rates are now lower than before the pandemic hit. The largest and most durable source of this rise in UK inactivity has been among those citing ill-health as the principal reason for being out of the labour market. An influx of students into higher education and early retirements added 390,000 and 80,000 respectively to the ranks of the newly inactive at their peaks in 2021, but by early 2023 these temporary surges had run their course and the number of early retirees has fallen below pre-pandemic levels.

Chart 12: the rise in UK working-age inactivity since early 2020



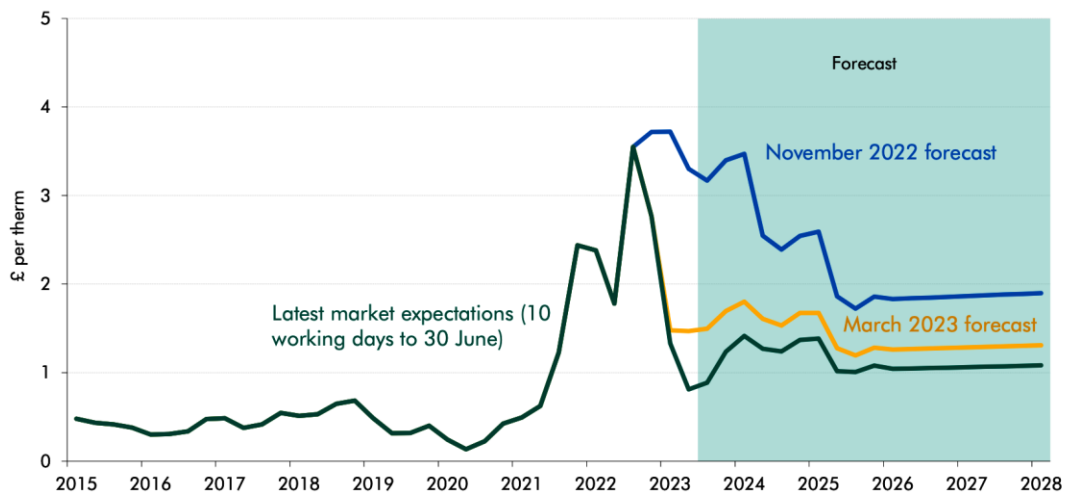
By contrast, the number of people outside the workforce for health reasons has continued to rise, reaching 440,000 in the three months to April 2023, making this group the single-largest segment of the economically inactive population. Such a

³⁰ [OBR, July 2023, Fiscal Risks and Sustainability](#)

change in labour market patterns puts added pressure on the public finances via higher health care and welfare spending as well as through lower tax revenues. As a result there is considerable pressure on governments to find ways of reversing this trend. Unfortunately, the OBR estimate that increased NHS activity will have a limited impact as only a small proportion of those inactive for health reasons are on the NHS waiting list. (Note: in general, similar inactivity trends have been observable for Scotland.)

- **Rise in energy prices** - While gas prices have fallen back from their thirteen fold increase in 2022, they are expected to remain at over twice their historical average into the mid 2020's.

Chart 13: gas prices

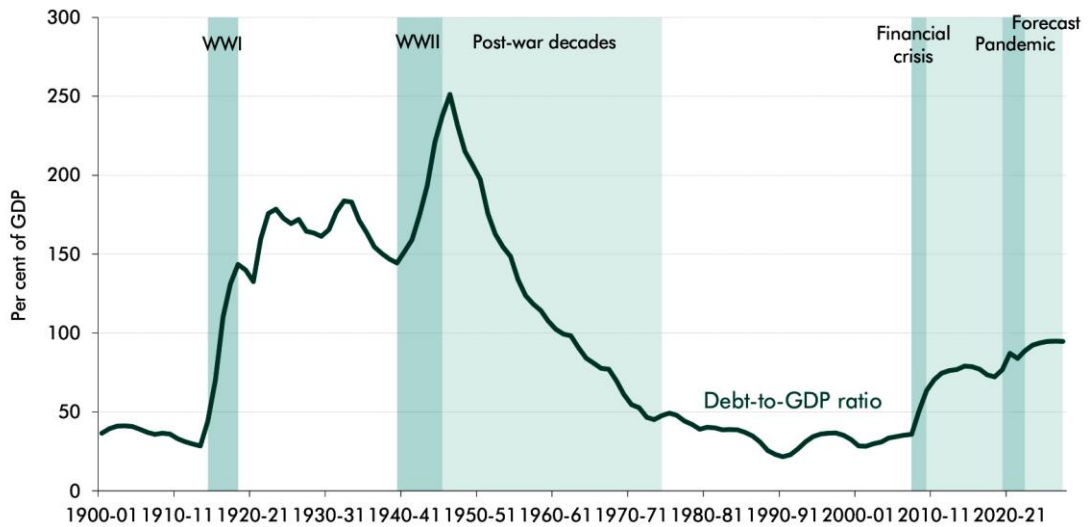


Note: As in our March 2023 forecast, latest market expectations from the first quarter of 2026 are held constant in real terms.
Source: Datastream, Eikon, OBR

While this has made renewable energy sources cheaper than gas for the first time, there is so far limited evidence of a strong supply side response in the UK i.e. of any step-change in renewable energy investment that might result in lower overall energy prices in the future. This lack of investment could also prove costly in the event that geopolitical events raise the price of gas again.

- **Vulnerability to rising debt levels** - UK Government debt levels have risen three-fold since the start of this century and, at around 100% of GDP, are at their highest level in over 60 years. This dramatic increase in public debt is largely due to the series of crises the UK has faced so far this century, which has also hindered any attempts to manage the debt back down to more acceptable levels.

Chart 14: debt-to-GDP ratio since 1900



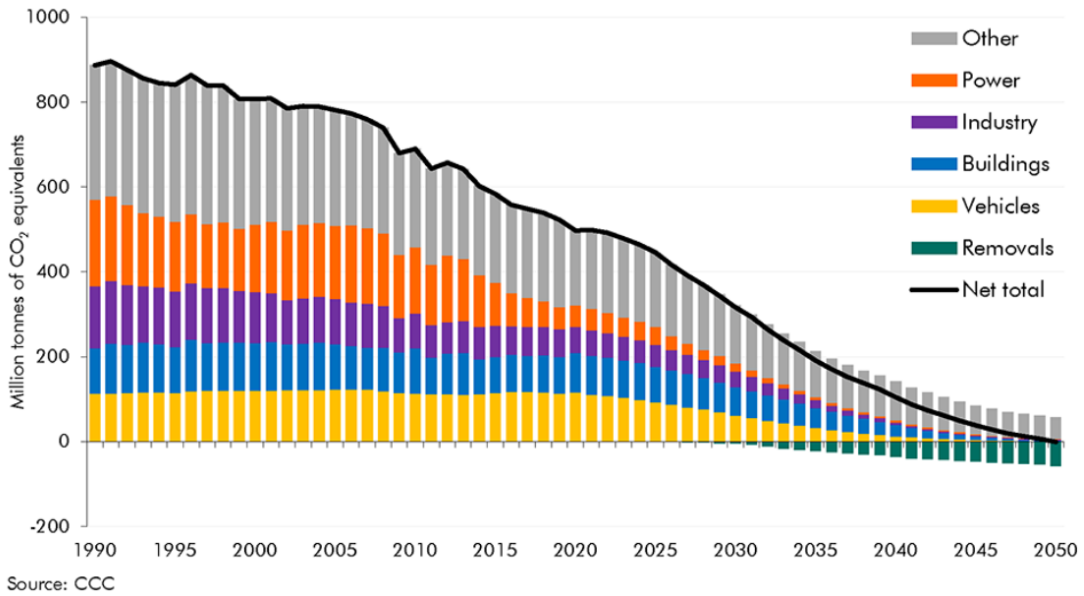
Note: This is for underlying debt, i.e. excluding Bank of England.
Source: ONS, OBR

- While other governments also face rising interest rates on debts close to or in excess of 100 per cent of GDP, the UK’s public debt position makes it more vulnerable as it has: -
 - the shortest average maturity on its public liabilities on record;
 - the highest proportion of inflation-linked debt of any major advanced economy;
 - more of its debt in the hands of private foreign investors than most other G7 countries (which renders the UK public finances more vulnerable to sudden changes in global investor sentiment over the attractiveness of UK sovereign assets).
- This greater vulnerability has been illustrated by a) UK government borrowing costs have risen more than in any other G7 economy and been more volatile than at any time in the past 40 years, and b) the rise in global interest rates feeding through to the UK’s debt servicing costs more than twice as fast as in the past or elsewhere.

2.2.2 **Climate Change** – The OBR³¹ says that “While the UK’s territorial CO₂ emissions have fallen significantly since 1990, thanks in large part to the switch from coal to gas power generation, achieving the Government’s net zero target by 2050 will become increasingly difficult. Vehicles, buildings, industry, and power make up the majority of emissions remaining in 2020, and these four sectors plus the yet-to-be-developed removals sector are the largest source of future abatement in the Climate Change Committee’s (CCC’s) balanced net zero pathway.”

³¹ [OBR, July 2023, Fiscal Risks and Sustainability](#)

Chart 15: Emissions in the CCC's balanced net zero pathway



2.2.3 The Climate Change Committee (CCC) has responsibility for monitoring the progress and risks to meeting the UK’s declared national ambitions (known as ‘nationally determined contributions’, or NDCs, under the Paris Agreement) and legislated carbon budgets, and publishes a yearly progress report to this end.

2.2.4 The OBR also points out that emerging risks include longer-term trends are becoming near-term realities. This is exemplified in relation to climate change and progress toward net zero as “Efforts to tackle climate change by transitioning away from fossil fuels are rapidly eroding the £39 billion the Government currently receives in tax revenues from petrol and diesel driven vehicles. And the rapid normalisation of interest rates over the past 18 months has added £22 billion to what the Government will need to spend on servicing its growing stock of debt in 2022-23, consuming fiscal headroom available to respond to other threats and pressures.”

2.2.5 **Exit from the European Union (EU)** - The UK left the EU on 31 January 2020 and entered an 11-month period of transition during which the UK effectively remained within the EU's customs union and single market and continued to be subject to EU rules. That came to an end on the 31 December 2020. The latest assumptions and judgements³² from the Office for Budget Responsibility were used relating to EU exit to underpin the Economic and Fiscal Outlook report and forecasts in March 2023.

- “The post-Brexit trading relationship between the UK and EU, as set out in the ‘Trade and Cooperation Agreement’ (TCA) that came into effect on 1 January 2021, will reduce long-run productivity by 4 per cent relative to remaining in the EU.
- Both exports and imports will be around 15 per cent lower in the long run than if the UK had remained in the EU.

³² [OBR, April 2023, Brexit Analysis](#)

- New trade deals with non-EU countries will not have a material impact, and any effect will be gradual.
 - the Government’s new post-Brexit migration regime would reduce net inward migration to the UK.”
- 2.2.6 **Pressures on other public sector organisations** - All public sector organisations are under increasing financial pressure as changes in funding and increases in demand are not supported by funding. Whilst Aberdeen City has a strong record in working with partners to improve outcomes, prevent harm and increase public sector efficiency, the additional pressure on all public sector agencies may raise the risk that preventative activity, which is necessarily multi-agency in nature, may be more difficult for partners to sustain when facing increasing pressure to support responsive services. Behaviours which are not based on a whole system approach and are narrowly defined by attribution of cost benefits to individual organisations should be avoided.
- 2.2.7 **Emergency Response** - Covid-19 was the primary focus of emergency response in 2020, but other emergency events and situations are likely to occur. These may include, for example, incidents related to climate change; terrorist attacks; infrastructure issues with national implications (e.g. Grenfell Tower); further pandemics, etc. The council’s own plans to respond and recover quickly and effectively from longer term emergency incidents are being further strengthened and may require further financial investment.
- 2.2.8 **Corporate Liabilities** – Local authorities are exposed to several liabilities which have significant financial pressures if they occur. For example, the cashflow and cost impact of Developer Obligations not being paid to support required asset enhancement; litigation and claims against the council; and fines can be imposed on councils by the Health & Safety Executive, the Information Commissioner and other regulators.
- 2.2.9 **Banking Sector Failures** – The failure, earlier this year, of three small American banks (Silicon Valley Bank (SVB); Signature Bank and Silvergate) caused much concern in financial circles. The chaos soon spread to other banks, in particular the Swiss bank Credit Suisse, which has now been taken over by UBS. While no other failures have arisen so far the situation remains uncertain.
- 2.2.10 There are two implications of note with regards to these events:
- i. the banking sector remains fragile and at risk of further failures. The risks are not as high as in 2008, due to new and tougher regulations being introduced which made Banks stronger, but they are still there. Any such loss of confidence could again have knock on impacts for the wider economy via tighter lending; and
 - ii. with regards to the future setting of interest rates. The higher rates introduced over the past year by central banks (the Federal Reserve, the Bank of England (BoE) and the European Central Bank (ECB)) are thought to have impacted on the ability of SVB to survive and weakened the position of other banks, especially smaller US ones.

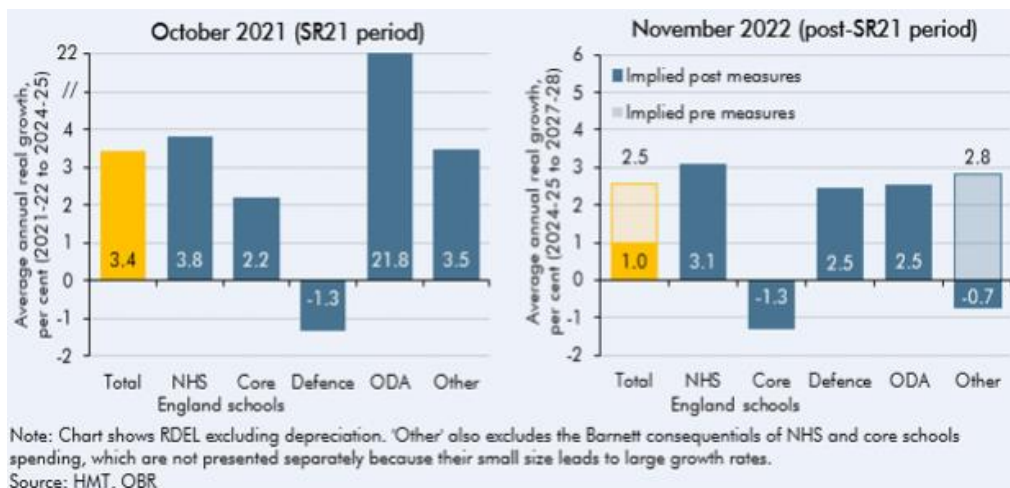
Further rate rises could therefore put yet more pressure on ‘at risk’ financial institutions and so central banks may be more cautious than before in introducing higher rates.

2.3 The Funding Outlook – UK

2.3.1 Following the financial turmoil that took place after the last MTFS was adopted by the Council, the task of the Autumn Statement, by the Chancellor of the Exchequer in November 2022, was to provide a way forward for UK public finances which satisfied expectations - of the Office for Budget Responsibility and markets - that the UK Government had a plausible plan to deal with the difficulties brought about by rising inflation, interest rates and a slowing economy. The Chancellor decided to square the circle by:

- *increasing tax*: this came from a variety of sources, with a big contribution from energy related levies on companies. And note that, in terms of income related taxes, the significant freezing of income tax thresholds contribution only partially compensated for the decision to not go ahead with the health and social care levy on National Insurance contributions;
- *increasing payments to households*: to compensate for higher inflation, including specifically to help with energy costs and generally with regards to most benefit payments; and
- *squeezing departmental budgets*: whilst some areas are protected to some degree from inflationary pressures, most are not. This means that what had been promising real terms increases (graph on left of Chart 16) are now much reduced. The graph on the right shows the outlook is now for real terms cuts to unprotected budgets.

• Chart 16: Changes to RDEL (day to day) spending³³



- *overall borrowing*: rises further and for a sustained period, much of which helps to pay for increased debt interest payments.

³³ [OBR, November 2022, Economic and Fiscal Outlook](#)

- 2.3.2 Departmental spending plans are critical because it will be the consequential of the UK Budgets, flowing into and through the Barnett formula and Fiscal Framework, that will frame the Scottish Budget.
- 2.3.3 The 2023/24 UK Budget³⁴, in March 2023, amounted to £1,189bn. Funding for the budget relies on employment and indirect taxes, for example VAT, therefore the importance of employment levels and individuals having disposable income available to them cannot be understated and hence the context provided in earlier sections of the document. UK revenues for 2023/24 are forecast to be £1,058bn, a gap of £131bn which will have to be borrowed.
- 2.3.4 Borrowing plugs the gap for the short-term, the situation is unsustainable and the repayment of the net debt must be achieved to provide market stability and maintain strong credit credentials on the global stage. Tackling the level of UK debt is one of the Prime Minister's five priorities – "Getting debt falling"³⁵.
- 2.3.5 With the Scottish Budget continuing to be heavily reliant on the Barnett formula that distributes the Block Grant to Scotland – approximately two thirds comes to Scotland from the UK Treasury – then any changes in UK Government funding policy and the size of the UK Tax Revenues will have a material impact on Scottish public services. From the Block Grant perspective, the Chancellor set out, in his budget, the funding for the devolved administrations, and looking simply at the allocations provided in the Spring Budget 2023, the prospects of a 0.5% increase in Block Grant funding, before Fiscal Framework adjustments, for 2024/25 is not promising for the Scottish Budget next year.
- 2.3.6 The UK Government published a White Paper in February 2022 on the subject of Levelling Up³⁶, setting out a case for change and to see that change impact all parts of the UK. This agenda has already resulted in opportunities to bid for capital-based funding, with an award of £20m for the City Centre Masterplan work included in the approved Capital Programme.
- 2.3.7 The UK Government published the UK Shared Prosperity Fund prospectus on 13 April 2022 alongside indicative funding allocations for each Local Authority within the United Kingdom. The Aberdeen City Council area received an indicative allocation of up to £7.2m for an initial three-year period covering 2022/23, 2023/24 and 2024/25. The largest element of this funding, 'Core' amounting to almost £6m, can be used across three priority areas: Community and Place; Supporting Local business; and People and Skills. Funding of this nature can only be seen as additionality and does not provide funding to support service delivery and day to day expenditure required.

³⁴ [UK Treasury, March 2023, Spring Budget 2023](#)

³⁵ [UK Government, January 2023, Prime Minister outlines his five key priorities for 2023](#)

³⁶ [UK Government, February 2022, Levelling Up the United Kingdom](#)

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

- 2.4.1 The primary source of funding for the delivery of Council Services is the Scottish Government through the allocation of general revenue and capital grants, and the distribution of national non-domestic rates income. In Scotland local government funding accounts for approximately a quarter of the total discretionary fiscal budget³⁷, in 2023/24, approximately £13.5 billion³⁸ (revenue and capital).
- 2.4.2 With approximately three quarters of the Council's net revenue funding being received through government grant it is simple to see why UK and Scottish Government policies and economic forecasts impact on the level of Council funding.
- 2.4.3 The Scotland Block Grant from UK Treasury is based on the Barnett Formula, adjusted to take account of taxation and fiscal powers now devolved to the Scottish Government. This adjustment is captured under the Fiscal Framework between the UK and Scottish Governments. In 2022/23 the Scottish Government announced that there would be a new deal for local government and on 30 June 2023 the Verity House Agreement was signed between Scottish Government and COSLA. The Agreement sets out principles for working together to empower local communities, tackle poverty, transform the economy and provide high-quality public services. It includes, amongst other things, a commitment to agree a new Fiscal Framework governing how local authorities' funding is allocated, reducing ring-fencing and giving them greater control over their budgets to meet local needs. And to regularly review councils' powers and funding, with the expectation that services will be delivered at a local level unless agreed otherwise.
- 2.4.4 The Scottish Government, having published a single year budget in December 2021 for financial year 2022/23, published a further suite of documents to support a multi-year funding framework for the public sector in Scotland. These documents were:
- Investing in Scotland's Future: Resource Spending Review
 - Scotland's Fiscal Outlook: The Scottish Government's Medium Term Financial Strategy
 - Capital Spending Review
- 2.4.5 Following another single year budget for financial year 2023/24, the Scottish Government produced a revised Medium Term Financial Strategy³⁹ in May 2023 and it highlights that while the Scottish Resource Budget is increasing up to 2027-28, in both cash and real terms, it is not expected to rise at the same rate as the spending bill, creating a growing funding gap over time.

³⁷ [Scottish Government, December 2022, Scottish Budget 2023/24](#)

³⁸ [Scottish Government, March 2023, Finance Circular 03/2023](#)

³⁹ [Scottish Government, May 2023, Scotland's Fiscal Outlook](#)

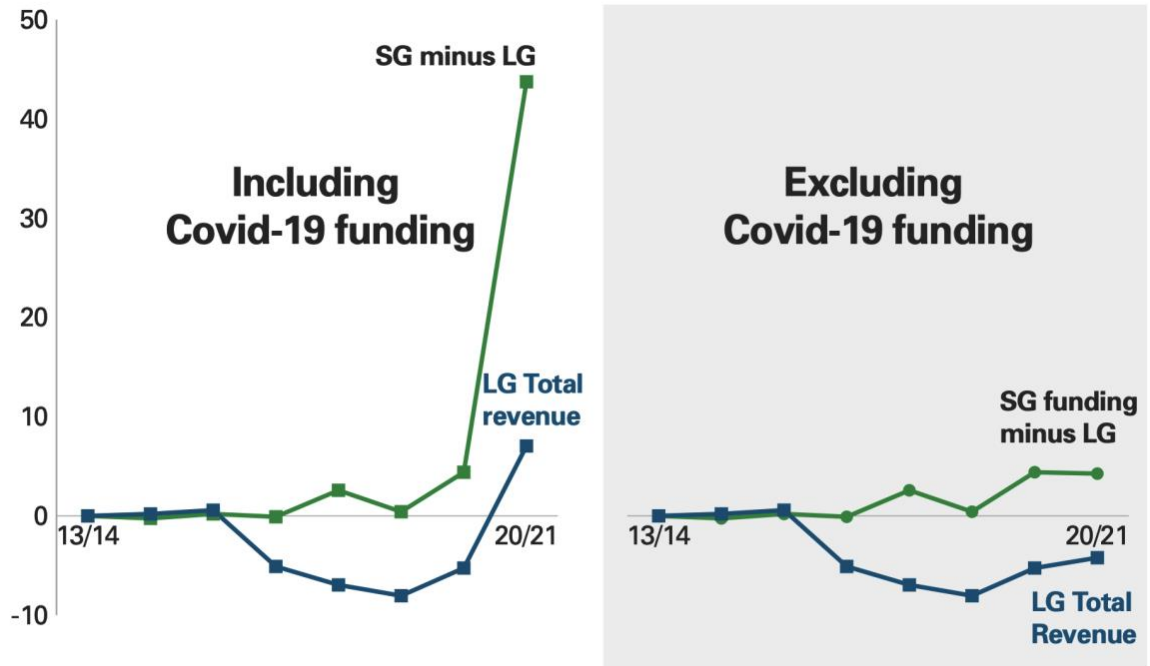
- 2.4.6 For financial year 2023/24 Scotland’s Budget, excluding Annually Managed Expenditure (AME)⁴⁰, amounts to £51.4 billion, when presented to Parliament in December 2022. This is the element of the budget the Scottish Parliament can make decisions about.
- 2.4.7 From 2020/21 the Scottish budget reflects the changing picture of devolved powers, including devolved social security payments and farm payments, previously funded by the EU.
- 2.4.8 Notable is the adjustment to the block grant for the devolved tax raising powers that now sit with the Scottish Parliament. The size of the Scottish Budget is therefore directly affected by economic performance, through taxation revenues, in Scotland compared to the rest of the UK. Diverging economic performance could place added pressure on the Scottish Budget in future years.
- 2.4.9 The Scottish Fiscal Commission, in their report from May 2023⁴¹ stated that “...we continue to expect a large and negative income tax reconciliation for the Budget year 2021-22. Comparing our and the OBR’s latest forecasts indicates a large negative reconciliation for 2021-22 of -£712 million. Final outturn data should be available in July 2023, with the resulting reconciliation being applied to the Scottish Budget for 2024-25.” Adjustments like this will adversely affect the amount of funding available for public services, and as an unprotected public service, Local Government can anticipate feeling the pain.
- 2.4.10 At this point worth of note is that it is impossible to get away from the shortfall in funding that has been provided to Local Government in Scotland for the last decade. The Accounts Commission published, its Local Government in Scotland Overview report⁴² on 25 May 2022, which continued to highlight the long-term position that Local Government is the poor relation of other parts of the Scottish public sector, excluding the effects of Covid-19 pandemic funding “...councils’ underlying cumulative funding has fallen by 4.2 per cent in real terms since 2013/14. This is in contrast to an increase of 4.3 per cent in Scottish Government funding of other areas of the budget over the same period.” This can be illustrated in the following chart.

Chart 17: Comparison of real terms changes in revenue funding in local government and other Scottish Government areas (including and excluding Covid-19 funding)

⁴⁰ AME is specific grant funding paid by UK Government to cover costs such as NHS and teacher pensions and student loans. It amounts to about £9 billion per annum.

⁴¹ [Scottish Fiscal Commission, May 2023, Scotland’s Economic and Fiscal Forecasts \(revised June 2023\)](#)

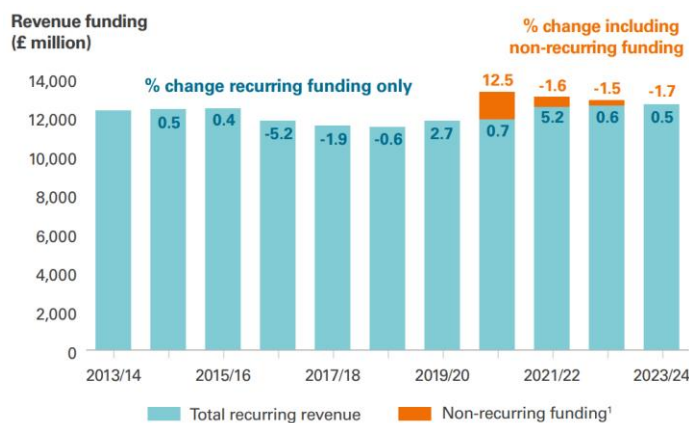
⁴² [Accounts Commission, May 2022, Local Government in Scotland Overview 2022](#)



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

2.4.11 This has not been corrected in the last two years and in the Accounts Commission’s report on Local Government in Scotland : Overview 2023⁴³ with only 2.6% increase in real terms in funding over the decade from 2013/14. This covers a period when Council Tax was frozen and funding was being provided instead. This means that the key fiscal lever that Local Government has could not be exercised to mitigate the demand and cost pressures.

Chart 18: Scottish Government revenue funding to local government (in real terms) and year-on-year percentage change, 2013/14 to 2023/24

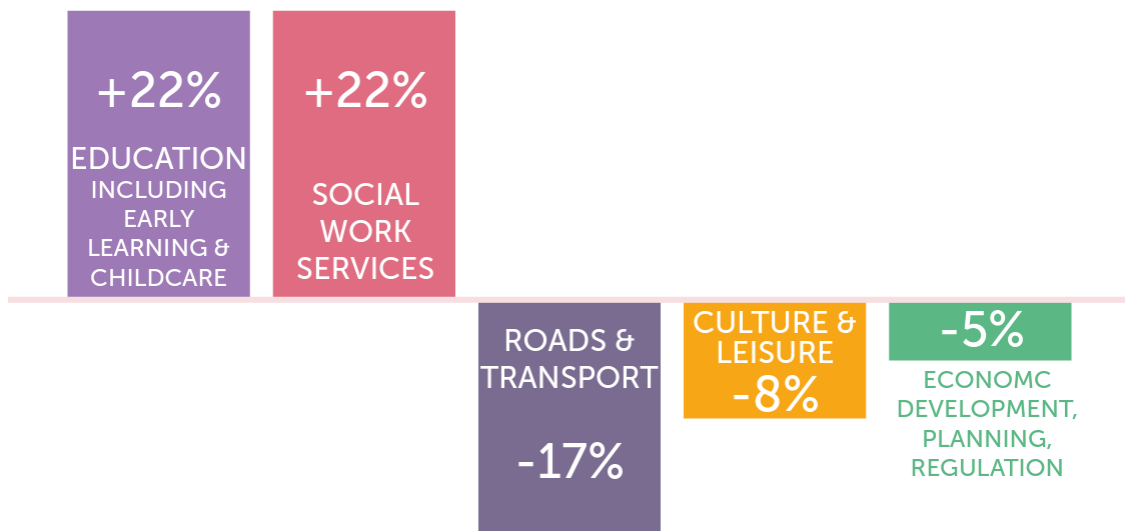


Notes:
 1. Non-recurring funding refers to Covid-19 related funding in 2020/21 and 2021/22 and cost-of-living support for council tax bills in 2022/23.
 2. We use the finance circulars to compare the funding position year-on-year as we believe this is the most accurate comparison. These figures include funding for national policy initiatives and transfers from other portfolios. Figures calculated at 2023/24 prices.
 Source: Scottish Local Government Finance Circulars

⁴³ [Accounts Commission, May 2023, Local Government in Scotland: Overview 2023](#)

2.4.12 The quantum of the local government settlement is not the only issue arising, as the funding context for Scotland is one that is driven strongly by national policy and commitments. This is seen in the extent to which the local government budget is truly determined locally. According to the Convention of Scottish Local Authorities (COSLA), in its “Live Well Locally” budget campaign documentation⁴⁴ states that “Over recent years, Local Government’s total funding has reduced in real terms – and at the same time, Scottish Government has prioritised & ring-fenced spend in areas like education & social work. So while spend in these areas has gone up, less resource overall means it has been at the expense of areas like economic development, roads & transport, all critical in attracting investment, developing businesses, creating jobs and addressing climate change.” Information collected for Scotland shows how stark the disparity is.

Chart 19: Change in net revenue expenditure between 2013/14 and 2021/22 (Estimate)



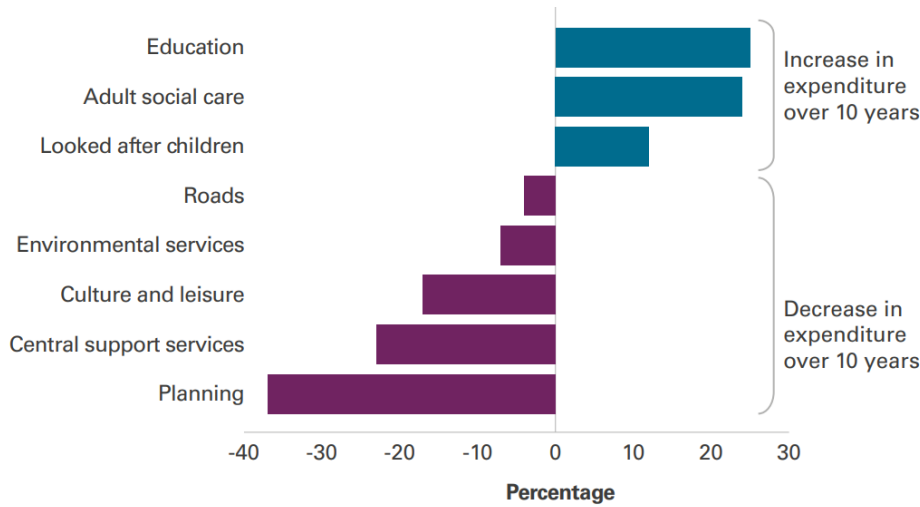
Source: COSLA, Live well locally

2.4.13 The Accounts Commission⁴⁵ presented a similar picture in its latest report, reinforcing the extent to which national policy is shaping the allocation of resources at a local level.

⁴⁴ [COSLA, December 2021, Live well locally campaign](#)

⁴⁵ [Accounts Commission, May 2023, Local Government in Scotland: Overview 2023](#)

Chart 20: Percentage change in expenditure (in real terms) by service from 2012/13 to 2021/22



Note: Economic development and Tourism services have seen a 43 per cent increase over the period. We have excluded this from the chart as year-to-year expenditure is volatile and there is not a consistent trend in spending over this period.

Source: Local Government Benchmarking Framework, 2021/22

2.4.14 With national policy at the forefront, it is impossible to ignore the impact that the National Care Service (NCS) will have on local government. The NCS (Scotland) Bill⁴⁶ has been published and allows Scottish Ministers to transfer social care responsibility from local authorities to a new, national service. This could include adult and children’s services, as well as areas such as justice social work. Scottish Ministers will also be able to transfer healthcare functions from the NHS to the National Care Service. The Bill is currently at Stage 1 – where Parliamentary Committees examine the Bill and gather views – but “...this has been postponed until at least September 2023 because of concerns about the adequacy of parliamentary scrutiny based on only a framework Bill. There are still many unknowns. Details of the arrangements have yet to be determined and the scale of the costs involved in the financial memorandum are estimates with many caveats. The affordability of the vision set out is not certain given the actual scale of the costs are not yet clear. It is difficult for councils to plan current services with such uncertainty.”⁴⁷

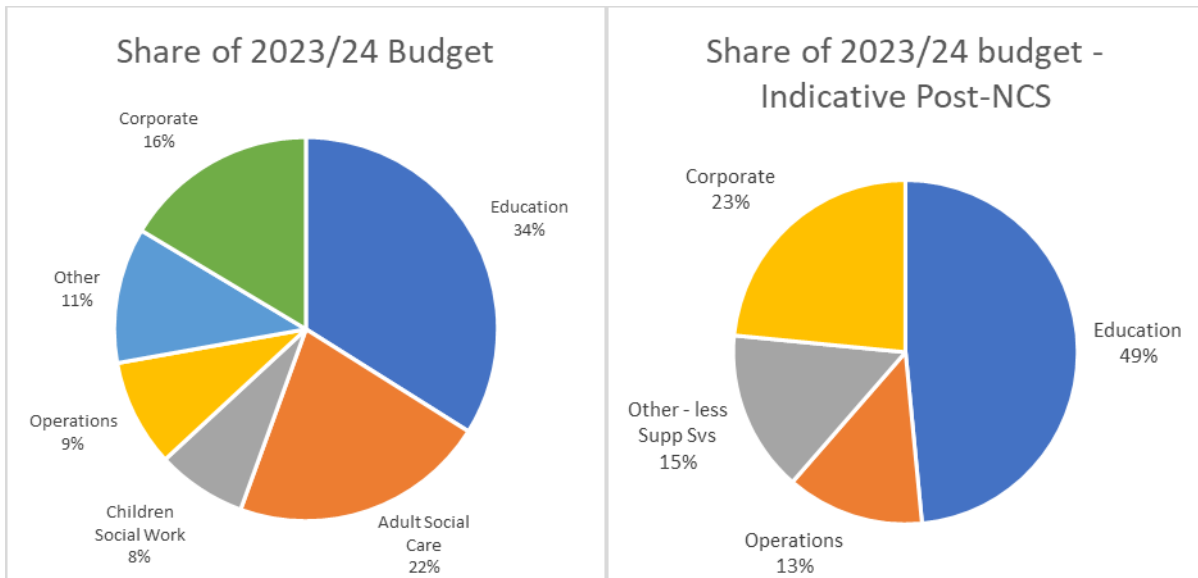
2.4.15 The Accounts Commission summarise in that report “While there is consensus that fundamental reform is essential for long-term sustainability, there is not agreement about what that reform looks like and how it will be implemented.”

⁴⁶ [Scottish Parliament, 20 June 2022, National Care Service \(Scotland\) Bill](#)

⁴⁷ [Accounts Commission, May 2023, Local Government in Scotland: Overview 2023](#)

- 2.4.16 In terms of impact COSLA initially described the Bill, “The inclusion of Children’s Services within the Scottish Government’s National Care Service Consultation went far beyond the scope of the Independent Review of Adult Social Care, and it was clear in the analysis of the consultation that many respondents agreed with COSLA’s view that there was a significant lack of evidence and data to justify the inclusion of children’s services in a National Care Service.”
- 2.4.17 While there is process and procedure to go through it is necessary that assumptions, from our financial perspective, have to be made about what it means for our financial planning. To do this the Council has examined the accompanying Financial Memorandum⁴⁸ and extrapolated this alongside the other demand and cost assumptions that are contained in the MTFs models. Assuming that all of the identified services are removed from local government then the shape of councils will shift dramatically.
- 2.4.18 The Council currently budgets to spend approximately £168m on Adult, Children and Justice Social Work and associated central support services, from a net budget of £559m, representing 30% of net expenditure this year. That spending is expected to rise to approximately £173m for the first year of operation of the NCS, 2025/26.
- 2.4.19 Removing the spending results in Education being the dominant service provided by the Council, with half of the remaining net expenditure being allocated to deliver education and early years services.

Chart 21: General Fund Budget 2023/24, including and excluding proposed NCS services



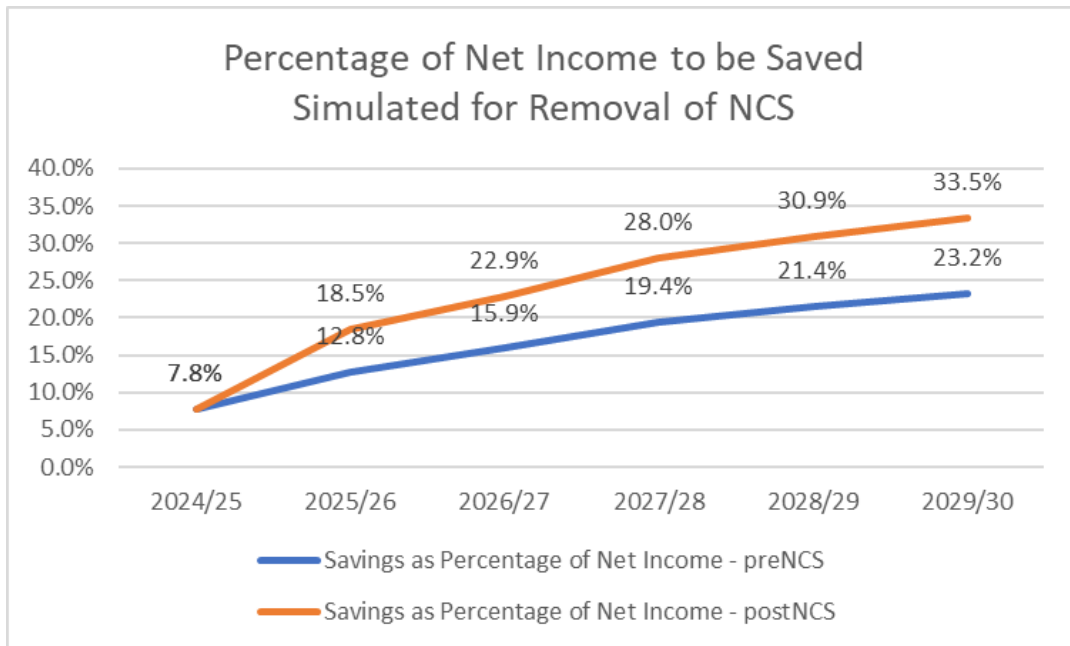
2.4.20 In July 2023 an agreement was reached between the Scottish Government, the NHS and COSLA that legal responsibility will be shared between the health service, councils and the Scottish government, and that staff, assets and the delivery of services will remain part of Councils. The analysis remains relevant as it is unclear to what extent

⁴⁸ [Scottish Parliament, 20 June 2022, National Care Service \(Scotland\) Bill FM](#)

local authorities will be able to apply / influence and control the funding for the services that are included under Care Boards. Fundamentally if these services are protected (by Scottish Government through the financial settlement) from local decision on funding and resource allocation then the shift towards this post-NCS position is unchanged.

2.4.21 The dominance of Education presents a major challenge given the extent of national policy driving prioritisation and national conditions that are in place for these services, whether these be teacher pay and conditions, financial settlement conditions on pupil teacher ratios. It potentially limits the extent to which local decisions can make changes to the way our resources are allocated, likely shifting the focus for savings and income generation to those that are of a different nature, operational, support and enabling services. The following chart shows that the demand and cost pressures are not shared equally by all services and the Council is left with a higher value of savings to be found against a lower value of Net Income. This results in savings of almost 10% more having to be achieved from the post-NCS services.

Chart 22: Proportion of Net Income to be Saved Compared to post NCS



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

- 2.4.23 With reference to the income the Council receives, it has been assumed that grant funding would be reduced by the value of expenditure being incurred in the delivery of the various services. Local Government will need to be aware of the value of grant that is being removed, as the funding mechanism does not necessarily match the spending profile of Councils at present. Local Government should not accept, as a given, that the value of grant funding should be the full cost of current services.
- 2.4.24 The Scottish Governments publication of multi-year financial forecasts in the Resources Spending Review⁴⁹ (RSR) provided much more about the future, that the Council can learn from, in particular the shape of local government finance for the coming three years. Last year was the first time that local government has had a multi-year financial plan since 2011, when a three year settlement was announced for the period 2012/13 to 2014/15.
- 2.4.25 The RSR was accompanied by a letter to COSLA from the Cabinet Secretary for Finance and the Economy, Kate Forbes. This provided greater insight into the allocation of funds to local government than is detailed in the Resource Spending Review itself.
- 2.4.26 While setting out the Scottish Governments priorities and describing the need to allocate resources towards achieving those priorities, the RSR demonstrates a further deprioritisation of local government, despite the huge role that Councils can play. The priorities spelt out are:
- “...four key challenges – reducing child poverty, addressing the climate crisis, building a strong and resilient economy and helping our public services recover strongly from the pandemic.”⁵⁰*
- 2.4.27 For local government the message was simple. A commitment to flat cash settlements for the period 2022/23 to 2025/26, with an additional £100m (c.1%) in 2026/27.
- 2.4.28 The detail is of course far from simple and local government receives its current funding from a variety of portfolios, spread across the Scottish Budget (i) a core ‘Local Government’ allocation; and (ii) additional sums transferred from other ministerial portfolios, such as Education, Justice and Health. The RSR confirms that the core allocation of £10.6bn will be maintained throughout the period of the spending review, with that additional £100m in the final year. It is not until the letter from the Cabinet Secretary is read carefully that a sum of £1bn per annum is guaranteed to be transferred from those portfolios during the period of review can any assurance be secured that the local government settlement will be anything like flat cash.
- 2.4.29 The 2023 MTFs from the Scottish Government did nothing to dilute the risks facing local government and suggest any improvement in our prospects of additional core

⁴⁹ [Scottish Government, May 2022, Resource Spending Review](#)

⁵⁰ Kate Forbes, Cabinet Secretary for Finance and the Economy, Scottish Government, Resource Spending Review, 31 May 2022

funding. The Central Scenario financial modelling has therefore been maintained over the period to flat cash.

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

“...key elements of this vision will not directly apply to local government...”

“...a ‘new deal’ for Local Government in Scotland through the development of a Partnership Agreement and Fiscal Framework.”

2.4.31 On 30 June 2023, the First Minister and the COSLA President signed a Partnership Agreement that by both see as a landmark. Known as ‘The Verity House Agreement’, it signifies a shared vision for a more collaborative approach to delivering our shared priorities for the people of Scotland.

2.4.32 It sets out principles for working together to empower local communities, tackle poverty, transform the economy and provide high-quality public services. It includes commitments to:

- agree a new Fiscal Framework governing how local authorities’ funding is allocated, reducing ring-fencing and giving them greater control over their budgets to meet local needs
- regularly review councils’ powers and funding, with the expectation that services will be delivered at a local level unless agreed otherwise
- incorporate the European Charter of Local Self-Government into Scots Law
- reform public services, building on the partnership working established during the pandemic recovery
- develop a framework for collecting and sharing evidence to ensure progress is maintained.

2.5 *Scottish Government Funding*

- I. The allocation of resources by Scottish Government across the Scottish public sector portfolios is somewhat clearer following the publication of the Resource Spending Review. This is the basis for assumptions.

Table 1:

Upside Scenario	Central Scenario	Downside Scenario
2024/25 to 2028/29 – flat cash settlement for underlying duties and obligations, with between 0.5% and 1.5% cash increase annually over and above central	2024/25 increase of 1.1% due to an expected switch from capital to revenue funding. 2025/26 – flat cash settlement for underlying duties and obligations.	2024/25 to 2028/29 – flat cash with additional impact of distribution formula leading to lower grant, estimated at 0.25% annually. Assumed that additional funding will be received

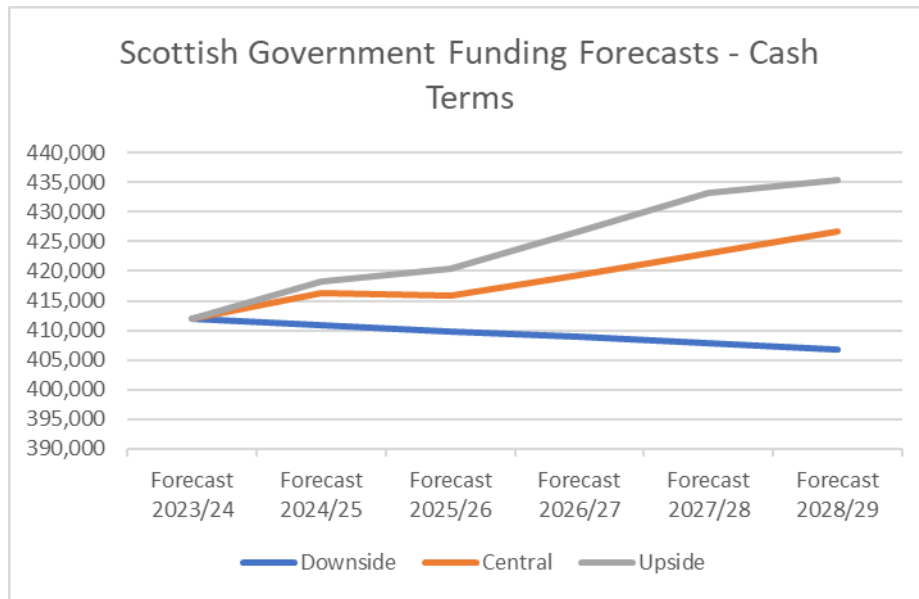
<p>scenario to support core services.</p> <p>Switch of capital to revenue funding in 2024/25.</p> <p>Assumed that additional funding will be received for additional expenditure commitments.</p> <p>No change incorporated for National Care Service.</p>	<p>Distribution uncertainty resulting in 0.1% reduction annually.</p> <p>Assumed that additional funding will be received for additional expenditure commitments through policy changes.</p> <p>2026/27 and 2028/29 1% cash increase annually.</p> <p>No change incorporated for National Care Service.</p>	<p>for additional expenditure commitments through policy changes.</p>
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II. The level of “protection” that Scottish Government applies to its political priorities delivered by local government is also quantified. The direction increase from Scottish Government in 2023/24 with the direction in regard to teacher numbers and pupil support hours, add this to ring-fenced grants, such as Early Learning and Childcare, and the requirement to maintain health and social care funding there is significant impact of this direction.

Table 2

Upside Scenario	Central Scenario	Downside Scenario
<p>Mainstream national priorities and provide flexibility shifting resource protection to less than 10%.</p>	<p>Current level of protection continues, 45% of resources directed nationally. The Verity House Agreement moves this towards the upside scenario by middle of MTFS period</p>	<p>Greater control directed nationally to deliver national priorities, raising protection to over 50% of local government resources.</p>

Chart 23: Scottish Government Grant Scenarios



III. From an approved 2023/24 budget level of government funding of £412m, the upside and central position track similar funding levels during the first 3 years of the RSR, the upside scenario more optimistic that additional funding will be found, however marginal at best. A 1% increase in funding in 2026/27 will be distributed and will be maintained into the following years is assumed for the central scenario, but will rely on a great deal to remain unchanged. The downside is shows a regular reduction in funding. By year 5, 2028/29 there is a funding range, upside to downside of £28m.

2.6 Council Tax

2.6.1 Limits placed on funding local government receives means that local authorities must turn to the fiscal levers they have, to exercise control and to influence the level of income they have, to pay for services. Primarily this means looking carefully at the power to raise funds locally from Council Tax, and to review / apply fees and charges for services that are delivered.

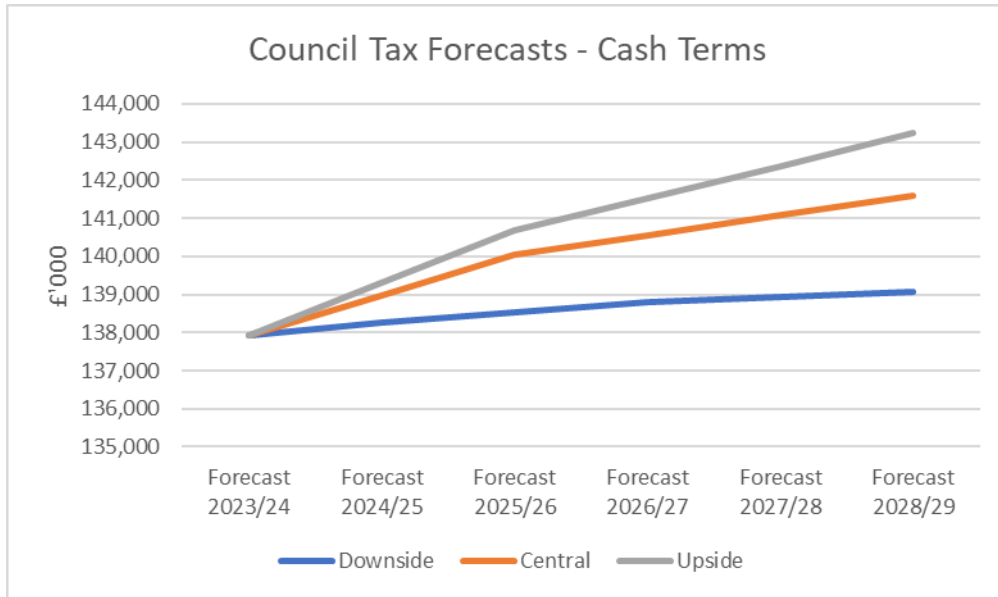
2.6.2 Exercising discretion over these fiscal levers is, again, not straightforward. The local government financial settlement has, for over a decade put restrictions on the most significant fiscal lever local authorities have, setting the Council Tax. A cap on Council Tax increases was introduced in 2017/18, following a nine-year Council Tax freeze, from 2008/09. The initial cap condition was absolute in cash terms at 3% and in 2019/20 a real terms limit of 3% was introduced, the cash limit therefore being higher. Despite this it offers local authorities limited opportunity to raise the funds they need to meet rising costs. For 2021/22 the council again was offered funding to avoid an increase in Council Tax. For Aberdeen City this was the equivalent of a 3.3% increase in the rate. The Council accepted this offer (as all local authorities did).

- 2.6.3 In 2022/23 the cap was removed and for the first time since 2007/08 the Council was free to set a Council Tax rate for Aberdeen. An increase of 3% was approved, in the context of the concerns around the cost of living and affordability locally, and this has been followed by a 5% increase in the rate for 2023/24.
- 2.6.4 Limiting the value and / or missing the opportunity to increase Council Tax undermines the future value of this funding stream for the council. The underlying assumption is that Council Tax income will have to be increased.
- 2.6.5 It is worthy of note that the Scottish Government's Programme for Government⁵¹, published earlier this year commits "...to reforming Council Tax to make it fairer, working with the Scottish Green Party and COSLA to oversee the development of effective deliberative engagement on sources of local government funding, including Council Tax, that will culminate in a Citizens' Assembly." The Council will want to participate to ensure that developments are appropriate financially for the Council and locally for our citizens. At time of writing a joint consultation by Scottish Government and COSLA is seeking views on potential changes to the council tax system that could see those in the highest value properties asked to pay more if they can afford to have been published. An initial forecast of the additional revenue that would be generated from Council Tax Band E-H households is c.£8m (Gross) however it must be recognised that when the same change was made in 2017/18 this was adjusted for in the Distribution formula for Local Government and therefore the gross income is likely to be moderated through a lower General Revenue Grant being received. The consultation runs until 20 September 2023.
- 2.6.6 Conclusion:
- I. The Council Tax valuation roll is anticipated to increase with additional housing continuing to be built in the city. For this reason the underlying value of Council Tax collectable before increasing the Band D rate tracks an upward trend. The upside and downside scenarios reflect greater or fewer houses being added to the roll annually.
 - II. The chart below does not include the impact of a rate increase; however the recommendation is that the real terms increase in Council Tax should be approved annually to enable the Council to in part recover the increasing cost of services, through pay, price and contract inflation.
 - III. The value of Council Tax receivable may increase due to legislative changes, it is possible the effect on the distribution formula may mean that the Council receives less than the gross amount that will be collectable from those changes, this will be modelled into the MTFS once the position is clear. Until the

⁵¹ [Scottish Government, Programme for Government, 7 September 2021](#)

legislation is in place no adjustment will be made to the MTFs, it will be updated for the final budget 2024/25.

Chart 24: Council Tax Scenarios



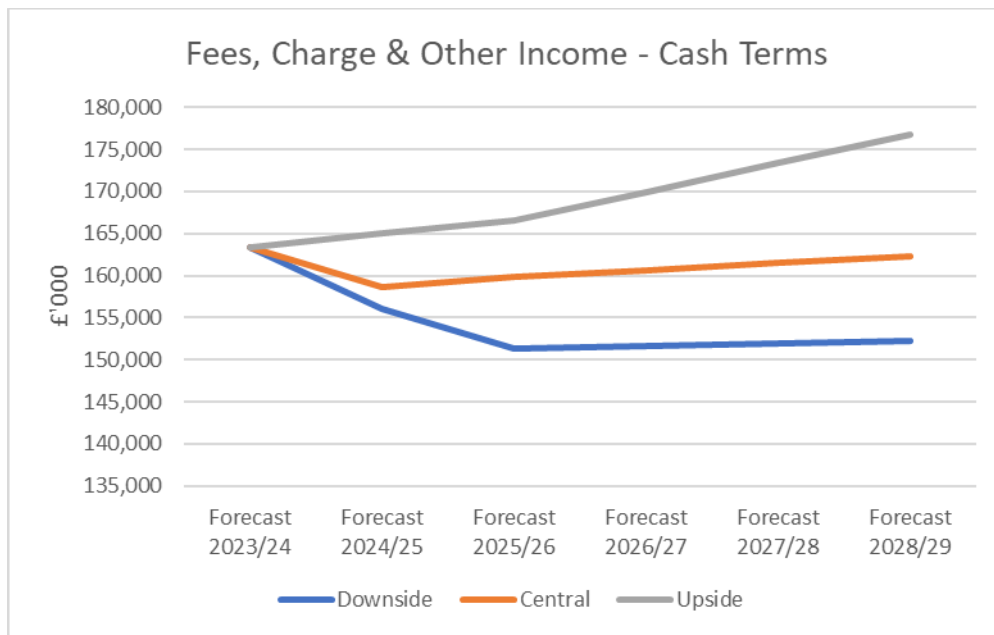
3.7 Fees and Charges

- 3.7.1 Fees and charges are an important source of funding for local authority services, and some provide a positive inflow of cash to support the overall revenue budget, a common example being car parking income. Other external income raised through fees and charges will often recover a proportion of the cost of delivering a specific service, lowering the overall cost to the General Fund revenue budget. Securing an income from a strong customer base, with repeat use can help to avoid public subsidy for discretionary services.
- 3.7.2 Statutory and regulatory limits do hinder local government and in areas of planning and licensing, for example, the price paid by the customer is not set by the council and does not cover the cost of services delivered.
- 3.7.3 This year initial forecasts for income from fees and charges is far from certain and continues to be affected by behaviour changes from customers, citizens and visitors, as well as economic conditions. While this will be captured in the current year through the quarterly financial performance reports, looking ahead it is clear that careful consideration of the opportunities and gaps that exist in our income base need to be considered. The forecasts for now are prudent.
- 3.7.4 The resilience framework (Section 6) looks at the income streams on which the Council relies, and Appendix 1 provides details of the top 20 funding streams that shows just how important that customer income is to the Council.
- 3.7.5 There is an undoubted challenge with balancing the need for income by the Council in the context of a cost of living crisis and the signs the household disposable income is

reducing. The Scottish Fiscal Commission (SFC) stated in their recent report⁵² that “Scottish households are still expected to see the biggest fall in living standards – as measured by real disposable income per person – since Scottish records began in 1998, of 4.1 per cent between 2021-22 and 2023-24.” And it will not be a quick fix, they predict that “...by 2025-26, real disposable income per person will be no higher than a decade earlier.”

3.7.6 Conclusion:

Chart 25: Fees and Charges Scenarios



3.8 Discretionary Powers

3.8.1 Beyond these fiscal powers local authorities have very limited access to raise monies. Recent actions to open opportunities to local authorities has centred on infrastructure-based levies, including road pricing, workplace parking and an infrastructure levy included in the Planning (Scotland) Act 2019. In May this year the Visitor Levy (Scotland) Bill⁵³ was introduced to the Scottish Parliament - if passed, the legislation will give local councils the ability to add a tax to overnight accommodation if they wish to do so. This will be based on a percentage of the cost, with the rate set by individual councils.

3.8.2 While there is a mixed picture of legislation already in place to support these levies, further regulation and statutory instruments are required to provide local authorities the powers to implement them and it is going to be some time before local authorities can draw any benefit from such fiscal freedom, the earliest the Visitor Levy could be introduced, for example. Is 2026/27.

⁵² [Scottish Fiscal Commission, May 2023, Scotland’s Economic and Fiscal Forecasts](#)

⁵³ [Scottish Parliament, May 2023, Visitor Levy \(Scotland\) Bill](#)

3.8.3 The Programme for Government committed the Scottish Government to devolving the Empty Property Relief in connection with Non-Domestic Rates. The intention being to level the playing field for all non-domestic properties, the Scottish Government will help local authorities tackle a known avoidance tactic on empty non-domestic properties. This came into effect from April 2023.

3.8.4 In June 2023 the Circular Economy (Scotland) Bill⁵⁴ was introduced to the Scottish Parliament. The purpose is to introduce measures as part of the transition to a circular economy that require primary legislation, and to modernise Scotland's waste and recycling services. This includes Reducing waste; Increasing penalties for littering from vehicles; and Making sure individual householders and businesses get rid of waste in the right way.

3.8.5 Conclusion:

I. Table 3: Analysis of Emerging Discretionary Powers

Discretionary Powers	Primary legislation in place (yes/no)	Required statutory regulation in place (yes/no)	Anticipated year we can expect to be able to use power?
Visitor Levy	No. Visitor Levy (Scotland) Bill introduced to Scottish Parliament, May 2023.	No.	2026/27
Workplace Parking Levy	Yes. Transport (Scotland) Act 2019	No. Part 7 of the Transport (Scotland) Act 2019 has not yet been brought into force.	Unclear
Infrastructure Levy	Yes. Planning (Scotland) Act 2019	No. The power to make regulations about an infrastructure levy is not yet in force and, as such, no regulations have been made.	Unclear. Planning (Scotland) Act 2019 provides that the power to introduce a levy will lapse by 25 July 2026.
Non Domestic Rates Empty Property Relief	Yes.	Yes.	2023/24. Power exercised as part of budget.

⁵⁴ [Scottish Parliament, June 2023, Circular Economy \(Scotland\) Bill](#)

Circular Economy	No. Circular Economy (Scotland) Bill introduced June 2023, at Stage 1	No.	Estimate 2026/27 at earliest
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- II. As the underlying statutory framework is not yet in place the scenario plans have not been affected by additional income arising from exercising these powers.
- III. The council should continue to identify and evaluate emerging discretionary powers on a regular basis to determine their applicability to Aberdeen City.

3. THE CONSOLIDATED MEDIUM-TERM OUTLOOK FOR THE GENERAL FUND

3.1 Medium Term Financial Strategy – Quantification of the Funding Gap

3.1.1 Overall, the medium-term outlook is that increasing demand and pay and price inflation will drive costs up at a faster rate than the council can expect to raise income. This has only got more difficult as inflation has increased and has remained at levels not seen for forty years. While inflation is forecast to fall in the short term, it doesn't mean that prices are not continuing to increase. Unless funding is provided through the range of income streams, but fundamentally from Scottish Government grant then there is a question of the sustainability of local government. It is difficult to see the same level of services being delivered over the course of the medium term horizon as are in place today.

3.1.2 Details of the key assumptions are contained in the tables below. The calculations that flow from these assumptions reveal a particular sensitivity to Scottish Government funding levels and general pay and price inflation assumptions, while key components of the demand underpin rising costs, such as population demand changes.

Table 4: Funding and Income (percentages are shown in cash terms)

Source	Description	Upside Scenario	Central Scenario	Downside Scenario
Scottish Government Revenue Grant	Combined grant income from General Revenue Grant and Non-Domestic Rates.	Year 1 1.6% Year 2-5 0.5-1.5%	Year 1 1.1% Year 2 -0.1% Year 3-5 1.0%	Year 1 -0.2% Year 2-5 -0.2%
Council Tax	Increasing the rate is a council decision made at budget setting time, the Band D rate has therefore not been increased in any scenario, The budget decision will provide a solution to address the scenarios. It is expected that Council Tax income will be increased in 2024/25 to reflect a real terms increase, and while there is no imposed Council Tax cap now applied to the rate by Scottish Government, this support the funding of the rising cost of services and inflation in pay and prices that cannot be absorbed by the Council.			
Council Tax	Tax base increase from additional chargeable properties.	Year 1-5 total 4,250 properties	Year 1-5 total 3,345 properties	Year 1-5 total 3,000 properties
Fees, Charges and Other Income	External income raised from customers. Approval for rate increases is a council decision, therefore rates charged in 2023/24 have continued to be applied to each scenario. The budget decision will provide a solution to address the scenarios. Similar to Council Tax, careful consideration of the full cost recovery, the impact that inflation is having on the cost of delivering chargeable services must be taken into account when setting annual charges across the MTFs period.			

Fees, Charges and Other Income	External income changes due to economic conditions.	Year 1 £2m loss & return to current by year 4	Year 1 £4.2m loss & return to current over 6 years	Year 1 £6m loss & return to current over 8 years
One-off funding streams	2022/23 Budget made use of Balance Sheet resources and one-off funding streams these must be replaced as they are non-recurring. Assumption for 2023/24 only, £19.4m.			

Table 5: Expenditure (percentages are shown in cash terms)

Source	Description	Upside Scenario	Central Scenario	Downside Scenario
Inflation	Pay	Year 1-5 2% Pay award funded by SG grant if greater than assumptions	Year 1-2 3% ; Year 3-5 2% Pay award funded by SG grant if greater than assumptions	Year 1-4 4% ; Year 5 2.5% Pay award funded by SG grant if greater than assumptions
Government Policy	National Insurance	Year 1-5 0% No further increases beyond 2023/24	Year 1-5 0% No further increases beyond 2023/24	Year 1-5 0.5% Reintroduce an increases following reversal in 2022/23
Inflation	Price – including contracts, grants and ALEOs	Between 0% and 2.5% p.a.	Between 1.25% and 6% p.a.	Between 3% and 9% p.a.
Inflation	Utilities, including Gas, Electric, Heating Oil, Water	Gas 0% Electricity 2.5%	Gas 10% falling to 1% Electricity 10% falling to 5.7%	Gas 15% falling to 5% Electricity 15% falling to 8%
Population Demand	Children, schools impact	School roll slower	Total Year 1-5 £5m increase	School roll increases
Capital Investment Demand	Capital Financing	Year 1 2.5% Year 2 3% Year 3 3% Year 4 3% Year 5 0.5%	Year 1 7% Year 2 4% Year 3 11% Year 4 9% Year 5 1.7%	Year 1 10% Year 2 7% Year 3 14% Year 4 10% Year 5 5%
Capital Investment – Local Policy	Loans Fund Repayment		Asset Useful Life = Average 40 years; and	

			Interest Rate = Average 5%	
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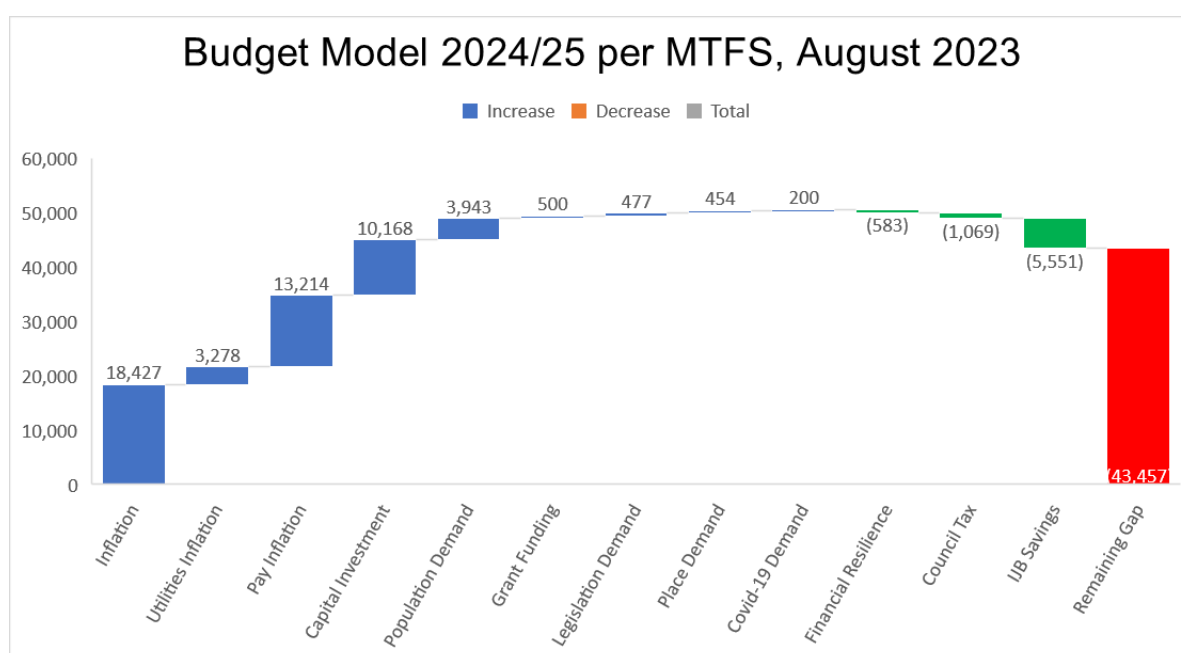
3.1.3 Figures for the Council’s Functional structure are presented in the following table, reflecting the changing costs for the Central Scenario.

Table 6: Central Scenario Forecast from 2023/24 to 2028/29 (Gross)

Budget Forecasts - General Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Children's & Family Services	232,160	245,123	253,425	258,636	263,501	268,307
Commissioning	18,565	20,776	22,040	22,677	23,276	23,860
Customer	42,404	47,800	51,099	53,233	55,040	56,690
Integrated Joint Board	120,781	120,781	120,781	120,781	120,781	120,781
Resources	53,259	63,230	71,530	74,640	79,006	81,038
Corporate	91,725	104,564	112,124	123,052	136,348	143,976
	558,894	602,275	630,999	653,019	677,951	694,651
Funded By						
General Revenue Grant	(154,116)	(158,466)	(158,289)	(159,651)	(161,025)	(162,412)
NNDR	(257,797)	(257,797)	(257,501)	(259,780)	(262,079)	(264,398)
Council Tax	(137,908)	(138,977)	(140,047)	(140,564)	(141,082)	(141,599)
Use of Reserves	(9,072)	(3,577)	(3,577)	(3,577)	(3,577)	(3,577)
	(558,894)	(558,818)	(559,413)	(563,572)	(567,763)	(571,986)
Gap (Cumulative)	0	43,457	71,586	89,447	110,188	122,665

3.1.4 The forecast position changes in the different elements of the central scenario, can be represented by the graph in Chart 26.

Chart 26: ACC General Fund 2024/25



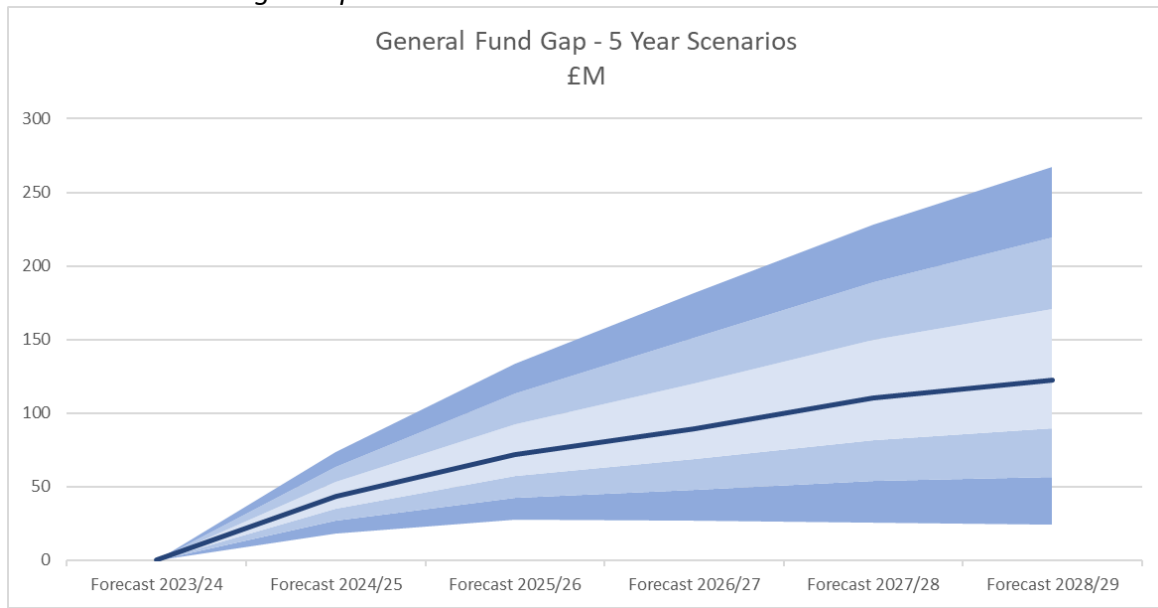
3.1.5 The impact of income and expenditure assumptions over the next five years, with the Upside and Downside scenarios quantified is shown in the table below.

Table 7: Budget Gap Scenarios (before Savings are applied)

General Fund Budget Gap	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
	£m	£m	£m	£m	£m	£m
Downside Scenario	0	73	134	182	228	267
Central Scenario	0	43	72	89	110	123
Upside Scenario	0	18	28	27	25	24

3.1.6 More clearly shown in graphical form, below, it shows the range of scenarios that may happen over the course of the years ahead.

Chart 27: Budget Gap Scenarios



3.1.7 The scenario plans reveal a range for 2024/25 of between £18m and £73m, with a central scenario that has moved (from last year’s MTFS) towards the downside set of assumptions, this is based on more pessimistic inflation forecasts and no improvement in funding forecast assumptions. These remain based on a strongly directed spending profile by Scottish Government and flat cash assumptions that are supported by the 2022 Scottish Government Resource Spending Review and reinforced by the 2023 Scottish Government MTFS.

4. CAPITAL FUNDING AND INVESTMENT

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

- 4.1.1 Drawing on the funding outlook for the UK, described in Section 2, the overall expectation for capital funding being made available has the added dimension that capital investment can stimulate the economy and be a lever to support businesses, supply chain and economic growth in times of crisis.
- 4.1.2 The Chancellor set out in his 2021 Autumn Budget and Spending Review a budget is multi-year, as referenced earlier, and this included the capital funding commitments that provides the information the public sector requires to plan for capital investment. The three-year budget figures were linked to the Levelling Up agenda, so that for many areas of the UK there was relevant and specific reference to funding commitments being made.
- 4.1.3 This included Scotland, where outside the Scottish Block funding announced there was also £170m of capital investment made directly by the UK Government into Scotland, through Scottish Local Authorities. This link between UK Government and Scottish Local Government provides an opportunity to tap into additional funding, not currently available. For the Council this resulted in the award of the full £20m from the Levelling Up Fund, for the Aberdeen Market project.
- 4.1.4 It was thought this source of funding was of particular importance as the Levelling Up Fund is not a ‘once only’ Fund, but one that will seek bids in the future. To this end the Council submitted a second bid for funding, in respect of the Beach Masterplan and was unsuccessful in being awarded any funding. Funding for second round bids was directed to local authority areas that had not been successful in round one. While the Council remains agile and aware of the opportunities that exist in accessing the valuable funding stream it is perhaps realistic that until Levelling Up has reached all parts of the UK, there will be less likelihood of a further award.
- 4.1.5 Other Funds have emerged with the UK Shared Prosperity Fund being announced and funding decisions now beginning to be taken to award funding locally⁵⁵ within the criteria that has been set out. The allocation to Aberdeen City Council area is £7.2m for the period to 2024/25.
- 4.1.6 The Scottish Government published its Infrastructure Investment Plan for Scotland 2021/22 to 2025/26⁵⁶ on 4 February 2021. The Scottish Government described the purpose of this as “Our Infrastructure Investment Plan covers 2021-22 to 2025-26 and delivers our National Infrastructure Mission commitment to boost economic growth

⁵⁵ [Aberdeen City Council, July 2023, UK Shared Prosperity Fund report](#)

⁵⁶ [Scottish Government, Infrastructure Investment Plan 21/22-25/26, February 2021](#)

by increasing annual investment in infrastructure by 1% of 2017 Scottish GDP by 2025-26.”

- 4.1.7 Investment in infrastructure can provide stimulus and economic growth, evidenced through increases in GDP, therefore having this national picture is important to understand financial commitments, resource allocation decisions and to provide context for local decisions being made. Following the 2021 Scottish Parliamentary elections the Scottish Government published its Programme for Government⁵⁷ where capital investment continues to be expanded but noted that prioritisation of health and social care continues to dominate with a commitment, for example, to “Capital investment of £10 billion over the next decade will see health facilities built and refurbished across Scotland.”
- 4.1.8 In May 2022 the Scottish Government published, alongside the Resource Spending Review, a Targeted Review⁵⁸ of the Capital Spending Review. This highlighted that three things had changed in the period since February 2021:
- Scotland received a lower than expected capital settlement from the UK Government's Autumn 2021 Spending Review – reducing the funding envelope by over £750 million;
 - the establishment of the new Scottish Government in 2021 with an increased commitment to tackle global climate and nature emergencies, reinforced by COP 26; and
 - Scotland faces the additional impacts of high inflation, supply chain pressures and business disruption due to a combination of the impact of the UK's exit from the European Union, the pandemic and the crisis in Ukraine.
- 4.1.9 The reliance on the UK Government for capital grant allocations, with limited capital borrowing powers, means the Scottish Government has concluded that it is not possible to immediately fund all the commitments from the existing spending review and those set out in the Programme for Government.
- 4.1.10 The refreshed Scottish Government MTFs presented an indication of the funding that it expects to have for Capital investment over the next four years. As shown in the table below, significantly that even under the Upside variant there remains a large capital funding shortfall vs the spending outlook.

⁵⁷ [Scottish Government, Programme for Government, 7 September 2021](#)

⁵⁸ [Scottish Government, May 2022, Targeted Review of Capital Spending Review](#) 2023/24-2025/26

Table 8: Illustrative Upside and Downside Capital Funding Scenarios (£m)⁵⁹

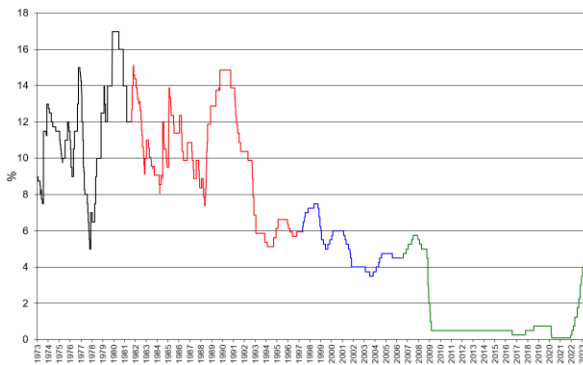
	2023-24	2024-25	2025-26	2026-27	2027-28
Central funding outlook	6,004	5,873	5,882	5,902	5,909
Upside scenario	6,004	5,873	6,033	6,209	6,378
% variation	0.0%	0.0%	2.6%	5.2%	7.9%
Downside scenario	6,004	5,873	5,835	5,808	5,769
% variation	0.0%	0.0%	-0.8%	-1.6%	-2.4%

Source: Scottish Government

4.1.11 It can be determined from this that there is no more funding for the Council to support increased investment locally and all of the additional cost associated with capital investment will have to be met by partners or by the Council borrowing more. The alternative is to reprioritise or reprofile the Capital Programme, as has been done twice in the last 12 months. The recent report to Finance and Resources Committee notes that the Chief Officer – Capital will present a review of the General Fund Capital Programme to the Committee in September.

4.1.12 The final bullet point is one that has been laboured throughout the earlier pages of this document, and evidence of the capital effect was clear last year as contracts and sites were paused to retender, stop and delay incurring costs that are extremely high. The report on supply chain volatility⁶⁰ that was considered by City Growth and Resources Committee remains relevant today, if not more relevant. That report presents a highly challenging capital investment environment, with costs of projects and timescales for projects rising higher and faster than has been seen for many years. The impact of actions taken to control inflation by the Bank of England, by increasing the cost of borrowing, means that there are multiple layers of financial effect. In historic terms the cost of borrowing has now risen to levels not seen in over a decade, raising the cost of future borrowing and countering the sense that we live in a low cost environment that will continue as the norm.

Chart 28: Bank of England base rate/minimum lending rate since 1973



Source: Bank of England

⁵⁹ [Scottish Government, May 2023, Medium Term Financial Strategy](#)

⁶⁰ [Aberdeen City Council, June 2022, Supply Chain Volatility report](#)

- 4.1.13 Projects costing more, requiring additional funding to support delivery and borrowing costing more than it did, it adds up to a reason to review the purpose, progress and value of the capital programme. As already said, this is being done and will be reported to Finance and Resources Committee in September.
- 4.1.14 The eyes of the world were on Scotland when COP26⁶¹ took place in Glasgow in 2021. Clear commentary from both UK and Scottish Governments demonstrates both funding being available, and investment required within the “Green Economy”. The Scottish Governments Infrastructure Investment Plan has as its first Theme: Enabling the transition to net zero emissions and environmental sustainability. It describes why this is important “Public infrastructure investment has a critical role to play in tackling the twin crises of climate change and biodiversity loss. We will increase spending on low carbon measures, climate resilience, and nature-based solutions.” The targeted review maintains that emphasis, with Climate change being included as an enduring priority.
- 4.1.15 One of the Verity House Agreement shared priorities is **transform our economy through a just transition to deliver net zero**, recognising climate change as one of the biggest threats to communities across Scotland. It is clear this remains uppermost in the minds Scottish and Local Government and action has to be taken. The overriding concern for the MTFs is the funding of this transition, as there are no clear routes for this and we should expect this to be iterative over a period of many years rather than something that will be funded now.
- 4.1.16 On 22 February 2023⁶², the Council agreed to “Join local authorities across the world which have responded to the twin crises of climate change and nature loss and declare a “Climate and Nature Emergency”; acknowledging the urgency of the crises, their cascading impacts and commit to address these emergencies.”
- 4.1.17 The commitment extends to a number of specific points:
- Commit to tackling the climate and nature emergencies together; recognising the many and various societal, economic and environmental co-benefits that can be achieved from taking action on climate change and nature recovery; including for skills, products, services, placemaking, health and wellbeing.
 - Reaffirm its commitment to take effective action through the current and successive Council Climate Change Plans to limit the impact from Council assets and operations and meet the Council’s net zero targets, climate resilience and nature recovery priorities.
 - Commit to continuing proactive work with other public, private, third and community sector partners towards Aberdeen becoming a net zero city by 2037 and to build climate resilience and nature recovery, delivering the Net Zero Aberdeen Routemap, enabling strategies; and Aberdeen Adapts, Climate Adaptation Framework.

⁶¹ <https://ukcop26.org/>

⁶² [Aberdeen City Council, February 2023, Notice of Motion by Cllr Yuill](#)

- Plan, develop and manage a Just Transition response to the climate and nature emergencies to ensure fair and positive societal change, tackling inequality and injustice.
 - Consider and address the impact, challenges and opportunities of climate and nature in all Council decisions, policies, strategies, plans and projects.
- 4.1.18 With Council ambition contained in the Net Zero Vision, the Council must seek to harness this over the medium term and is well placed to capitalise on its position within the energy market. In February 2022 the Council approved⁶³ the city-wide approach to addressing climate change, as articulated through a *Net Zero Routemap* which sets a net zero target for Aberdeen City by 2045 across six themes and the refreshed *Aberdeen Adapts*, providing a climate adaptation framework for Aberdeen.
- 4.1.19 Clear alignment within the Local Development Plan (LDP) and the future investment within the city (both by the public and private sector) are critical to providing land availability to allow future investment to take place.
- 4.1.20 The LDP clearly has ear-marked land for the Energy Transition zone and outline business cases are already in development to bring this aspect of the planning regime to life.
- 4.1.21 This is coupled with the already approved Strategic Investment Plan⁶⁴ approved by the Council and begins to articulate the future investment required to ensure the city is at the forefront of future energy sources as well as moving towards a net zero carbon footprint.
- 4.1.22 Investment in electric and hydrogen vehicles, sustainable energy sources for heating as well as Low Emission Zones will all be key to delivering a successful city of the future. All these investment strands are being brought forward at a pace to help deliver against this climate change backdrop. The Capital Programme approved in March 2023, took forward several initiatives, including investment in electric and hydrogen vehicles, charging infrastructure and hydrogen hub.
- 4.1.23 However, a city must be able to offer a much more diverse offering to attract the investment to make it a city of choice in terms of where to live and work. While pre-Covid-19 urbanisation was seen as the future in a post Covid-19 world this becomes blurred as human behaviour may well have changed forever.
- 4.1.24 As individuals and businesses seek to find a new “norm” the pressure on cities to redefine themselves will become ever more important. As people potentially work from home, children are educated out with a traditional school setting, on-line shopping becomes even more prevalent and other health issues begin to manifest

⁶³ Council, 28 February 2022, Climate Change: Citywide strategy and Council carbon budget [COM/22/054]

⁶⁴ [Net Zero Vision and Infrastructure Plan, UBC May 2020](#)

themselves traditional capital investment by a local authority needs to be paused and re-examined.

4.1.25 Where people live and the type of housing they live in will no doubt change in the future. For example, people working from home and children being educated in a blended way means the Council will have to adapt.

4.1.26 The current house building programme approved by the Council in February 2020, presciently, set a new “Gold Standard” which would ensure space in a residential setting would provide for:

- Space to work from home;
- Energy Efficiency and tackling fuel poverty;
- Dedicated space for children to learn at home;
- Dedicated “Green Space”; and
- Encouraging fit and healthy lifestyle (cycling and walking).

4.1.27 In support of the vision, the Net Zero Vision prospectus recommends five co-dependent strategic objectives that will support the economic imperative to transition to a different energy future beyond oil and gas anchoring talent and the energy supply chain; innovation and technology transfer; a new energy destination of choice; and leading and advocating for the city and energy sector:

- i. Leading the Global Transition - Our city is a world-class destination for inward investment in alternative energy research, innovation, and commercialisation, underpinned by our credentials and track record;
- ii. Accelerating Transition Demand - Our city and its institutions are an anchor of demand and aligned local investment for alternative energy technologies, infrastructure and services, particularly those relating to hydrogen, offshore wind, carbon capture, utilisation and storage, and decommissioning;
- iii. Resilient, Productive and Dynamic Place - Our city is recognised the world over as the resilient, productive and dynamic place at the heart of a world-class energy transition cluster;
- iv. Climate Positive Exemplar - We play our full part – as a climate positive advocate and exemplar – in meeting the headline global goal of the Paris Agreement on Climate Change by limiting average global warming to no more than 1.5oC above pre-industrial levels;
- v. Putting People First - Everyone contributes to and shares in the proceeds of an equitable, sustainable and prosperous transition and future.

4.1.28 The plan aligns to the overall objective of Aberdeen meeting the net carbon zero target by 2045 and, ultimately, to achieve climate positive status, and the goals of:

- Clean energy supply for the city, UK and internationally
- Aberdeen’s infrastructure is adaptable to changes in climate

- Sustainable mobility
- Building Energy Efficiency
- Sustainable Waste Management

4.1.29 Building on all of this, capital investment decisions on the future infrastructure requirements of the city will have to align to these principles.

4.1.30 The current Capital Programme for the General Fund was approved in March 2023 with investment of £732m in city projects over the five years to 2027/28. Details of the programme are shown in Appendix 2 and includes significant future investment in education and school estate, while supporting the modernisation of technology infrastructure over the five years. Funding for transport and for the City Centre and Beach Masterplans remains a core part of the approved programme, shifting the emphasis on transport towards alternatives to the car, prioritising public transport and infrastructure for electric and hydrogen technologies, as the same time supporting the transformation of the City Centre and the Beach areas. As referred to above, the programme is again being reviewed in light of economic conditions and capacity and supply chain challenges.

4.1.31 Shaping the future, taking account of the ambition described above will be managed within the framework of the Prudential Code for Capital Finance in Local Authorities, which requires this to be prudent, affordable and sustainable. With the financial challenge so significant in revenue terms, a choice will be to decide on the level of capital investment that is affordable and sustainable. Options would be to stop potential investment projects, reduce the scope or quantity of investment provided, and delay and extend the period of investment. These options would have an impact on both the financing costs of the projects but also the revenue implications of new facilities and assets being created and becoming operational.

4.1.32 Demand and forecasts of, for example, population will have to be balanced with those choices.

5. RESPONSE TO THE CONSOLIDATED MEDIUM-TERM OUTLOOK FOR THE GENERAL FUND

5.1 2023/24

5.1.1 The Council's allocation of resources and budget is set annually within the context of a commissioning cycle which aligns available resources to a broad range of commitments which are described through:

- Statutory duties;
- Implementation of the Council's Partnership Agreement;
- Commissioning intentions which support the delivery of the Local Outcome Improvement Plan and other strategic outcomes; and
- Service standards which specify the level of service to be delivered.

5.1.2 Having avoided making use of one-off funding streams in setting the 2023/24 budget it is essential that the Council balances its budget in-year and does not add unplanned expenditure into the financial modelling and MTFs. The monitoring of the current year is being carried out in line with the Council's quarterly financial reporting and cost pressures arising from population changes, particularly children and significant inflation and supply chain issues are creating a significant financial challenge in to the Council's financial resilience in 2023/24. Based on the Quarter 1 Financial Performance Report⁶⁵ the Committee noted that "...the General Fund full year forecast position remains very uncertain at this time and subject to the successful implementation of actions...and no further financial shocks, then a full year outturn position of 'on budget' is anticipated."

5.1.3 This does assume that pay negotiations do not create additional cost to the Council and that any additional monies required to reach an agreement are fully funded by the Scottish Government. While Teachers bargaining group have resolved the position for 2023/24, for all other staff the pay negotiations are ongoing. The Scottish Government has provided additional funding to partially support all the pay negotiations.

5.2 2024/25 and beyond

5.2.1 Resource allocation for future years will be derived from the council's commissioning cycle. Specifically, the services which the Council delivers will be reviewed annually with **analysis** of the operating environment through:

- Horizon scanning

⁶⁵ [Finance & Resources Committee, August 2023, Financial Performance Q1 report 2023/24](#)

- Scenario planning
- Strategy review
- An analysis of statutory duties
- An analysis of current and projected demand
- Performance levels achieved
- An analysis of financial data
- An analysis of contracts
- An analysis of workforce data

5.2.2 As described above the financial impact of this is captured in the financial models that support this MTFs. This analysis informs **planning** of future service designs which, at a detailed level, identify:

- Services to be commissioned and delivered
- Services to be changed through recommissioning
- Services to be decommissioned
- Eligibility criteria for those services
- Customer Access / Channels / Standards
- Income levels
- Organisation structure and workforce
- Location / Assets
- Suppliers and contracts
- Digital / Data systems
- The cost of services
- Significant risks associated with delivery of the service

5.2.4 Delivering a balanced budget across the Medium Term Financial Strategy must be tackled through a range of different approaches, using all of the opportunities that the Council has at its disposal where and when they are available. The tools that Aberdeen City has and has put in place to do this include:

- The Target Operating Model (TOM1.2) and transformation of the Council
- Multi-Agency Transformation
- Efficiency Savings
- Changing Service Standards
- Exercising discretion to increase income
- Statutory Function Review
- Reserves and Fiscal Flexibilities

5.3 *Future Transformation Priorities*

5.3.1 From 2017 Phase 1 of the Council's transformation shifted the organisation to a new way through the Target Operating Model (TOM). With the implementation of the TOM and delivery of the digital strategy, along with the delivery of required savings and a balanced budget over the five years (2018/19 to 2022/23), the Council refreshed

our transformation journey and the next phase of our Target Operating Model – TOM 1.2⁶⁶ was agreed in August 2023.

- 5.3.2 While transformation is not only about delivering the necessary savings; there is an even more crucial need for organisational culture to be strategically oriented towards the towards the capabilities envisaged by the Council’s Operating Model, for example, preventing customer demand, anticipating demand, supporting customers to manage their demand, and in the event, responding to the demand ensuring that staff are working with a focus on outcomes. A very deliberate attempt has been made, and will continue to be made, towards influencing the culture of the organisation as well as ensuring that all staff have the right skills and working environment practices to operate within a changing environment.
- 5.3.3 Building on our achievements, TOM 1.2 will focus on further embedding the design principles and capabilities, supporting deeper and broader service redesign, with digital as an enabler. Crucially it will enable the organisation to deliver savings required for the next 5 years from 2023/24 to 2027/28 as set out in this Medium-Term Financial Strategy (MTFS).
- 5.3.4 The objectives of TOM 1.2 are:
1. Support the Council to address the 5-year funding gap of £134m as outlined in the MTFS 2022.
 2. Continue to exploit digital technologies within the Council’s Digital Transformation agenda to enable services to adopt technology for various activities and processes, thus enabling the Council to fully leverage technologies to accelerate their processes.
 3. Develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within the Council’s operating model.
- 5.3.5 In addition to the Council’s own transformation programmes, we have established a Multi-agency Transformation Management Group and have worked collaboratively with partner agencies on transformational activity relating to digital services; use of assets; early intervention and prevention through the management of demand; and the design of specific services, with a particular focus on children’ services.
- 5.3.6 Looking forward and within the context described by this medium-term financial strategy, the Transformation Programme has been reviewed and refocused on the capabilities and actions to support deeper and broader service redesign which will be required to ensure financial stability in future years. The priorities for the next phase

⁶⁶ [Council, 24 August 2022, Council Target Operation Model \(TOM\) 1.2](#)

of the Transformation Portfolio will build upon our systemic redesign of services to ensure we respond to and shape future demand. Specifically, this transformation activity will focus on:

- Taking full advantage of the opportunities which are presented through the rapid acceleration of digital technology, the availability and management of data and how this can support both planning and transactional services for our customers. The council has, and will continue to, invest in new IT systems and technologies, to increase productivity and efficiency through end-to-end processes, customer journey and improvements in information and technology;
- The flexibility of our workforce and the ability to respond to different demands and a different environment. We will continue to invest in the culture, training and development that will deliver a diverse and inclusive workforce for the future;
- The use of our physical assets to support transformation of our services and deliver an increased return for the Council. The council holds significant physical resources such and through the implementation of an updated Asset Strategy we will continue to work to optimise the use of our assets. We will improve the use of data to ensure we fully understand the nature and value of our assets to support informed decision making; and
- Working closely with our partners, customers and communities to deliver inclusive, whole system redesign. Building on our work to identify and reduce negative demand, much of the demand which local authorities experience can only be effectively reduced through early intervention and prevention activity delivered jointly with our partners including, where appropriate “co-production” of local services with communities. Our partnership work will be driven through both Community Planning Aberdeen and the North East Multi-Agency Transformation Management Group.

5.3.7 In recognition of this approach the initial activity that has been done on our programme of work has resulted in a range of workstreams. While the detailed discovery, planning and analysis is carried out, working towards decisions being taken, a judgement of the value that the Council should be aiming to achieve has been forecast. This covers the transformation workstreams of the Council and also the Multi-Agency transformation that is being worked on.

5.3.8 The value that the Council places against those transformation programmes is included in the table below, which estimates the timescale for when those savings and income streams may be delivered. As the detail is worked through and decisions are taken on specific actions these values will be firmed up and locked in.

Table 9: Proposed Savings / Income Generated from Transformation Programmes

Assumed Savings/Income Generated through Transformation Programmes of Work	2024/25 Indicative budget saving £'000	2025/26 Indicative budget saving £'000	2026/27 Indicative budget saving £'000	2027/28 Indicative budget saving £'000	Total 4 Years Indicative budget saving £'000
Transformation of the Council	(7,611)	1,367	(2,699)	(12,744)	(21,687)
Multi-Agency Transformation	(500)	(1,025)	(1,285)	(1,200)	(4,010)
Total	(8,111)	342	(3,984)	(13,944)	(25,697)

5.3.9 This is not the total extent of what the Council expects to achieve from transformation. Opportunities to close the funding gap will arise that will impact directly on service levels and standards and may affect our commissioning intentions. These have not been baked into the MTFs 2023 and instead will form part of the consultation and engagement that will be undertaken widely through the Autumn, prior to the Council determining and approving a new budget for 2024/25 and beyond.

5.4 *Linked Strategies*

5.4.1 The Strategic Commissioning Committee agreed in November 2019 a revised Strategy Framework⁶⁷ which reframed the formal strategies of the Council to ensure their full alignment to the Local Outcome Improvement Plan and their consistency with each other. Through the adoption of the commissioning cycle, the council's strategies have a fundamental role in the strategic allocation of resources. This Strategy is a key plan which provides context and sets principles which must be reflected within the council's strategies. The council's agreed strategies are shown at Appendix 3, per Council Delivery Plan report, March 2023 [COM/23/074].

5.5 *Efficiencies*

5.5.1 These have been a necessity of local government financial settlements, that the sector does more with less year on year, and this has been essential given the real terms cut in funding that local government has received over the last decade, referenced earlier in the document.

5.5.2 Experience shows that managers year on year are able to deliver savings as part of business as usual, based on decisions to not purchase the same volumes of goods and services, to change the product or commodity that is purchased, to negotiate and tender for better prices, to identify if work can be done in a different way that improves productivity or removes inefficiency of historic work or procedural processes.

⁶⁷ [Strategy Framework, SCC, November 2019](#)

5.5.3 These do not have to be described as transformation or be a fundamental redesign, these can be achieved through behaviour, through capability and through access to advice and guidance on options. All this points in the direction of the principles of the TOM but results in savings that can be captured because the Council does things more cost effectively.

5.5.4 Part of the solution to the MTF5 budget gap is to year on year secure savings from business as usual, to capture a significant efficiency improvement that results in a lower cost base for the in-year and future service delivery. These efficiency savings are getting more and more difficult to identify. The assumption that has been made by the Council is that it should expect the following savings from achieving efficiencies going forward. These are summarised in the table below:

Table 10: Proposed Savings / Income Generated from Efficiencies

Assumed Savings/Income Generated through Efficiencies	2024/25 Indicative budget saving £'000	2025/26 Indicative budget saving £'000	2026/27 Indicative budget saving £'000	2027/28 Indicative budget saving £'000	Total 4 Years Indicative budget saving £'000
Efficiencies	(335)	(1,412)	0	0	(1,747)
Total	(335)	(1,412)	0	0	(1,747)

5.6 Raising Income

5.6.1 As described earlier the most significant fiscal lever at present is the Council Tax and the ability now for Councils to adjust this unconditionally means that it is an important tool to address rising costs on a recurring basis so that financial sustainability is also addressed, in part at least.

5.6.2 A key principle of the MTF5 is to exercise the discretion it has over local taxation and increase the Band D charge for Council Tax annually to support future budgets. In the current climate the strategic position to take is to plan for a real terms increase in the rate that Council Tax is charged so that the value keeps up with the rising costs that have to be funded. To address a significant budget gap in the future this provides an excellent means of doing so.

5.6.3 Other fees and charges, both internal and external, are valuable sources of funding. The description earlier in the document forecasts the change in the underlying value of the customer base and use of services that are charged, the MTF5 does not present the options or assume the value of additional income that can be generated as this is subject to the discretion of the Council. The principle is clear, that the Council must apply its Service Income Policy to support the effective and sustainable delivery of services where charges can be applied and exercise that discretion annually and collect the income that is rightfully owed.

- 5.6.4 Further insight into the core income streams that the Council relies upon is included in the Financial Resilience Framework, described in Section 6.
- 5.6.5 Overall financial sustainability is improved where there is income being received to cover costs and that the income is recurring. With the ability to exercise discretion over only on a number of the lower value funding streams from fees and charges (i.e. excluding Council Tax) the Council should do what it can to secure additional revenue annually in support of the budgets.

5.7 *Statutory Function Review*

- 5.7.1 Local authorities have a wide variety of duties and powers under Scottish and UK legislation – these are our statutory functions. Most of the services delivered by Councils are statutory functions. A sample of those functions was provided in the report to Council in December 2022⁶⁸ for illustrative purposes. It was noted that this is not an exhaustive list - there are many hundreds of duties and powers vested in councils making the task of capturing these considerable.
- 5.7.2 The purpose and in response to the Medium-Term Financial Strategy, is a review of the Council's main statutory functions by Legal Services, in consultation with Chief Officers. This review seeks to identify opportunities for how these functions could be delivered through alternative mechanisms and not by the Council in other words, transferred, or rearticulated within the relevant legislation to alter the requirement. In either scenario, changes would be required to the law to remove duties and powers from local authorities. There will be income and expenditure implications for Councils but it does not prevent the review establishing what is possible.
- 5.7.3 At present there are no assumptions or judgements made about the potential financial benefits or costs that may arise from the exercise. It provides an opportunity for shifting the Council, as funding fails to keep up with rising costs.

5.8 *Reserves and Fiscal Flexibility*

- 5.8.1 The opportunity to use reserves, while a legitimate funding source it must always been seen and dealt with as one-off in nature. The Council position on Reserves is included in Section 6.
- 5.8.2 The emergence of fiscal flexibilities over the last two years, brought on or progressed at pace because of the impact of the pandemic, has provided local government with opportunity to take one-off savings or income streams to assist in managing the financial position. The Council has taken advantage of these in recent years, using capital receipts to support the voluntary severance and early retirement of staff rather

⁶⁸ [Aberdeen City Council, December 2022, Statutory Function Review COM/22/288](#)

than charge that to revenue budgets; in 2022/23 the Council deferred the repayment of debt principal (or more accurately, it did not have to account for the repayment thereby meeting legal obligations to repay debt as it falls due while achieving a saving); and finally in 2023/24 the Budget⁶⁹ meeting of Council agreed to exercise the final flexibility, the Service Concession.

- 5.8.3 As stated earlier these are legitimate and appropriate sources of income or achieving savings provided they are treated properly and responsibly. This includes consideration of the benefits that are achieved from a one-off source of funding – it is recommended that a return is received in the form of financial (and non-financial) benefits from what can be classified as investment, spend to save being a well-used term to describe it. Transformation for example will require a level of investment to make the change take effect and an example where the Council has undertaken this has been using a Transformation Fund, where money is committed and drawn down to support technology or skills investment that once purchased delivers a saving or new income stream. In respect of the Service Concession Flexibility, the reserve that will be created is committed to funding the reduction of the workforce, through the Voluntary Severance / Early Retirement Scheme which requires upfront funding for longer term financial benefit.
- 5.8.4 Where a one-off solution is filling a budget gap, enabling services to continue as currently delivered for example then due consideration of the implications must be taken, identifying where and when they are being used and adjusting future financial planning to reflect the decisions taken.

5.9 *Conclusion*

- 5.9.1 The challenge set out in the MTFS is increasingly significant and increasingly uncertain with the gap in the scenarios growing. The Council will have difficult decisions to make to balance the budget gap over the 5 years, particularly in light of the economic environment, the ongoing and extreme market conditions in which we operate and a reinforcement, through the SG MTFS, that the Scottish Government are not going to, or cannot afford to, provide additional funding to meet the rising cost of services over the medium term.
- 5.9.2 The solutions come from a mixture of actions. The work that was started 5 years ago through the Target Operating Model entered a new five-year period last year with the ambition to contribute towards the 2022 budget gap, referencing the central scenario outlined in this. The Council needs the Transformation programmes outlined in TOM

⁶⁹ [Aberdeen City Council, March 2023, General Fund Revenue & Capital Programme 23/24 -27/28 RES/23/085](#)

- 1.2 to deliver the savings required in the timeframe and is determined that these programmes of work deliver cashable benefits as outlined above.
- 5.9.3 Multi-agency work, through our engagement and working together with partner organisations also provide the opportunities to use resources more effectively across organisations, savings must be delivered from these programmes of work too.
- 5.9.4 Efficiencies will play an enduring part of managing the budget position and to drive out where efforts can be taken to be more cost effective, productive and efficient in what the Council does, this is across the Council not just a select few.
- 5.9.5 Additional scrutiny of the Council's statutory duties has been undertaken and will be developed further to determine what options are available to support the balancing of the budget in the future, through the transfer or realignment of statutory responsibilities away from the Council. Further reporting to Council will be complete d in this respect in the coming months.
- 5.9.6 On a regular and consistent basis the use of the discretion that the Council has to increase income to support the cost base it has should be taken, whether fees and charges, new discretionary powers or Council Tax. Securing income is a fundamental part of making the Council sustainable over the medium to long term.
- 5.9.7 Finally there is the option to consider how one-off funding streams (that may be available) are applied to the financial position, and care will need to ensure that these finite resources are used to the medium and long term benefit of the Council's financial position, preference being for receiving a clear financial return from investment of one-off funding.
- 5.9.8 Through a combination of all these mechanisms the Council aims to find the solutions that balance the financial challenges over the next five years.
- 5.9.9 The net position for the Central Scenario, taking account of the assumptions and judgements about what the transformation programmes and efficiencies will deliver over the next four years provides a revised budget gap as shown in the following table:

Table 11: Central Scenario Forecast from 2023/24 to 2028/29 (Net)

Budget Forecasts - General Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Children's & Family Services	232,160	245,123	253,425	258,636	263,501	268,307
Commissioning	18,565	20,776	22,040	22,677	23,276	23,860
Customer	42,404	47,800	51,099	53,233	55,040	56,690
Integrated Joint Board	120,781	120,781	120,781	120,781	120,781	120,781
Resources	53,259	63,230	71,530	74,640	79,006	81,038
Corporate	91,725	104,564	112,124	123,052	136,348	143,976
	558,894	602,275	630,999	653,019	677,951	694,651
Funded By						
General Revenue Grant	(154,116)	(158,466)	(158,289)	(159,651)	(161,025)	(162,412)
NNDR	(257,797)	(257,797)	(257,501)	(259,780)	(262,079)	(264,398)
Council Tax	(137,908)	(138,977)	(140,047)	(140,564)	(141,082)	(141,599)
Use of Reserves	(9,072)	(3,577)	(3,577)	(3,577)	(3,577)	(3,577)
	(558,894)	(558,818)	(559,413)	(563,572)	(567,763)	(571,986)
Gap (Cumulative) Per Table 6	0	43,457	71,586	89,447	110,188	122,665
MTFS Assumptions re Savings from:						
Council Transformation	0	(7,611)	1,367	(2,699)	(12,744)	0
Multi-Agency Transformation	0	(500)	(1,025)	(1,285)	(1,200)	0
Efficiencies	0	(335)	(1,412)	0	0	0
Net Position (Central Scenario)	0	35,011	62,071	75,948	82,745	95,221

5.9.10 If the values assumed as savings are included in the Upside and Downside Scenarios too then the financial challenge is summarised as follows:

Table 12: Revised MTFS Budget Gap Scenarios (after Savings, above, are applied)

After Assumed Savings:	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
General Fund Budget Gap	£M	£M	£M	£M	£M	£M
Downside Scenario	0	65	124	168	201	240
Central Scenario	0	35	62	76	83	95
Upside Scenario	0	10	18	13	-2	-3

5.9.11 The Upside scenario shows that balancing the MTFS over the five year period is possible taking account of the assumed transformation savings, income generation and efficiencies however there is still work required in the early years to balance the in-year budgets. Given the low likelihood of the Council facing the Upside scenario given all that is described in this report the Central Scenario remains the focus of attention for officers. The changing nature of the financial and economic conditions mean that the Council must be aware of and able to respond to a shift towards the Downside scenario.

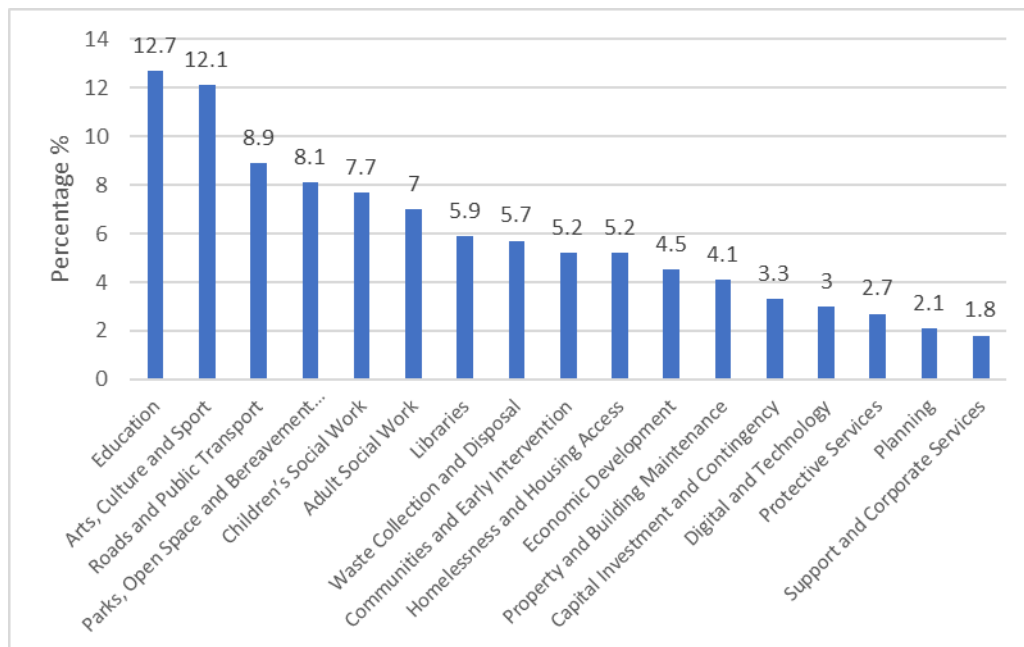
5.10 Consultation & Engagement

5.10.1 The Central Scenario will be subject to consultation and engagement in line with the Budget Protocol, approved as part of the Scheme of Governance⁷⁰.

5.10.2 Phase 1 of engagement has taken place during the summer, with an online survey tool being deployed to the Council website to gather an understanding of the preferences and priorities of the general public. A total of 3,192 responses were received during the first phase, which ran throughout July.

5.10.3 Participants were asked to award exactly 100 points in batches of 5, 10, 15, 20 or 25 across 17 different service areas as way of indicating what mattered most to them. Points for each service area were added up to give a percentage share of the total points awarded, shown below:

Chart 29: Percentage of points received by 17 Service Areas in Phase 1 Consultation



5.10.4 A range of comments were received, 159 people providing a final additional comment on the survey. On initial analysis the sentiment expressed in these comments varied in nature from very negative to very positive, with the predominant sentiment evaluated as moderately negative. A very small cross section of the type of comments provided included:

Very Positive: "This is a fantastic idea for people to be engaged in the budget process."

Moderately Positive: "All the services matter, but to me, health and prevention save money across the board..."

⁷⁰ [Aberdeen City Council, June 2023, Scheme of Governance Review COM/23/162](#)

Moderately Negative: “Invest in places for kids to go. They have free transport, to go where?...”

Very Negative: “Stop allowing so many houses to be built and then struggle to provide services for the people who move into them...”

- 5.10.5 Overall the comments contained a very wide range of subjects that interested and were important to those who took the time to fill in the survey. Reference to ‘Services’ with mentions of buses, libraries and sports services, and ‘Council’ also featured often with reference to council tax and staff.
- 5.10.6 The Council collected demographic information that provides an additional level of detail. Some graphs based on the data have been produced in Appendix 4 to represent the information that has been collected. The Council is working on producing additional information to enable comprehensive disclosure of the data received.
- 5.10.7 In the Autumn the Council will publish the second phase of the consultation and engagement and will give people the chance to explore detailed options for producing a balanced budget, including finding necessary savings and raising income.
- 5.10.8 The Central Scenario, shown above at 5.9.10 will be the basis of the phase 2 consultation exercise, covering the period 2024/25 to 2027/28, the final budget that will be considered during this Council term.

6. RESERVES AND FINANCIAL RESILIENCE FRAMEWORK

Useable Reserves

- 6.1 Local authorities must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.
- 6.2 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.
- 6.3 Therefore, reserves are mainly available to;
- ✓ Manage the impact of cuts over a longer period;
 - ✓ Invest in schemes that allow services to be delivered cheaper;
 - ✓ Take “one-off hits” for the council as a whole without the need to further reduce service budgets;
 - ✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;
 - ✓ To temporarily roll over unused portions of grants that can legally be used at a later date;
 - ✓ To insure against major unexpected events (such as flooding);
 - ✓ To guard against general risk (such as changes in contingent liabilities);
 - ✓ To guard against emergent specific risks (such as Covid-19).
- 6.4 The likelihood of these risks arising is predicted to continue to increase.

Reserves Statement⁷¹

- 6.5 The council’s policy on reserves is outlined within the MTFS principles as follows:
- The council will maintain its general reserve at a minimum of £12m to cover any major unforeseen expenditure. The council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the unearmarked General Fund Reserve.
 - The council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed annually.

⁷¹ [Council Reserves Statement, March 2023, Report number 6, Appendix 6](#)

- The council's general reserve is available to support budget setting over the period of the MTFS and usage should be linked to the achievement of financial sustainability over the medium term.

Review of Reserves

6.6 A review of reserves is undertaken twice a year and covers:

- The purpose for which the reserve is held,
- An assessment of the appropriate level of the reserve to meet potential future liabilities, in line with the Council's reserves policy and aligned to the risk management framework,
- Procedures for the reserve's management and control,
- A process and timescale for future reviews to ensure continuing relevance and adequacy.

6.7 The Audited Annual Accounts for 2022/23⁷² show the balance of General Fund usable reserves of £86m (including earmarked reserves of £74m).

6.8 An explanation of each earmarked reserve and values as at 31 March 2023 can be found in the council's audited annual accounts for 2022/23.

6.9 For financial resilience the council should consider use, replenishment and increase of the unearmarked General Fund Reserve over the MTFS period.

6.10 The overall level of financial resources available to the council is finite and therefore any continued use of reserves cannot be sustained in the longer term without placing the council's financial position at risk. The MTFS recognises that the council's financial reserves are maintained at a prudent level to protect present and future council services.

6.12 The council accepts that while balancing the annual budget by drawing on general reserves can be in certain circumstances a legitimate short-term option it is not considered good financial management to finance recurrent expenditure in this way. Where this approach is adopted, the council will be explicit as to how such expenditure will be funded in the medium to long term to achieve financial sustainability. The council recognises that usage of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term.

Financial Resilience Framework

6.13. Introduction

6.14 For Local Authorities generally, the measure of financial resilience has been to consider rely on in-year contingencies and its Reserves Policy.

⁷² [Audit, Risk & Scrutiny Committee, August 2023, Audited Annual Accounts 2022/23 \(RES/23/261\)](#)

- 6.15 The Council acknowledged, in the reports to the Urgent Business Committee and City Growth and Resources Committee in 2020, that financial resilience was a crucial aspect of financial management that became more important in times of crises, such as a global pandemic.
- 6.16 It was recognised that financial resilience was more than about its reserves and there was a need to be more comprehensive in the assessment of the measures of resilience. In the Medium Term Financial Strategy 2020, approved on 28 October 2020 it was agreed that the Council's approach to financial resilience was to be developed further.
- 6.17 While the Covid-19 pandemic brought a specific focus to the subject, it was not the sole reason for further work. The ongoing national debate on the financial sustainability of the local government sector in Scotland, the increasing number of local authorities in England in recent years that have found themselves in financial difficulty, resulting in Chief Financial Officers having to prepare formal s114 notices.⁷³
- 6.18 There has been greater emphasis from external auditors on the assurance and demonstration of the concept of 'going concern' for local authorities and this being a key area of audit activity now.
- 6.19 All of this adds up to the need for greater attention to be paid to the financial resilience of the Council and to consider what financial resilience is, how it is defined and measured and what it leads us to do.
- 6.20 The development of a financial resilience framework to shape the Council's understanding of key aspects of financial strength is the starting point and to define the areas that are most appropriate to consider. Further work will be done to develop this further, to look at the comparators and where this applies, and to consider in more detail the exposure the Council has from its Group entities.
- 6.21 The framework is developing in terms of the data that we are collecting, and it will continue to be further developed to support our approach to financial resilience.
- 6.22 **Background**
- 6.23 The Council has always reviewed and paid attention to its usable reserves, those that it can draw on in a time of need. To this effect the Council has in place its Reserves Policy, which it reviews annually as part of the budget setting process. This is done in the context of assessing the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on

⁷³ Section 114 notices are the mechanism through which English local authorities report that they are unlikely to achieve a balanced budget for the financial year.

the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.

- 6.24 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.
- 6.25 Therefore, reserves are mainly available to;
- ✓ Manage the impact of cuts over a longer period;
 - ✓ Invest in schemes that allow services to be delivered at lower cost;
 - ✓ Take “one-off hits” for the council as a whole without the need to further reduce service budgets;
 - ✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;
 - ✓ To temporarily roll over unused portions of grants that can legally be used at a later date;
 - ✓ To insure against major unexpected events (such as flooding);
 - ✓ To guard against general risk (such as changes in contingent liabilities);
 - ✓ To guard against emergent specific risks (such as a pandemic or financial crisis).
- 6.26 The Council looks at financial resilience as a much wider subject as it is about our ability to anticipate, prepare for and respond to the changing financial environment, derived from internal decisions and external factors. To be financial resilient, is to know what would be available in the time of crisis, is to understand the exposure to loss of income, and commitment to expenditure, as well as understanding the flexibility the Council has in terms of accessing funds when they are needed.
- 6.27 In this strategy financial resilience has been broken into the following four areas:
- Review of the Council’s Balance Sheet
 - Capital financing; investment, and borrowing
 - Build financial resilience and independence
 - Identify those that should pay by minimising fraud and avoidance
- 6.28 Maintaining a strong balance sheet provides the assurance that the Council can respond in the time of crisis, it can meet its obligations and provides confidence in the Council’s ability to participate with our full range of stakeholders. They include our external auditors, our bond holders, credit rating agency, contractors and suppliers, and ALEOs. Notably the Local Government Benchmarking Framework (LGBF), in the analysis of 2019/20 it started to incorporate financial sustainability information which

is of a similar nature. This provides a Scotland wide comparison of some of the key elements that are included in the Council Framework.

6.29 Supporting our resilience in our balance sheet includes:

- In-year financial performance to manage the budget position, including cashflow;
- An annual review of the balance sheet by our treasury advisors, with a focus on capital financing requirement, liquidity and long-term borrowing;
- Regular review of usable reserves and the appropriateness of sums earmarked; and
- Regular review of provisions held.

6.30 Bringing all of this together to provide the information to the Council in a form that it can take account of in its decision making is an important next step. To inform that, further consideration has been given to the LGBF financial sustainability measures, CIPFA Resilience Index that has been prepared with English Local Authorities, Moody's credit rating assessment reports and careful thought about what is important to the resilience of the Council the areas will be refined to be more specific.

6.31 **Framework**

6.32 The framework has the following components:

- Council reserves and liquidity (*the availability of resources*);
 - Reserves
 - Net Worth
 - Liquidity
 - In this section further work is anticipated regarding the Council exposure to its Group
- Capital financing; investment, and borrowing (*the creation of resources and gearing*);
 - Capital Finance Requirement
 - Debt
 - Prudential indicators
 - Investment
- Build financial resilience and independence (*the longevity and trends in resources*);
 - Top income streams
 - Top expenditure commitments
 - Operational Cashflow understanding
 - Exposure to areas of high demand (e.g. Adult and Children Social Care, Education), with consideration also to be given to the proposals for a National Care Service in Scotland
 - In this section further work is anticipated regarding the Council exposure to its Group

- Identify those that should pay by minimising fraud and avoidance (*the security of resources*).
 - Counter fraud policy and procedure
 - Counter fraud resource
 - National Fraud Initiative
 - Internal and external audit assurance
- 6.33 The Council’s financial resilience framework now sits within this document and has been populated based on the audited annual accounts up to 31 March 2023.
- 6.34 The framework uses relevant information to measure the Council finances using the Financial Statements and additional information obtained from the Annual Accounts. This provides the data to calculate a consistent set of relevant ratios that are important to measuring the strength and depth of the Council finances.
- 6.35 The intention is to go further and understand other aspects of the Council’s financial position using trend data to consider the impact of history and where possible to look forward based on Council approved plans and strategies. This remains work in progress with resources required to consider fully.
- 6.36 The relevance and purpose of ratios needs to be carefully considered as they should all have a purpose. The proposal is to avoid simply listing lots of calculations just because they can be calculated, they will have a defined purpose. Examples of the type of ratio that are likely to be included are:

Ratios/Measures	2019/20	2020/21	2021/22	2022/23	
Availability of Resources					
Usable Reserves / Net Revenue inc. HRA (%)	10.8%	16.4%	22.0%	25.0%	☑
Usable Reserves - GF / Net Revenue (%)	7.7%	14.2%	15.7%	16.4%	☑
Usable Reserves - HRA / HRA Revenue (%)	12.7%	14.3%	14.7%	16.0%	☑
Reserves Sustainability Measure	6.6	100.0	100.0	100.0	☑
Level of Usable Reserves	10.8%	16.4%	22.0%	25.0%	☑
Change in Usable Reserves	-31.4%	50.7%	128.5%	159.4%	☑
Council Tax Requirement / Net Revenue (%)	26.9%	24.5%	25.5%	25.4%	☑
Unallocated Reserves	2.6%	2.5%	2.4%	2.3%	☑
Earmarked Reserves	5.1%	11.7%	13.3%	14.1%	☑

Ratios/Measures	2019/20	2020/21	2021/22	2022/23	
Change in Unallocated Reserves (over last 3 years)	5.4%	10.0%	16.1%	0.8%	☑
Change in HRA Reserves (over last 3 years)	13.3%	24.6%	23.6%	22.7%	☑
Current Ratio	77.2%	81.6%	63.6%	49.7%	⚠
Working Capital	£0k	£0k	£0k	£0k	⚠
Creation of Resources & Gearing					
Net Worth / Net Direct & Indirect Debt (%)	88.1%	101.8%	101.9%	97.4%	⚠
Net Direct & Indirect Debt / Net Revenue inc. HRA (%)	247.6%	228.9%	235.8%	248.2%	⚠
Capital Financing Requirement / Total Gross Income (%)	119.7%	115.8%	121.9%	142.2%	⚠
Short-Term Direct Debt / Direct Debt (%)	16.9%	18.8%	17.6%	22.4%	⚠
Interest Payments - GF / Net Revenue (%)	10.0%	7.9%	8.5%	9.7%	☑
Interest Payments - HRA / HRA Revenue (%)	7.4%	5.7%	6.5%	10.0%	⚠
Interest Payments / Net Revenue inc. HRA (%)	9.6%	7.5%	8.1%	9.7%	☑
Net Worth	£1,216.0m	£1,413.2m	£1,461.1m	£1,500.8m	☑
Gross External Debt	£1,380.3m	£1,387.7m	£1,433.6m	£1,541.6m	⚠
Longevity & Trends in Resources					
Adult Social Care Ratio	19.6%	18.7%*	20.9%	23.4%	⚠
Children Social Care Ratio	10.4%	8.7%*	8.7%	n/a	☑
Education Ratio	39.0%	36.5%*	35.9%	n/a	⚠
<p>* Note: 2020/21 figures show the impact of increased government funding to support the Covid-19 pandemic, which means that Net Revenue for the year was increased beyond the approved Local Government financial settlement, money was received late in the financial year and remained unspent at 31 March 2021, also resulting in increased useable reserves. This should be considered when reviewing the indicators – 2020/21 was not a regular year.</p>					

- 6.37 The data on income and expenditure trends has been taken from audited Annual Accounts, budgets, CIPFA and Scottish Government returns, the contracts register and Scottish Government finance circulars.
- 6.38 For the purposes of materiality and relevance, we have focused on the highest value 'top 20' income streams and expenditure commitments that the Council has (Appendix 1).
- 6.39 Security of resources will rely on the three lines of defence in the Risk Assurance Maps, including findings and the opinion of internal and external auditors.
- 6.40 **Using the Financial Resilience Framework**
- 6.41 Financial resilience ratios, trends and data collated to support a comprehensive view of the Council is not about there being one answer, nor is about a statement of right or wrong. Instead, it is about providing context for decision making and planning. Through understanding other aspects of Council finance, it's expected the Council can consider more than simply balancing the budget. This might include decisions to grow reserves or address an adverse trend in expenditure commitments or reduce borrowing. This will assist the Council to be well informed and can make the choices it is entitled to make.
- 6.42 Councils have a very long history and decisions have been taken at different times for different reasons both at a local and national government level that leaves each Council today in the situation it is. Therefore, every Council is in a different position, no two Councils will have experienced the same history and it is inevitable the financial resilience of all will be different.
- 6.43 The financial resilience framework is to be used as the basis for understanding the underlying financial position of the Council, from which decisions must be taken, to provide the basis for highlighting where action is required or where it should be considered. The opportunity to get an insight into aspects of Council finance that may only emerge over time and that on an annual cycle could be overlooked or not given sufficient consideration.
- 6.44 Some ratios having a direct impact on the short-term financial planning of the Council, while other being considered with aspiration and objectives stretching out over the medium to long term.
- 6.45 The data can act as triggers for action, with the final chosen ratios, where appropriate, to have in place some parameters to define or describe the urgency, scale and pace of action that is required. As the information accumulates then it can act as an early warning of emerging pressures.

- 6.46 Interpretation of the data has been indicated in the table at 6.36 and if the ratio appears to be stable or improving ☺ or if we should be watching it ☹.

Chief Officer – Finance : Summary

- 6.47 In relation to the “Availability of Resources” indicators there is an unnatural financial position created by the funding provided to support the Covid-19 pandemic as at the end of March 2021. Increased income was paid late in financial year 2020/21, resulting in large sums of funding being carried forward by the Council and this was replicated in all other Scottish Local Authorities. The indicators do show that the Council has maintained its strong reserves position going into subsequent financial years with healthy values of usable reserves and an appropriate sum uncommitted for specific purposes. Rising reserves in 2021/22 and again late funding in respect of resettlement programmes for Ukrainians in 2022/23 pushed reserves further upwards, as did a revaluation of long term investments and a recategorization of capital grants, which are all committed for future projects. Working capital values and the standard affordability test don’t present what would be seen as an ideal position (i.e. over 100%) but given the Council’s statutory position and treasury management strategy there are no concerns about being unable to meet short-term obligations.
- 6.48 The Council has maintained strong financial performance into 2022/23 and based on the assumptions within the Quarter 1 Financial Performance results, referred to earlier, the Council aims to maintain a balanced budget although this relies on continued delivery of the budgeted savings and no exposure to additional financial shocks or liabilities. At present use of earmarked reserves is limited to the purposes they are held for and the Council continues to hold uncommitted usable reserves, which it expected to be retained at the end of the financial year.
- 6.49 The ‘Creation of Resources & Gearing” indicators show the cost of capital investment being affordable, but there is upward pressure, where the cost on the HRA is now 10% of net revenue. Upward pressure is also coming from the high inflation levels and this applying to financing arrangement such as the Bond where the additional cost, alongside rising interest rates has the effect of increasing the future Loans Fund pooled interest rate. This is important as this underpins the calculation of changes that the General Fund and HRA will have to fund in the future. The means of reducing this would be through reducing expenditure (reducing the capital programmes) increasing external grant funding or contributions from partners. The Council has applied all the most recent accounting policy options in respect of the capital financing costs and prudently extending the useful lives of assets to better reflect the actual consumption of the assets a few years ago.

- 6.50 The value of total external debt must be viewed in the context of the overall assets and resources of the Council as debt arises from investment in our assets. The Net Worth of the Council, after accounting for the debt owed, was £1.5bn at 31 March 2023. The value of debt has increased over the years in line with the capital programme decisions that have been made for both General Fund and Housing. Through reference to the approved Prudential Indicators, that accompanied the 2023/24 budget in March 2023, the capital financing requirement is planned to increase and there will be corresponding increases to the annual repayment values. These have been included in the financial scenario planning within this strategy. Rising interest rates have also been factored into forward projections in the MTFs for the cost of financing debt however the cost of borrowing is continuing to increase and inflation impacts approximately 25% of the external debt, the remaining 75% being based on fixed interest agreements.
- 6.51 The longevity and trends in resources is the least developed currently, and while there is information available it requires further analysis before fully presenting it. That includes the schedule of most valuable income streams and highest value contractual obligations and have been updated to show 2022/23 as the base year. These are shown in Appendix 1.
- 6.53 An overview of the top 20 income streams shows a picture of generally increasing income on major areas of the budget. Notable however is the extent to which high value income is often associated directly with spend on specific functions and obligations, such as Housing Benefit (where the downward trend is to be expected due to the rollout of Universal Credit), and the Aberdeen Roads Ltd Contract payment, which matches the expenditure also incurred.
- 6.54 General Revenue Grant shows the impact of additional funding being provide and passported to the Health and Social Care Partnership through the financial settlement and direction of Scottish Government. There has also been funding to support pay awards now for the last two years and this is making a difference. None of this represents an underlying increase in funding for core/current services making the analysis complex. Council Tax increases in recent years is showing as a positive development. It is also worth highlighting the non-recurring nature of the Ukrainian Resettlement funding that was paid in 2022/23, while some additional funding is expected in 2023/24 this is subject to change as the crisis develops further.
- 6.55 Over the 20 categories of income it represents over £830m of income to deliver the gross cost of Council services amounting to approximately £900m, or 92% showing how much the Council relies on these very specific funding streams.
- 6.56 A substantial element of that income is subject to statutory or policy review and highlights the levels of funding associated with the National Care Service (Scotland)

Bill that is currently still at Stage 1 of the Parliamentary process. The Council can expect to lose the income and should require that all of the associated costs are also transferred away if that proves to be the case, although this may materialise as differently if staff, assets and services will remain with local government – perhaps through direction / conditions in the financial settlement.

- 6.57 Looking at the expenditure table, there is substantial fixed cost associated with the top 20 commitments, determined and influenced by national conditions, contractual obligations and statutory duties. Representing over £670m of expenditure it demonstrates the categories of spend that need to be influenced and changed to support major resource changes, savings and cost reductions. The capital financing figure referred to is artificially reduced in 2022/23 too, as the Council agreed to defer the accounting for debt principal repayment for a single year as permitted by Scottish Government. This will mean higher costs in 2023/24.
- 6.58 As noted above there are many of these expenditure categories or contracts that need to be looked at as cost neutral as the income is funding the delivery of our services. The Council should continue to ensure that is the case and not commit additional expenditure/cost to these fully funded areas of spend.
- 6.59 Similar to the income the influence of potential change coming in the future from statutory or policy changes and review is an important factor, and the Council should use this as a means of determining how cost reduction can be incorporated alongside the changes.
- 6.60 **Future development**
- 6.61 As referred to above, the Council has group entities that are incorporated into its accounts and therefore holds risk and reward from the relationships that it has. Given the cost of living, inflation and supply chain challenges plus the legacy impact of the pandemic on the group entities, to work with them and analyse their balance sheets and income and expenditure sensitivities, will be an important next step in understanding the relevant exposure that the Council has to each and to document this in an appropriate way. Prioritisation of this work is required when resources allow.
- 6.62 The ambition is that with further development and engagement with stakeholders in Scotland this can become more meaningful. Work already published in the LGBF from 2019/20 onwards shows the extent of variation in respect of some of the key indicators that support sustainability and care needs to be taken in interpreting the results, particularly differences between Councils where, for example, some no longer have Housing Revenue Accounts.

6.63 Further work will have to be done on appropriate comparison with other Councils to set the Aberdeen City data in context, rather than for direct comparison, as each Council is following a different strategic plan and are at different stages in those plans and by using information from a common data set, prepared using the same accounting standards it gives the opportunity to compare the Council with its peers. Taking this forward, our Framework has been shared with the Director of Finance Section for Scottish Local Government and has been added to their work plan. Conclusions and recommendations from that work will be updated as part of future strategies.

APPENDIX 1 : TOP 20 INCOME AND EXPENDITURE CATEGORIES

Top 20 Revenue Income Sources by Value 2022/23							
Title	Type of Income	2022/23 Actual Value £'000	last 3-year change (20/21) £'000	last 5-year change (18/19) £'000	Continues for at least 5 years?	Subject to regulation/ policy change in next 2 years?	Dependencies
1 GRG + NDR Distribution	Non-Specific Grant	390,013	10,320	68,184	Yes	Yes	Barclay review - Spending Review
2 Council Tax	Fiscal Powers	133,137	9,736	16,616	Yes	Yes	SG / LG Fiscal Framework Outcomes
3 Building Services	Fees & Charges	51,567	17,556	13,530	Yes	No	HRA work programme
4 NHS Grampian	Specific Grant	46,012	(5,449)	8,576	No	Yes	NCS (Scotland) Bill
5 AWPR / Aberdeen Roads Ltd	Specific Grant	44,406	(191)	27,911	Yes	No	Contract terms and conditions
6 Housing Benefit	Specific Grant	36,222	(19,476)	(8,814)	Yes	No	Universal Credit & Economic Conditions
7 Capital cluster - General Fund Capital	Fees & Charges	23,221	(10,290)	5,634	Yes	No	Capital programmes
8 Property Letting	Fees & Charges	22,847	9,642	10,940	Yes	Yes	Economic conditions in Aberdeen
9 ELC Expansion	Specific Grant	22,167	(3,905)	22,167	Yes	Unknown	Distribution formula & ELC Quantum
10 Ukrainian Integrated Support	Specific Grant	14,794	14,794	14,794	No	Yes	No of Ukrainian refugees
11 Aberdeenshire Council Charges	Fees & Charges	12,429	(14,433)	6,283	Yes	No	Capital programmes
12 Adult Social Care Residential	Fees & Charges	10,669	3,349	2,259	No	Yes	NCS (Scotland) Bill
13 Capital cluster - Housing Capital	Fees & Charges	6,109	4,449	(86)	Yes	No	Capital programmes
14 Parking Charges/Fines	Fees & Charges	4,279	692	(3,342)	Yes	No	Customer behaviour
15 Moray Council Charges	Fees & Charges	2,903	(3,628)	2,697	Yes	No	Capital programmes
16 Planning / Building Control Fees	Fees & Charges	2,181	443	(171)	Yes	No	Statutory basis, no local discretion
17 Common Good Charges	Fees & Charges	2,102	256	682	Yes	Yes	Council review of Common Good
18 NESPF Charges	Fees & Charges	2,071	288	657	Yes	Unknown	National LGPS Review in Scotland remains a commitment
19 Bereavement Services Fees	Fees & Charges	1,747	(97)	486	Yes	No	Competition
20 Garden Waste Charges	Fees & Charges	1,443	310	1,443	Yes	Yes	Review under Partnership Agreement
		830,319	14,365	190,447			

APPENDIX 1: Top 20 Income and Expenditure Categories

Top 20 Revenue Expenditure Commitments by Value 2022/23							
Title	Type of Expenditure	2022/23 Actual Value £'000	last 3-year change (20/21) £'000	last 5-year change (18/19) £'000	Continues for at least 5 years?	Subject to regulation/ policy change in next 2 years?	Dependencies
1 Pay bill - non teachers	Staff	218,419	32,969	38,209	Yes	No	Local Terms & Conditions & National pay negotiations NCS (Scotland) Bill
2 Pay bill - teachers	Staff	113,134	13,603	30,608	Yes	No	National Terms & Conditions & pay negotiations
3 Care Home Placement - Adults	Contracts	55,889	4,168	9,633	No	Yes	NCS (Scotland) Bill
4 AWPR / Aberdeen Roads Ltd	Contracts	44,406	(191)	27,911	Yes	No	Contract terms and conditions
5 Housing Benefits	Transfer	39,081	(7,313)	(18,209)	Yes	No	Universal Credit & Economic Conditions
6 Bon Accord Care - ALEO	Contracts	38,171	5,318	9,161	No	Yes	NCS (Scotland) Bill
7 Capital Financing Costs	Capital Financing	37,084	3,073	(1,173)	Yes	Yes	Capital programme
8 Unitary Charge - Schools	Assets	20,203	872	2,236	Yes	No	Inflation & Number of Buildings
9 Utilities	Assets	17,252	8,997	8,521	Yes	No	Inflation
10 Suez waste disposal Contract	Contracts	16,563	(1,386)	(2,358)	No	Yes	Contract terms and conditions
11 Non-domestic Rates	Assets	14,301	3,622	1,777	Yes	Yes	Number & Value of Buildings
12 Care Home Placement - Children	Contracts	11,925	(735)	859	No	Yes	NCS (Scotland) Bill
13 ELC Provider Payments	Contracts	10,606	(2,346)	7,702	Yes	Unknown	Living Wage & sustainable rate
14 Fostering Payments - External	Contracts	9,504	(871)	(619)	No	Yes	NCS (Scotland) Bill
15 External Rents	Assets	7,423	352	163	Yes	No	Contract terms and conditions
16 Software Licences	Contracts	6,022	2,277	2,684	Yes	No	Inflation
17 Hire of Vehicles	Contracts	4,902	858	267	Yes	Yes	Number of Employees
18 Sport Aberdeen - ALEO	Contracts	4,815	146	(644)	Yes	No	Budget decisions
19 Provision for Bad Debt	Contracts	3,326	(198)	2,895	Yes	No	Collection levels
20 Fostering Payments - ACC	Contracts	820	72	(34)	No	Yes	NCS (Scotland) Bill
		673,846	63,287	119,589			

APPENDIX 2 : 2023 GENERAL FUND CAPITAL PROGRAMME

Outturn 2022/23 £'000	NHCP No.	General Fund Capital Programme	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	5 Year Total £'000
Projects Due for Completion in 2022/23								
10	807	A96 Park & Choose / Dyce Drive Link Road	0	0	0	0	0	0
26	811	Social Care Facilities - Len Ironside Centre	0	0	0	0	0	0
4	843	Station House Media Unit Extension	0	0	0	0	0	0
7,008	848	JIVE (Hydrogen Buses Phase 2)	0	0	0	0	0	0
5	857	Central Library Roof & Parapets	0	0	0	0	0	0
686	871	Low Emissions Zone	0	0	0	0	0	0
78	876	Campus Model for Co-location of Public Services	0	0	0	0	0	0
52	879	The Woodies Environmental Improvements	0	0	0	0	0	0
12	882	Auchmill Community Woodland Path	0	0	0	0	0	0
10,624	886	Bus Prioritisation Fund	0	0	0	0	0	0
205	888	Nature Restoration Fund	0	0	0	0	0	0
217	889	CO2 Monitors	0	0	0	0	0	0
18,927			0	0	0	0	0	0
Rolling Programmes								
8,424	294	Corporate Property Condition & Suitability	8,000	8,000	8,000	8,000	8,000	40,000
1,467	551	Cycling Walking Safer Streets	993	0	0	0	0	993
1,874	765G	Nestrans Capital Grant	1,000	1,000	1,000	1,000	1,000	5,000
998	779	Private Sector Housing Grant (PSHG)	600	550	600	600	600	2,950
8,918	784	Fleet Replacement Programme	2,500	4,500	4,500	4,500	4,500	20,500
6,459	789	Planned Renewal & Replacement of Roads Infrastructure	5,000	5,000	5,000	4,000	4,000	23,000
1,431	789E	Street Lighting	1,000	1,000	1,000	800	800	4,600
1,383	835	Street Lighting LED Lanterns (PACE 5 Year programme)	0	0	0	0	0	0
3,878	861	Additional Investment in Roads	3,000	3,000	4,500	4,500	4,500	19,500
1,881	875	Investment in Digital Transformation	5,500	4,500	1,300	1,300	0	12,600
2,292	877	Northfield Swimming Pool	150	0	0	0	0	150
39,005			27,743	27,550	25,900	24,700	23,400	129,293
City Region Deal								
44	825	City Deal	0	0	0	0	0	0
910	845	City Deal: Strategic Transport Appraisal	0	0	0	0	0	0
2,100	847	City Deal: Digital Infrastructure	0	0	0	0	0	0
2,921	852	City Deal: City Duct Network	0	0	0	0	0	0
2,298	854	City Deal: Transportation Links to Bay of Nigg	2,500	9,850	10,000	0	0	22,350
80	862	City Deal: Digital Lead	110	0	0	0	0	110
8,353			2,610	9,850	10,000	0	0	22,460
Fully Legally Committed Projects								
328	587	Access from the North / 3rd Don Crossing	817	0	0	0	0	817
4,205	627	Aberdeen Western Peripheral Route	943	0	0	0	0	943
314	776	Orchard Brae	0	0	0	0	0	0
500	799B	Art Gallery Redevelopment - Main Contract (HLF)	0	0	0	0	0	0
166	805	Technology Investment Requirements & Digital Strategy	250	0	0	0	0	250
2,151	809	New Milltimber Primary	241	0	0	0	0	241
5	810C	Energy from Waste (EfW) Procurement and Land Acq.	36	0	0	0	0	36
16,788	810K	Energy from Waste (EfW) Construction	2,000	0	0	0	0	2,000
18,925	810K	Torry Heat Network	0	0	0	0	0	0
77	812	Kingsfield Childrens Home	0	0	0	0	0	0
500	819	Tillydrone Community Hub	0	0	0	0	0	0
4,108	821	New Aberdeen Exhibition & Conference Centre	3,000	0	0	0	0	3,000
2,109	824	City Centre Regeneration	300	0	0	0	0	300
500	824	Provost Skene House	0	0	0	0	0	0
4,308	824	Union Terrace Gardens	0	0	0	0	0	0
82	828	Greenbrae Primary Extension and Internal Works	0	0	0	0	0	0
492	831	Stoneywood Primary	0	0	0	0	0	0
20,500	841	Torry Primary School and Hub	5,893	351	0	0	0	6,244
1,300	855	Early Learning & Childcare	0	0	0	0	0	0
100	859	ICT: Human Capital Management System	0	0	0	0	0	0
11,937	865	Countesswells Primary	1,767	0	0	0	0	1,767
1,607	873	Queen Street Redevelopment (including Mortuary)	0	0	0	0	0	0
410	878	St Peters RC Primary Relocation (Design Development)	0	0	0	0	0	0
1,060	885	Place Based Investment Fund	0	0	0	0	0	0
183	890	Dyce Library Relocation	700	0	0	0	0	700
8,500	894	Joint Integrated Mortuary	21,900	600	0	0	0	22,500
2,500	896	Bucksburn Academy Extension (temporary solution)	0	0	0	0	0	0
70	898	King's Gate & Forest Road Pedestrian Crossings	0	0	0	0	0	0
250	899	Lighting in St Nicholas Kirkyard	0	0	0	0	0	0
500	900	Demolition of old Milltimber Primary	0	0	0	0	0	0

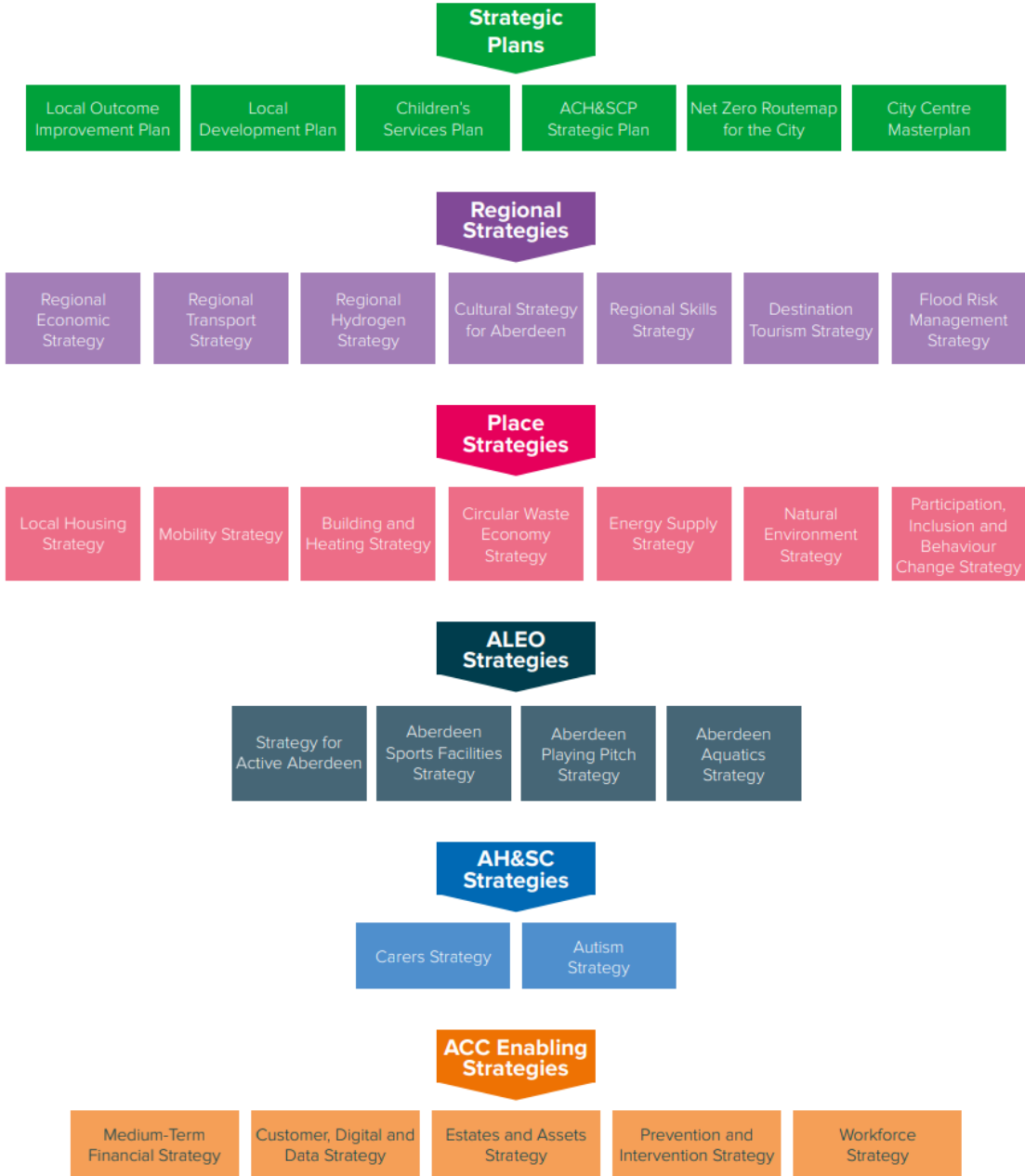
Outturn 2022/23 £'000	NHCP No.	General Fund Capital Programme	Budget	Budget	Budget	Budget	Budget	5 Year Total £'000
			2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
30	901	Upgrade of Paths in Newburgh Estate	0	0	0	0	0	0
1,310	903	Investment in Chapel Street Car Park	0	0	0	0	0	0
74	905	Gaist Footway Survey	0	0	0	0	0	0
684	906	Waste : Sciattie Segregation Bays	0	0	0	0	0	0
106,573			37,847	951	0	0	0	38,798
Partially Legally Committed Projects								
4,000	791	Strategic Land Acquisition	1,000	0	0	0	0	1,000
0	806A	South College Street (Phase 1)	484	0	0	0	0	484
2,135	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	4,300	15,600	9,900	8,500	0	38,300
0	808B	New Academy to the South - Infrastructure Improvements	280	0	0	0	0	280
1,048	810J	Bridge of Don Household Waste Recycling Centre (HWRC)	1,830	0	0	0	0	1,830
881	820	Investment in Tenanted Non-Residential Property Portfolio	0	0	0	0	0	0
57	836	Flood Prevention Measures: Flood Guards Grant Scheme	100	100	100	103	0	403
5,487	840	Tillydrone Primary School	19,000	11,700	0	0	0	30,700
165	844	Sustrans Active Travel Infrastructure Fund	300	400	0	0	0	700
916	868	Car Parking Infrastructure	500	0	0	0	0	500
653	869	Safety and Security Measures (including CCTV)	500	0	0	0	0	500
360	872	Smart City	0	0	0	0	0	0
133	874	B999 Shielhill Road Junction Improvements	500	110	0	0	0	610
344	880	Electric Vehicle Infrastructure	0	0	0	0	0	0
7,954	881	Aberdeen Hydrogen Hub	10,500	0	0	0	0	10,500
32,931	883	City Centre and Beach Masterplans	22,000	45,000	31,000	0	0	98,000
185	887	Play Park Renewal Programme	373	559	932	0	0	1,864
1,500	891	Aberdeen Hydrogen Hub (Joint Venture)	13,500	4,400	0	0	0	17,900
50	892	Defibrillators	0	0	0	0	0	0
214	893	RFID Communal Bin Tag System	6	0	0	0	0	6
3,000	904	Photovoltaic Systems	0	0	0	0	0	0
897	908	Expansion of Free School meals	2,450	0	0	0	0	2,450
62,910			77,623	77,869	41,932	8,603	0	206,027
Projects with indicative budgets								
0	838	Flood Prevention Measures - Peterculter	0	800	1,600	0	0	2,400
845	884	Torry Development Trust - Former Victoria Road School	564	0	0	0	0	564
0	895	St Peters RC Primary Relocation	500	1,000	7,750	7,750	0	17,000
3,088	999	Contingency	2,670	4,500	4,500	0	0	11,670
3,933			3,734	6,300	13,850	7,750	0	31,634
New Projects - School Estate - Indicative Budgets								
0	tbx	A5 - Review signage in all schools	62	62	0	0	0	124
0	tbx	AG1 - Aberdeen Grammar School increasing roll	0	0	150	0	0	150
0	tbx	B1 - Bucksburn Academy Extension	440	880	5,940	5,940	0	13,200
0	tbx	B2 - Bucksburn / Newhills additional primary school	0	750	1,500	14,000	11,250	27,500
0	tbx	CA1 - Victorian School Buildings	0	1,000	1,000	1,000	1,000	4,000
0	tbx	H1 - Rubislaw & Harlaw Rd Sportsfields review	0	500	0	0	0	500
0	tbx	H2 School Estate Plan and Improvements	0	500	1,000	1,000	1,000	3,500
0	tbx	H3 - Ferryhill School Suitability Improvements	250	0	0	250	750	1,250
0	tbx	HH1 Countesswells 2nd new Primary School	0	0	750	1,500	14,000	16,250
0	tbx	HH2 - Hazlehead / Countesswells Secondary Provision	3,050	6,100	41,175	41,175	0	91,500
0	tbx	L1 - Loirston Loch additional primary provision	0	0	750	1,500	14,000	16,250
0	tbx	N2 - Northfield ASG Primary School Excess Capacity	0	0	0	500	0	500
0	tbx	NA1 - Grandhome / Oldmachar / Bridge of Don secondary provision	0	0	0	0	3,050	3,050
0	tbx	O1 - Grandhome additional primary school	0	750	1,500	14,000	11,250	27,500
0	tbx	O3 - Oldmachar ASG Primary School Excess Capacity	0	0	0	500	0	500
0	tbx	RC2 - Denominational Primary Schools Feasibility	0	0	500	0	0	500
0	tbx	S3 - St Machar Academy outdoor space improvements	0	200	500	0	0	700
0			3,802	10,742	54,765	81,365	56,300	206,974
New Projects - Roads Investment - Indicative Budgets								
0	tbx	Road Safety Fund	200	200	200	200	200	1,000
0	tbx	New Cycle Lockers	10	10	10	10	10	50
0	tbx	Expansion of mandatory 20mph limits in residential areas	0	400	400	400	400	1,600
50	tbx	Berryden Corridor - Ashgrove Connects	800	965	0	0	0	1,765
0	tbx	Installation of New Bus Shelters	142	142	142	142	142	710
0	tbx	Options for New River Dee foot and cycle bridge	0	0	750	750	0	1,500
0	tbx	Electric Vehicle Charging Network	2,000	1,000	3,000	3,000	3,000	12,000
50			3,152	2,717	4,502	4,502	3,752	18,625

Outturn 2022/23 £'000	NHCP No.	General Fund Capital Programme	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	5 Year Total £'000
New Projects - Other - Indicative Budgets								
0	tbc	Kittybrewster Feasibility and Condition Suitability	1,000	2,000	0	0	0	3,000
		Extend Aberdeen's district heating network - Market Street						
0	tbc	Link	1,150	5,000	2,900	16,490	9,000	34,540
0	tbc	Play Park Maintenance and Investment	0	0	0	175	175	350
0	tbc	Investment in Education ICT	6,500	2,800	2,800	2,800	2,800	17,700
0	tbc	Bairns Hoose Business Case	500	500	0	0	0	1,000
0	tbc	Net Zero Adaptations - Public Buildings - Feasibilities	300	300	300	300	0	1,200
0	tbc	Inchgarth Community Centre	1,000	1,515	0	0	0	2,515
0	tbc	Burial Grounds	500	500	0	0	0	1,000
0	tbc	Webcasting of Committee Meetings	40	0	0	0	0	40
0	tbc	CCMP Phase 3: Schoolhill and Upperkirkgate	0	0	0	0	9,000	9,000
0	tbc	Union Street Empty Shop Units	250	250	0	0	0	500
0	tbc	Asset Rationalisation - Site Preparation & Clearance	1,500	2,500	1,300	0	0	5,300
0	tbc	Great Western Community Trust - Holburn West Church Grant	250	0	0	0	0	250
0	tbc	Council Climate Plan Local Heat and Energy Efficiency						
		Strategy	75	75	0	0	0	150
0	tbc	Council Climate Plan Feasibility studies for net zero	300	300	300	300	300	1,500
		Council Climate Plan Increase natural grassland and						
		wildflowers	60	0	0	0	0	60
0	tbc	Council Climate Plan Community run greenspaces	50	0	0	0	0	50
0	tbc	Council Climate Plan Increase food growing	100	0	0	0	0	100
0	tbc	Council Climate Plan Redesign Car Club	100	0	0	0	0	100
0	tbc	Council Climate Plan Climate Data Tool	100	0	0	0	0	100
0			13,775	15,740	7,600	20,065	21,275	78,455
239,751		Totals	170,286	151,719	158,549	146,985	104,727	732,266

Budget 2022/23 £'000	NHCP No.	General Fund Capital Programme - Funding	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	5 Year Total £'000
(1,467)	551	Cycling Walking Safer Streets	(993)	0	0	0	0	(993)
(2,000)	587	Access from the North / 3rd Don Crossing	0	0	0	0	0	0
(1,781)	809	New Milltimber Primary	0	0	0	0	0	0
(124)	810C	Energy from Waste (EFW) Procurement and Land Acq.	0	0	0	0	0	0
(5,519)	810K	Energy from Waste (EFW) Construction & Torry Heat Network	0	0	0	0	0	0
(133)	824	City Centre Regeneration	0	0	0	0	0	0
(115)	828	Greenbrae Primary Extension and Internal Works	0	0	0	0	0	0
(3,408)	831	Stoneywood Primary	0	0	0	0	0	0
(77)	836	Flood Prevention Measures: Flood Guards Grant Scheme	(80)	(80)	(54)	(76)	0	(290)
0	838	Flood Prevention Measures - Peterculter	(2,400)	0	0	0	0	(2,400)
(8,405)	848	JIVE (Hydrogen Buses Phase 2)	0	0	0	0	0	0
(2,921)	852	City Deal: City Duct Network	0	0	0	0	0	0
(2,298)	854	City Deal: Transportation Links to Bay of Nigg	(2,500)	(9,850)	(10,000)	0	0	(22,350)
(80)	862	City Deal: Digital Lead	(110)	0	0	0	0	(110)
0	865	Countesswells Primary	(1,342)	(2,500)	(1,442)	0	0	(5,284)
(686)	871	Low Emission Zone	0	0	0	0	0	0
(133)	874	B999 Shielhill Road Junction	(150)	0	0	0	0	(150)
(1,100)	877	Northfield Swimming Pool	0	0	0	0	0	0
(4,500)	881	Aberdeen Hydrogen Hub	(10,500)	0	0	0	0	(10,500)
(2,318)	883	City Centre and Beach Masterplans	(16,932)	0	0	0	0	(16,932)
(845)	884	Torry Development Trust - Former Victoria Road School	(564)	0	0	0	0	(564)
(1,060)	885	Place Based Investment Fund	0	0	0	0	0	0
(10,094)	886	Bus Prioritisation Fund	0	0	0	0	0	0
(183)	890	Dyce Library Relocation	(572)	0	0	0	0	(572)
(214)	893	RFID Communal Bin Tag System	(6)	0	0	0	0	(6)
(8,500)	894	Joint Integrated Mortuary	(17,363)	0	0	0	0	(17,363)
(1,310)	903	Investment in Chapel Street Car Park	0	0	0	0	0	0
(74)	905	Gaist Footway Survey	0	0	0	0	0	0
(74)	906	Waste : Sclattie Segregation Bays	0	0	0	0	0	0
0	tbc	B1 - Bucksburn Academy Extension	0	0	0	(1,000)	(1,000)	(2,000)
0	tbc	B2 - Bucksburn / Newhills additional primary provision	0	0	0	(1,500)	(1,500)	(3,000)
0	tbc	HH2 - Hazlehead / Countesswells Secondary Provision	0	0	0	(1,800)	(6,300)	(8,100)
0	tbc	L1 - Loirston Loch additional primary provision	0	0	0	0	(628)	(628)
0	tbc	NA1 - Grandhome / Oldmachar / Bridge of Don secondary provision	0	0	0	0	0	0

Outturn 2022/23 £'000	NHCP No.	General Fund Capital Programme	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	5 Year Total £'000
0	tbc	HH1 Countesswells 2nd new Primary School	0	0	0	0	(1,000)	(1,000)
0	tbc	O1 - Grandhome primary schools	0	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)
0	tbc	Inchgarth Community Centre	(1,000)	(900)	0	0	0	(1,900)
(50)	tbc	Berryden Corridor - Ashgrove Connects	(800)	(965)	0	0	0	(1,765)
0	tbc	Electric Vehicle Charging Network	0	0	(3,000)	(3,000)	(3,000)	(9,000)
(59,469)		1. Programme Funding Streams Sub-Total	(55,311)	(15,295)	(15,496)	(8,376)	(14,428)	(108,906)
(19,670)		2. Capital Grant	(25,614)	(19,071)	(19,444)	(18,512)	(18,512)	(101,153)
(160,612)		3. Borrowing	(89,360)	(117,353)	(123,609)	(120,097)	(71,787)	(522,206)
(239,751)		Sub-total	(170,286)	(151,719)	(158,549)	(146,985)	(104,727)	(732,266)
0		Net Position	0	0	0	0	0	0

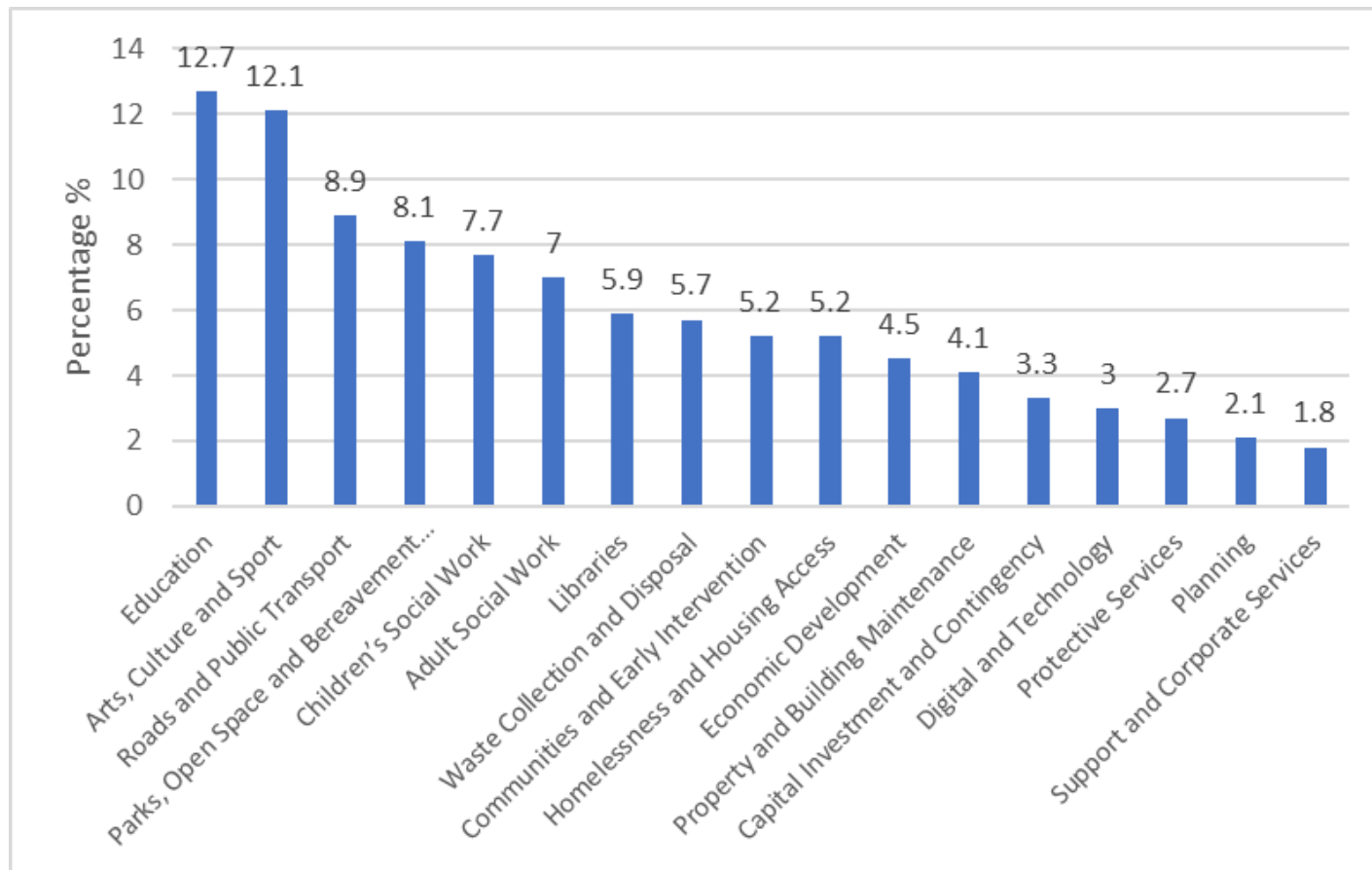
APPENDIX 3 : STRATEGY FRAMEWORK



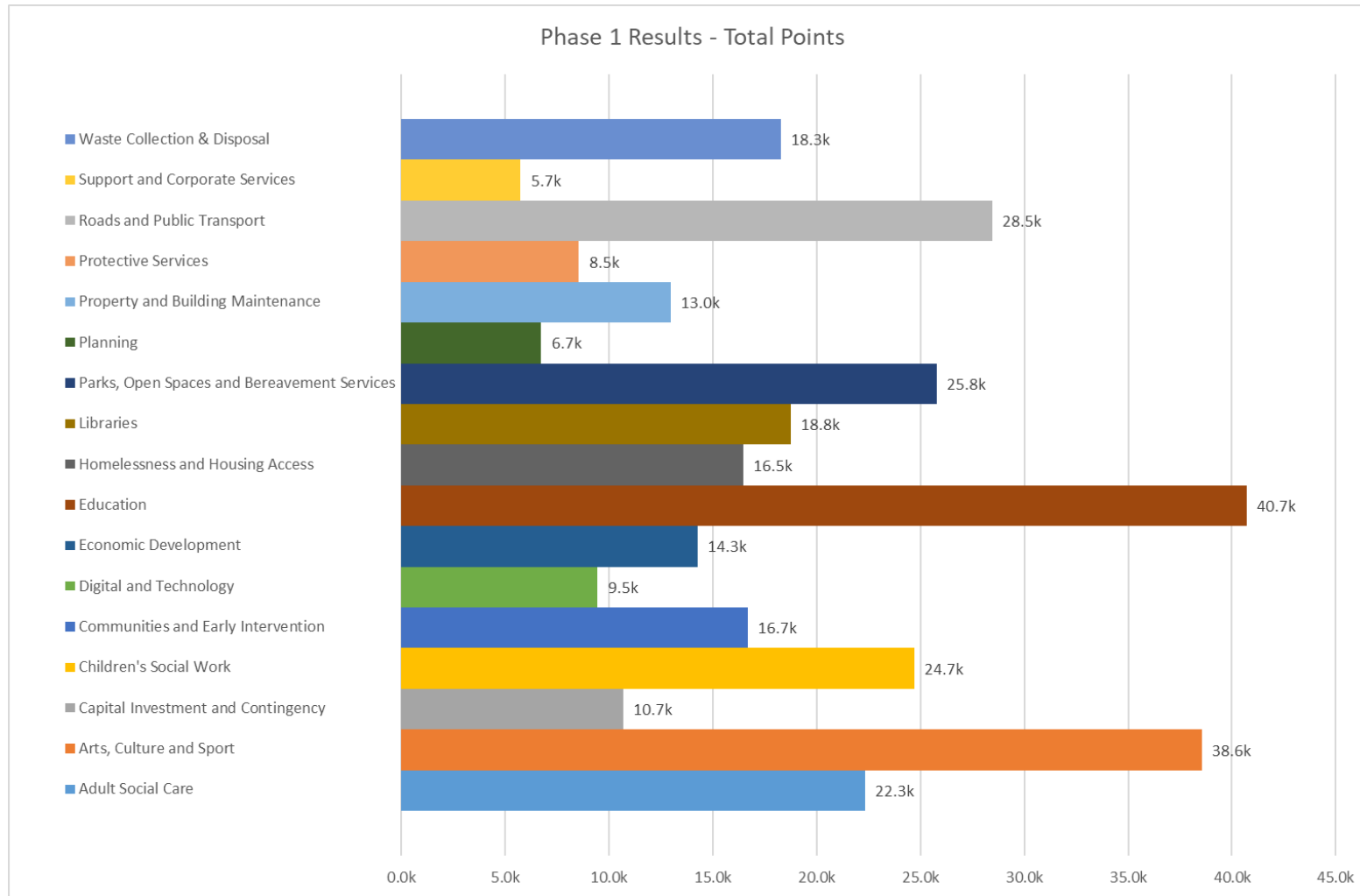
APPENDIX 4 : PHASE 1 BUDGET CONSULTATION RESULTS

Overall Results : Total number of respondents 3,192

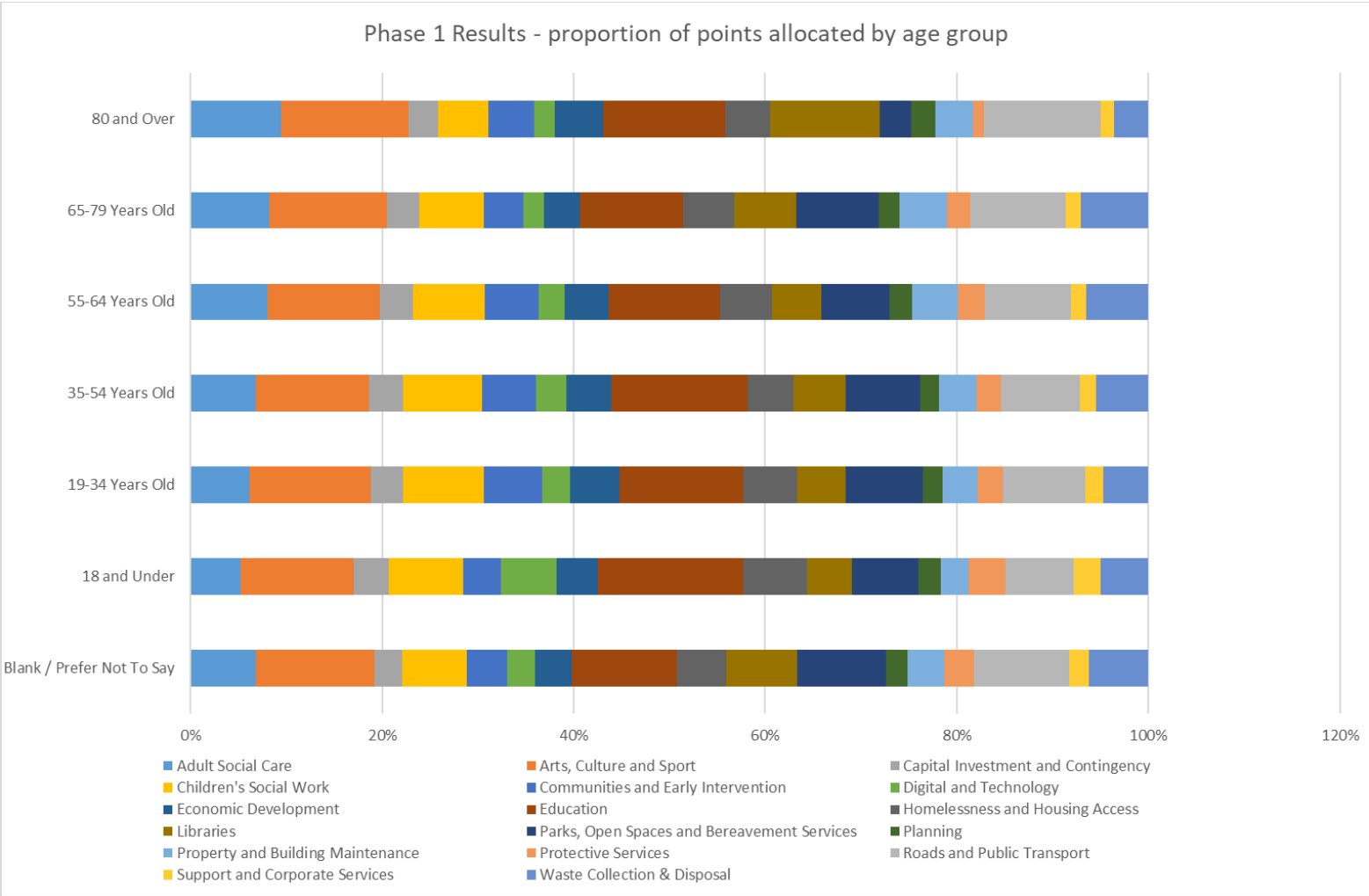
Graph 1 : Proportion of Points Awarded to each Service Category

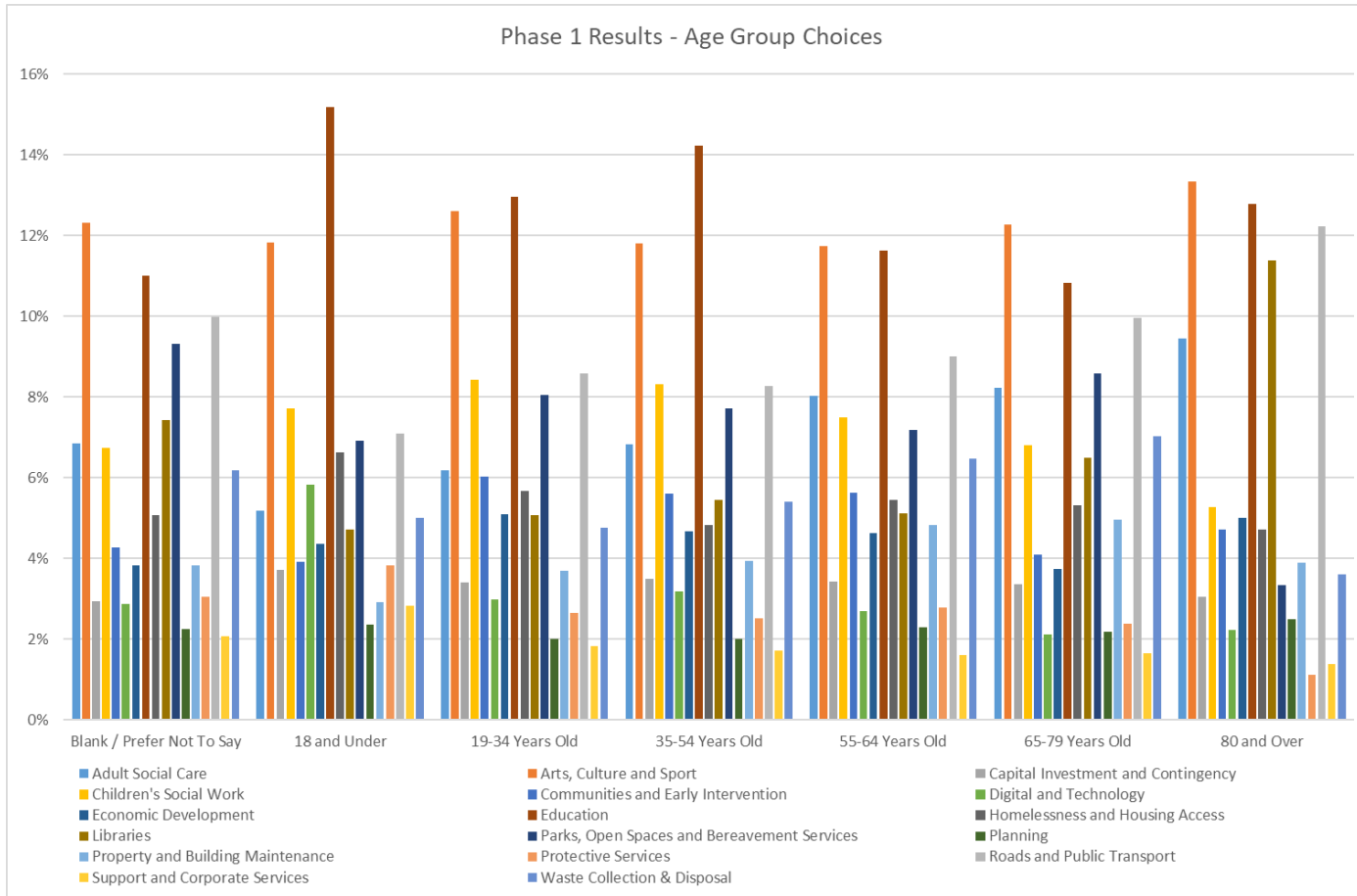


Graph 2 : Allocation of points to Service Categories



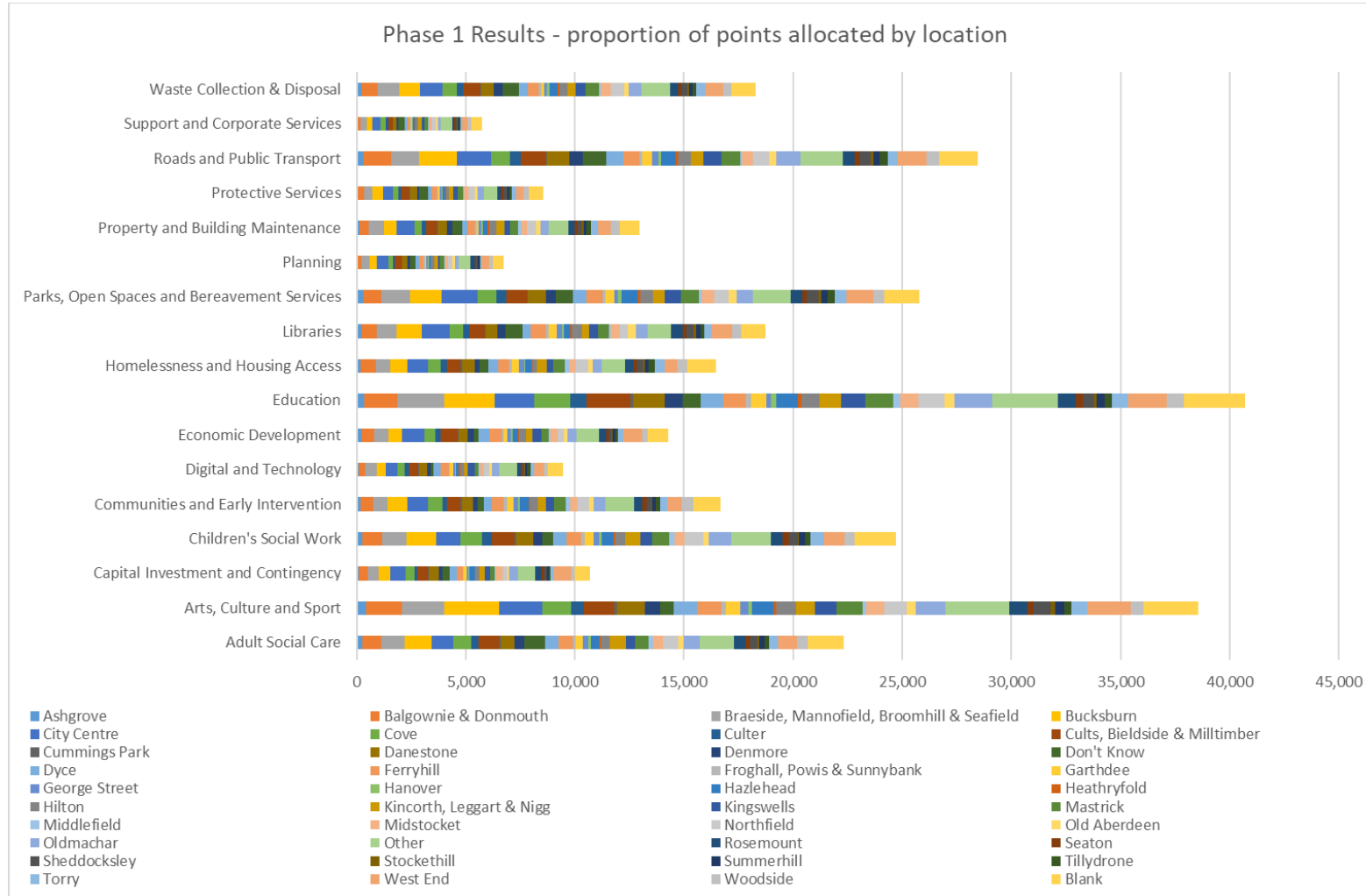
Graphs 3 - 4 : Age Statistics



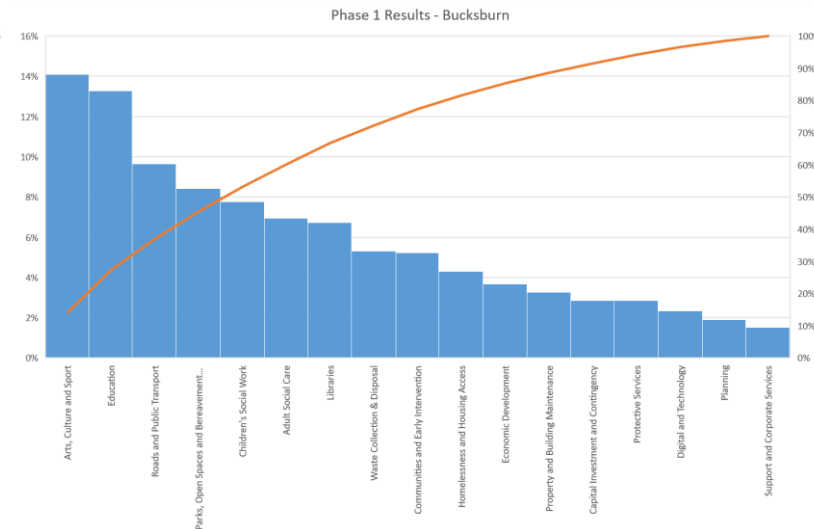
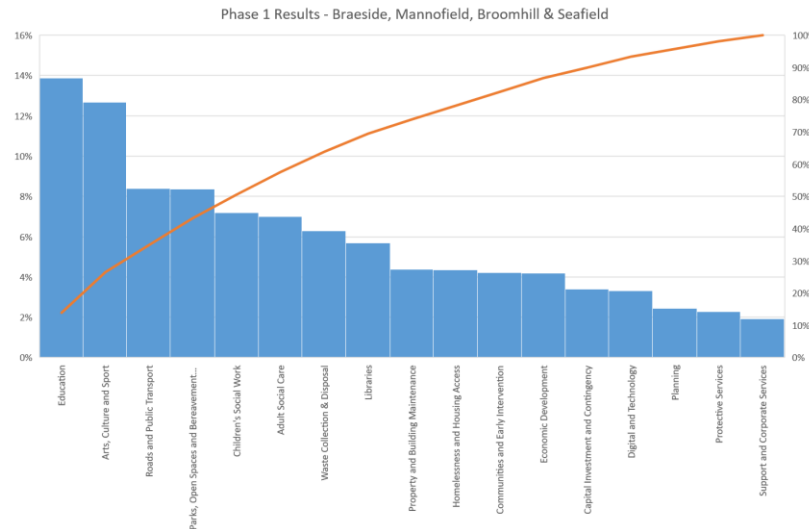
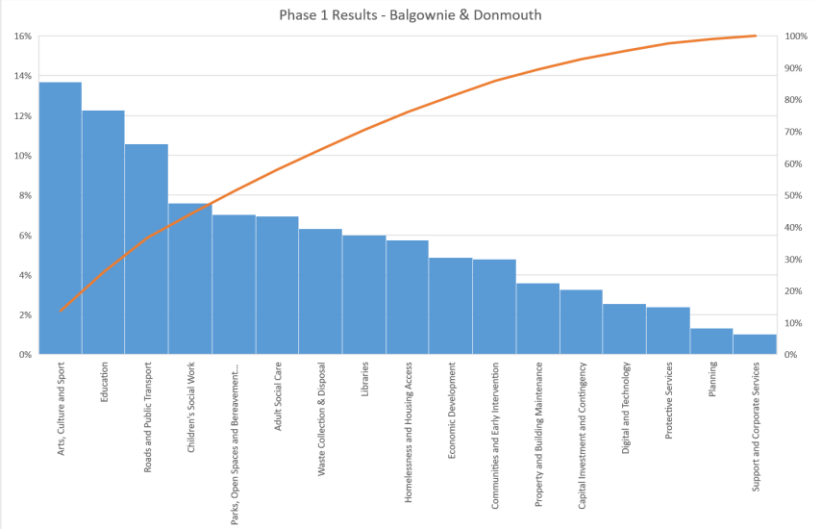
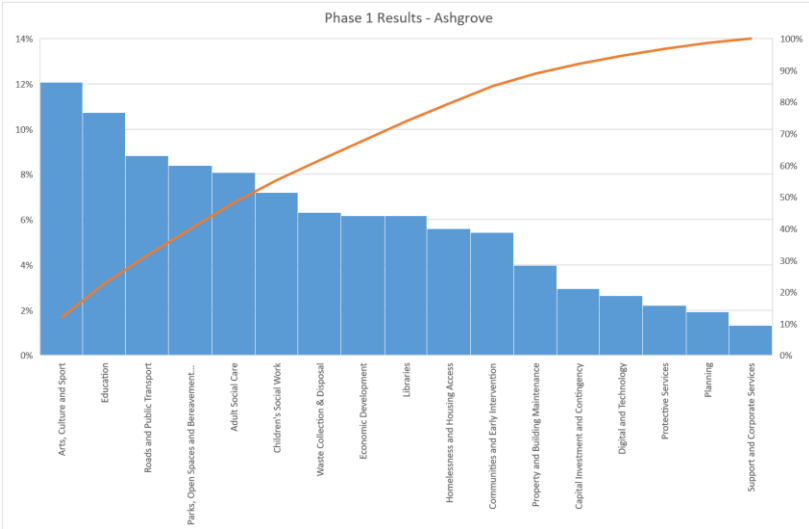


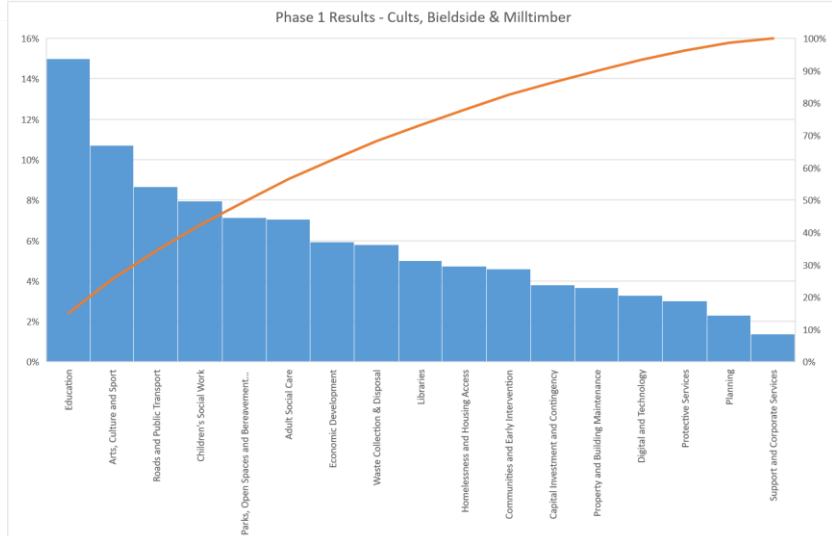
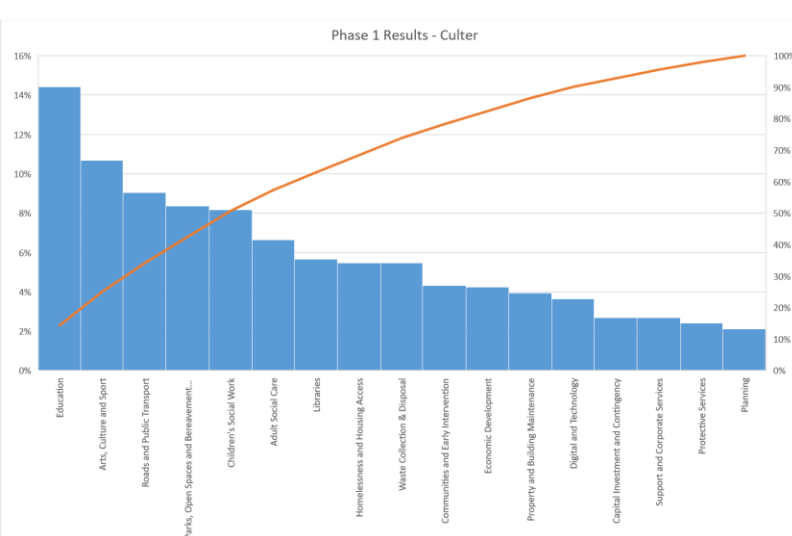
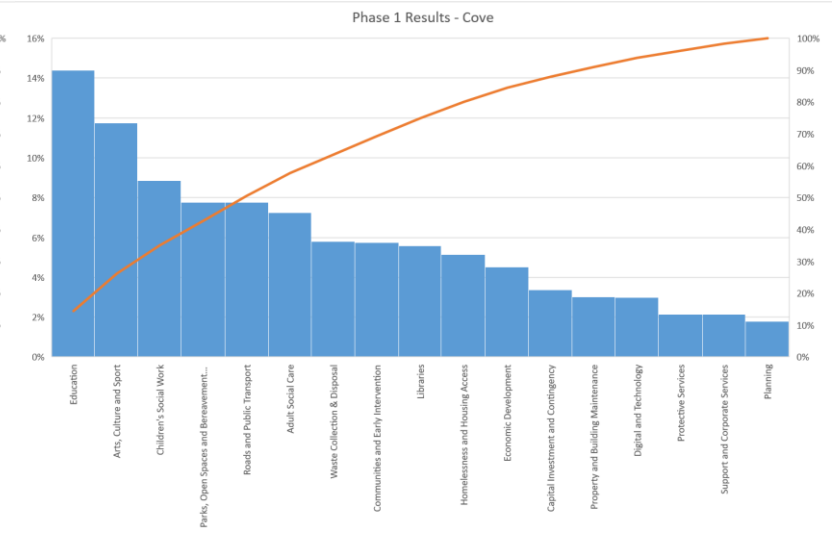
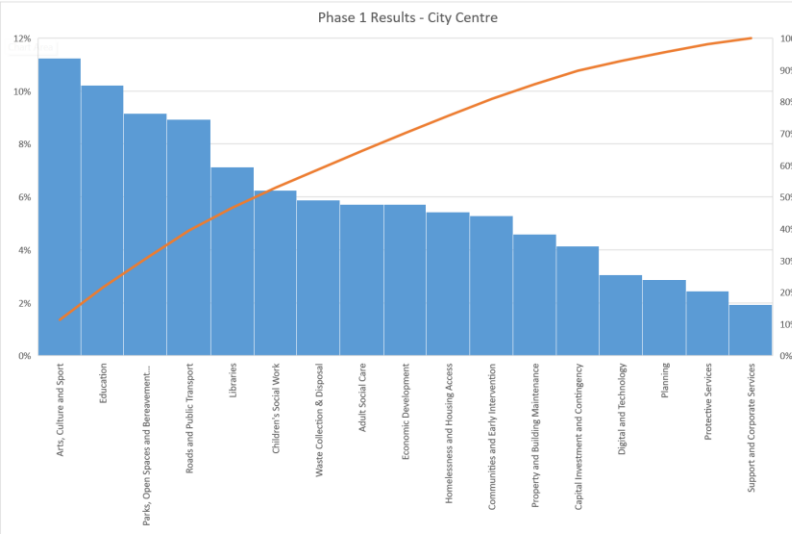
Age Data	Adult Social Care	Arts, Culture and Sport	Capital Investment and Contingency	Children's Social Work	Communities and Early Intervention	Digital and Technology	Economic Development	Educational Access	Homelessness and Housing Access	Libraries	Parks, Open Spaces and Bereavement Services	Planning	Property and Building Maintenance	Protective Services	Roads and Public Transport	Support and Corporate Services	Waste Collection & Disposal
Blank / Prefer Not To Say	7%	12%	3%	7%	4%	3%	4%	11%	5%	7%	9%	2%	4%	3%	10%	2%	6%
18 and Under	5%	12%	4%	8%	4%	6%	4%	15%	7%	5%	7%	2%	3%	4%	7%	3%	5%
19-34 Years Old	6%	13%	3%	8%	6%	3%	5%	13%	6%	5%	8%	2%	4%	3%	9%	2%	5%
35-54 Years Old	7%	12%	3%	8%	6%	3%	5%	14%	5%	5%	8%	2%	4%	3%	8%	2%	5%
55-64 Years Old	8%	12%	3%	8%	6%	3%	5%	12%	5%	5%	7%	2%	5%	3%	9%	2%	6%
65-79 Years Old	8%	12%	3%	7%	4%	2%	4%	11%	5%	6%	9%	2%	5%	2%	10%	2%	7%
80 and Over	9%	13%	3%	5%	5%	2%	5%	13%	5%	11%	3%	3%	4%	1%	12%	1%	4%

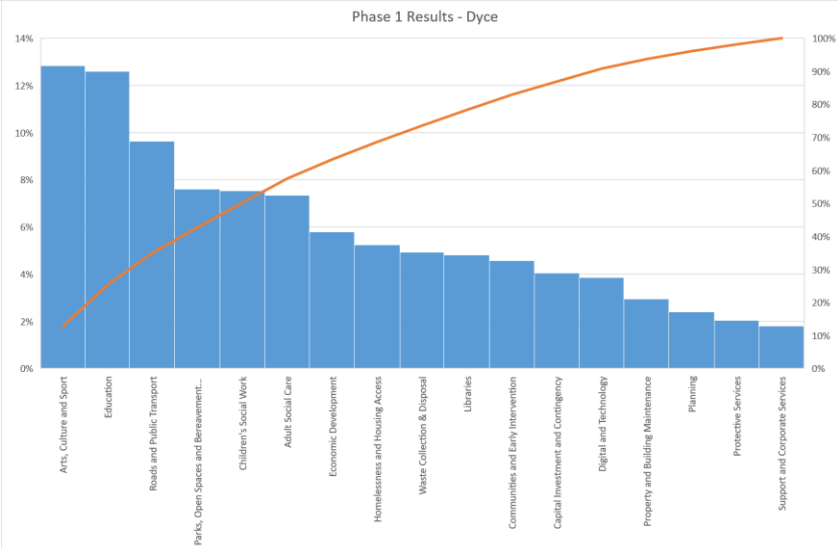
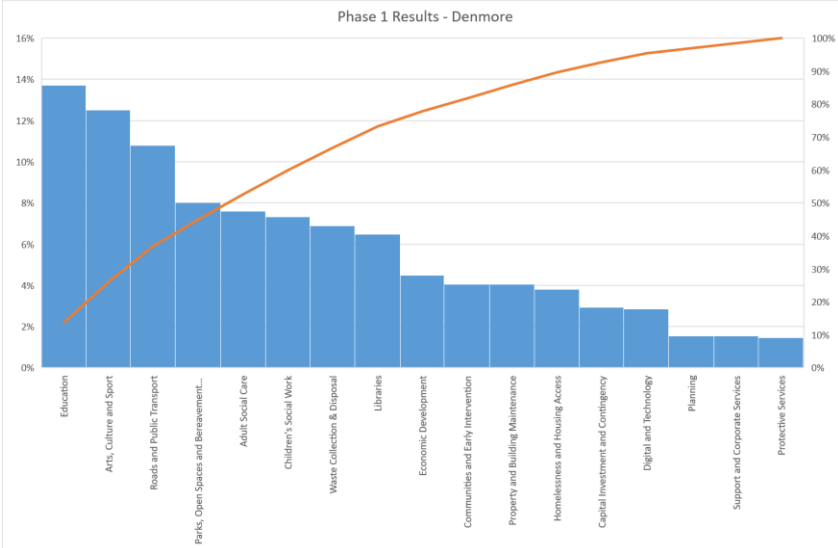
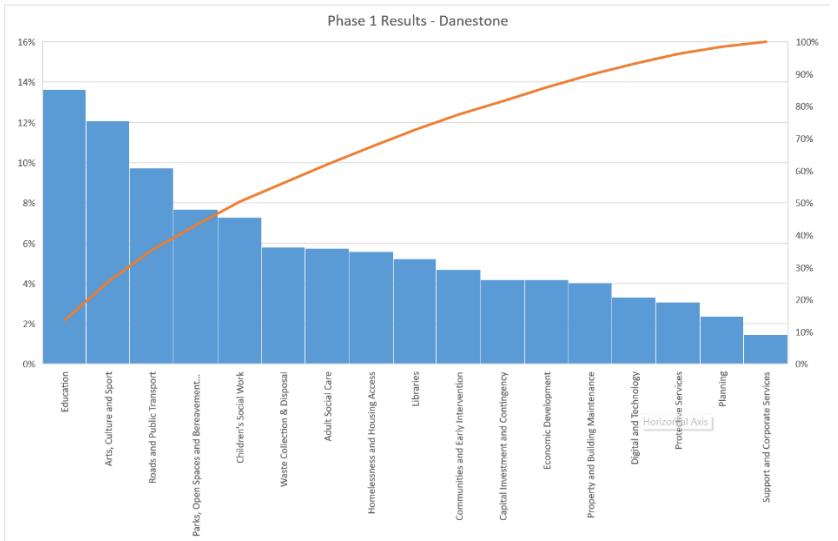
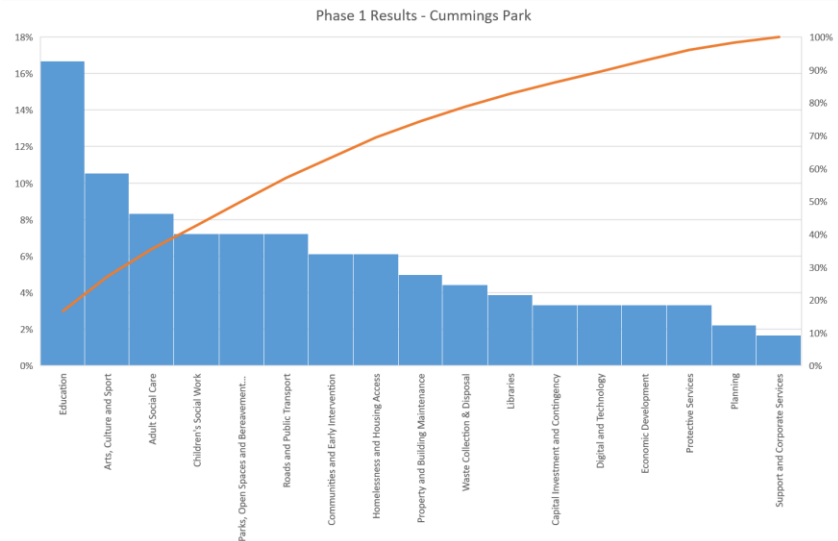
Graphs 5 - 45 : Location Statistics

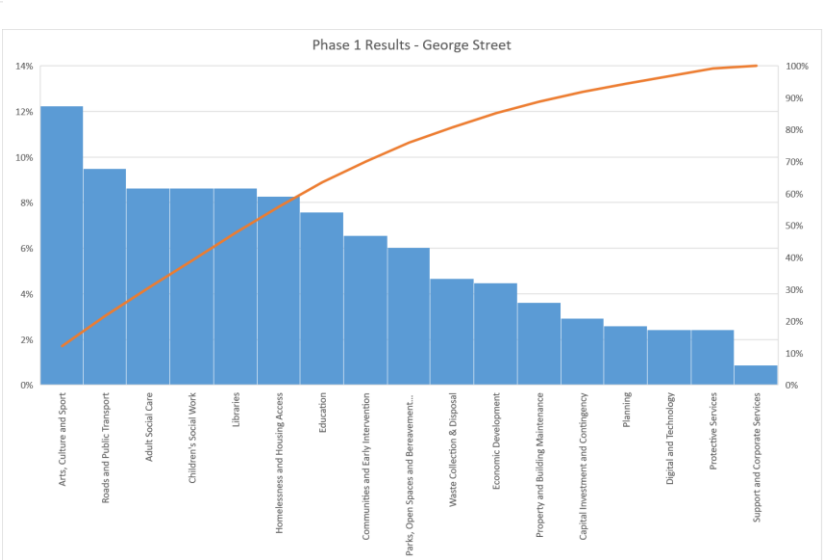
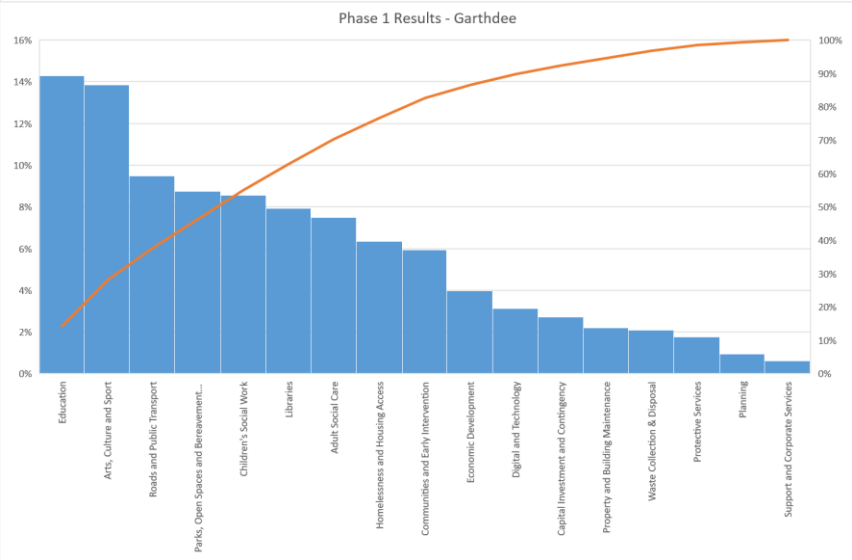
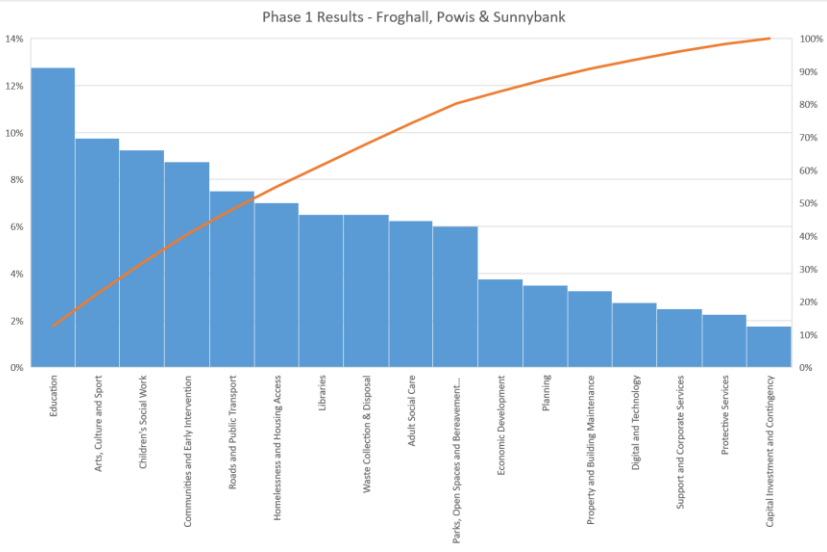
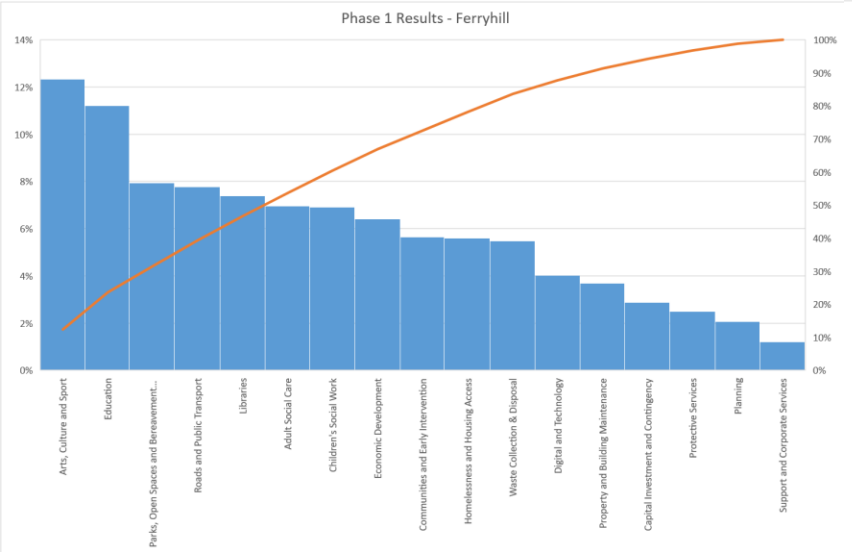


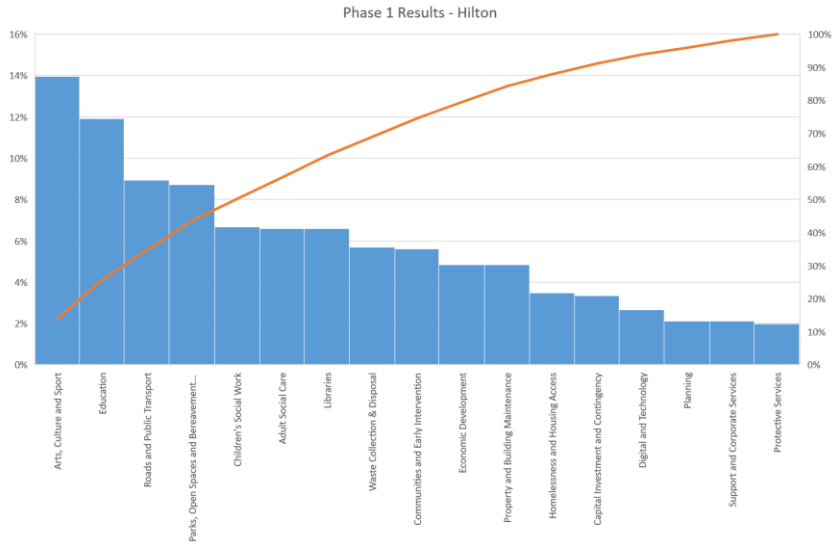
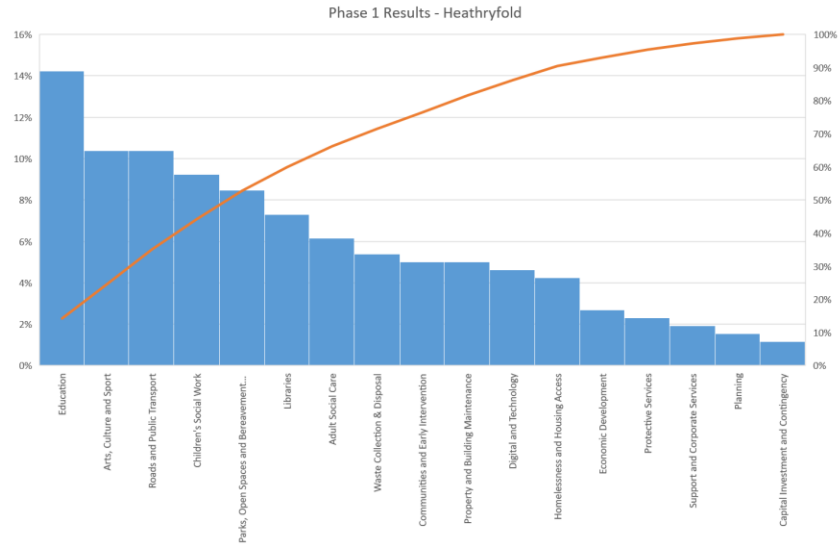
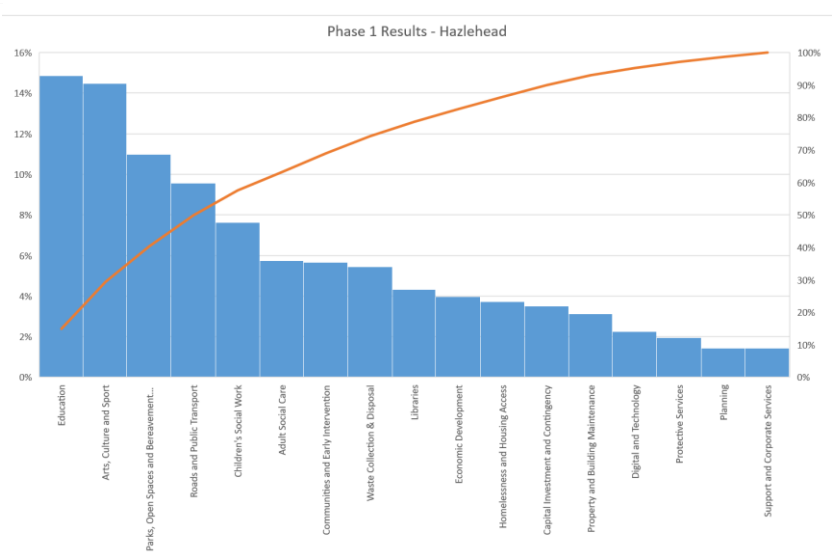
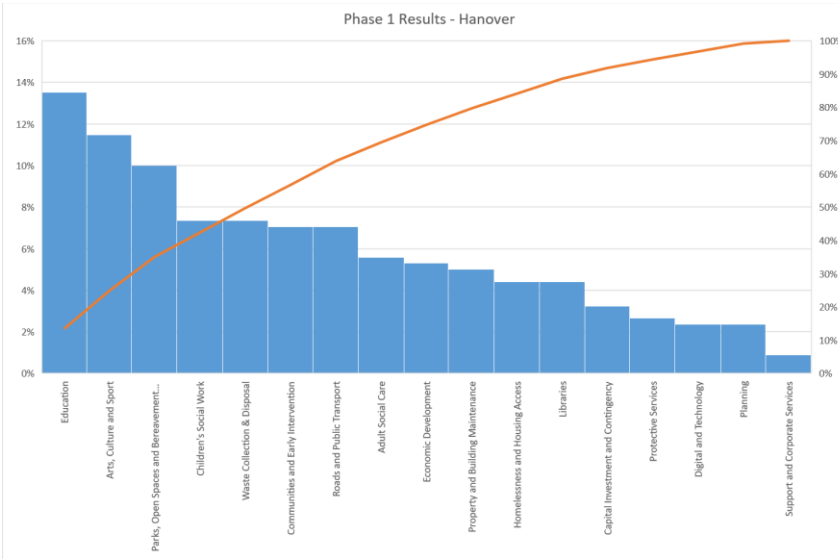
Location Data	Adult Social Care	Arts, Culture and Sport	Capital Investment and Contingency	Children's Social Work	Communities and Early Intervention	Digital and Technology	Economic Development	Educational	Homelessness and Housing Access	Libraries	Parks, Open Spaces and Bereavement Services	Planning	Property and Building Maintenance	Protective Services	Roads and Public Transport	Support and Corporate Services	Waste Collection & Disposal
Ashgrove	8%	12%	3%	7%	5%	3%	6%	11%	6%	6%	8%	2%	4%	2%	9%	1%	6%
Balgownie & Donmouth	7%	14%	3%	8%	5%	3%	5%	12%	6%	6%	7%	1%	4%	2%	11%	1%	6%
Braeside, Mannofield, Broomhill & Seafield	7%	13%	3%	7%	4%	3%	4%	14%	4%	6%	8%	2%	4%	2%	8%	2%	6%
Bucksburn	7%	14%	3%	8%	5%	2%	4%	13%	4%	7%	8%	2%	3%	3%	10%	2%	5%
City Centre	6%	11%	4%	6%	5%	3%	6%	10%	5%	7%	9%	3%	5%	2%	9%	2%	6%
Cove	7%	12%	3%	9%	6%	3%	5%	14%	5%	6%	8%	2%	3%	2%	8%	2%	6%
Culter	7%	11%	3%	8%	4%	4%	4%	14%	5%	6%	8%	2%	4%	2%	9%	3%	5%
Cults, Bieldside & Milltimber	7%	11%	4%	8%	5%	3%	6%	15%	5%	5%	7%	2%	4%	3%	9%	1%	6%
Cummings Park	8%	11%	3%	7%	6%	3%	3%	17%	6%	4%	7%	2%	5%	3%	7%	2%	4%
Danestone	6%	12%	4%	7%	5%	3%	4%	14%	6%	5%	8%	2%	4%	3%	10%	1%	6%
Denmore	8%	13%	3%	7%	4%	3%	4%	14%	4%	6%	8%	2%	4%	1%	11%	2%	7%
Dyce	7%	13%	4%	8%	5%	4%	6%	13%	5%	5%	8%	2%	3%	2%	10%	2%	5%
Ferryhill	7%	12%	3%	7%	6%	4%	6%	11%	6%	7%	8%	2%	4%	3%	8%	1%	5%
Froghall, Powis & Sunnybank	6%	10%	2%	9%	9%	3%	4%	13%	7%	7%	6%	4%	3%	2%	8%	3%	7%
Garthdee	8%	14%	3%	9%	6%	3%	4%	14%	6%	8%	9%	1%	2%	2%	9%	1%	2%
George Street	9%	12%	3%	9%	7%	2%	4%	8%	8%	9%	6%	3%	4%	2%	9%	1%	5%
Hanover	6%	11%	3%	7%	7%	2%	5%	14%	4%	4%	10%	2%	5%	3%	7%	1%	7%
Hazlehead	6%	14%	4%	8%	6%	2%	4%	15%	4%	4%	11%	1%	3%	2%	10%	1%	5%
Heathryfold	6%	10%	1%	9%	5%	5%	3%	14%	4%	7%	8%	2%	5%	2%	10%	2%	5%
Hilton	7%	14%	3%	7%	6%	3%	5%	12%	3%	7%	9%	2%	5%	2%	9%	2%	6%
Kincorth, Leggart & Nigg	9%	11%	3%	9%	5%	2%	4%	13%	6%	4%	8%	2%	5%	3%	7%	2%	5%
Kingswells	5%	13%	3%	7%	4%	4%	5%	14%	4%	5%	9%	1%	3%	2%	11%	2%	6%
Mastrick	7%	13%	2%	8%	6%	2%	4%	14%	6%	5%	9%	2%	4%	3%	9%	2%	6%
Middlefield	9%	7%	2%	10%	9%	3%	3%	13%	9%	4%	6%	2%	8%	2%	5%	2%	5%
Midstocket	7%	13%	5%	7%	5%	3%	5%	12%	4%	6%	8%	2%	4%	3%	7%	2%	6%
Northfield	8%	11%	2%	9%	6%	3%	3%	13%	6%	4%	7%	2%	5%	3%	8%	2%	7%
Old Aberdeen	6%	11%	3%	7%	5%	3%	4%	11%	5%	10%	9%	3%	5%	3%	8%	2%	6%
Oldmachar	7%	12%	4%	9%	5%	3%	4%	16%	4%	5%	7%	2%	3%	3%	10%	1%	5%
Rosemount	7%	12%	4%	8%	5%	2%	5%	11%	5%	8%	8%	3%	4%	3%	8%	2%	5%
Seaton	7%	9%	4%	9%	6%	3%	4%	12%	6%	6%	7%	2%	5%	3%	8%	2%	6%
Sheddocksley	7%	16%	2%	8%	4%	1%	3%	10%	6%	7%	11%	2%	4%	3%	10%	2%	5%
Stockethill	5%	17%	3%	5%	5%	3%	3%	10%	4%	10%	10%	2%	4%	2%	12%	2%	5%
Summerhill	8%	13%	3%	8%	5%	3%	4%	12%	6%	6%	9%	1%	5%	3%	9%	1%	6%
Tillydrone	7%	9%	2%	8%	6%	4%	4%	10%	8%	5%	9%	2%	6%	3%	10%	3%	5%
Torry	6%	12%	3%	10%	5%	3%	3%	12%	7%	5%	9%	1%	5%	3%	8%	1%	6%
West End	6%	13%	5%	7%	4%	3%	6%	12%	4%	6%	8%	2%	4%	2%	9%	2%	6%
Woodside	7%	9%	2%	7%	8%	3%	3%	11%	7%	6%	7%	3%	6%	4%	9%	2%	6%
Don't Know	11%	7%	4%	6%	3%	2%	2%	9%	4%	9%	8%	3%	5%	5%	12%	3%	8%
Other	7%	13%	3%	8%	6%	4%	5%	13%	5%	5%	8%	2%	4%	3%	8%	2%	6%
Blank	8%	11%	3%	9%	6%	3%	4%	13%	6%	5%	7%	2%	4%	3%	8%	2%	5%

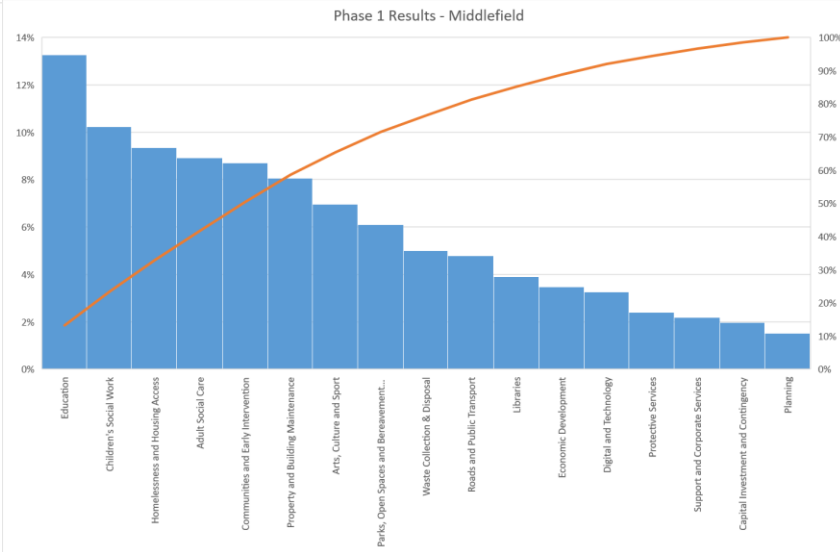
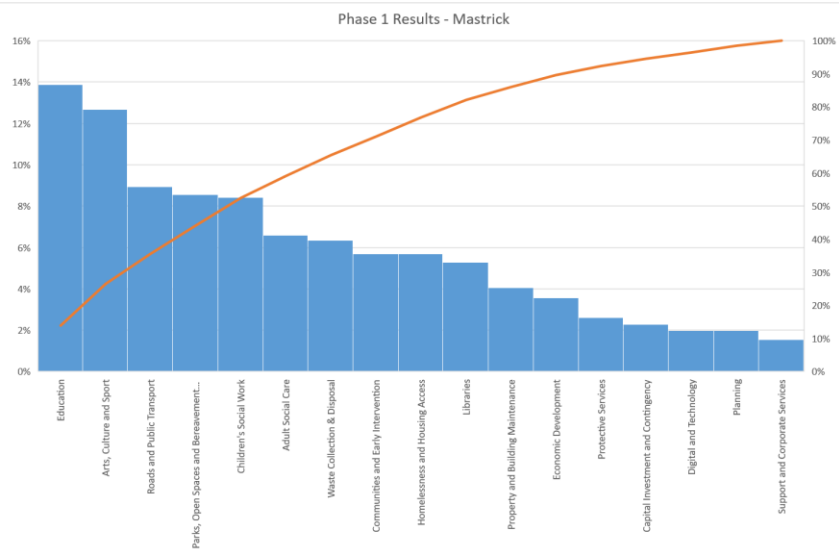
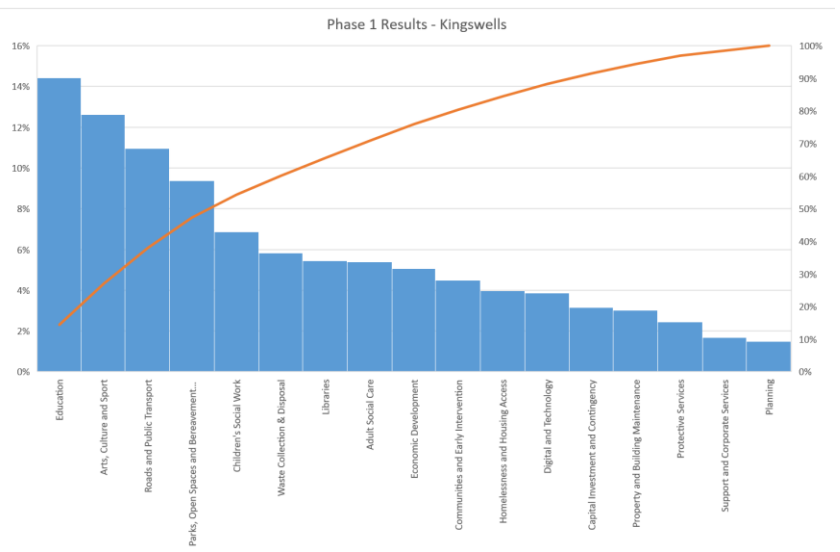
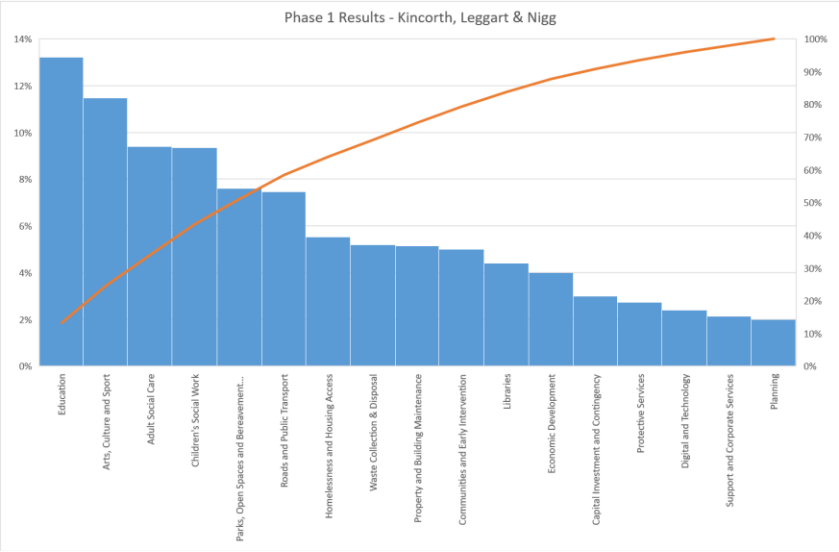


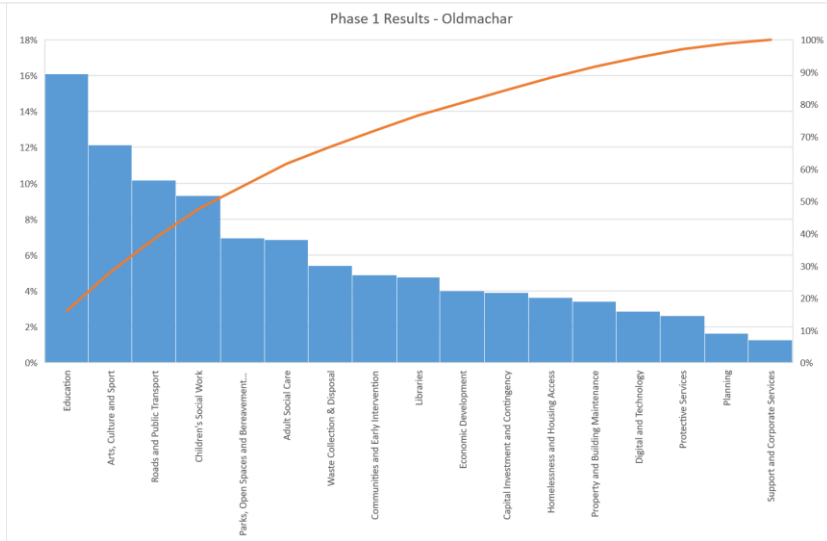
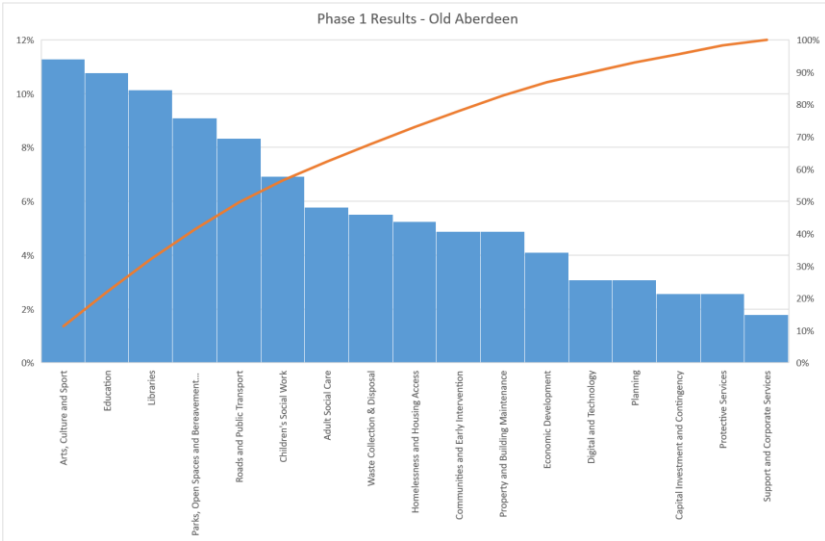
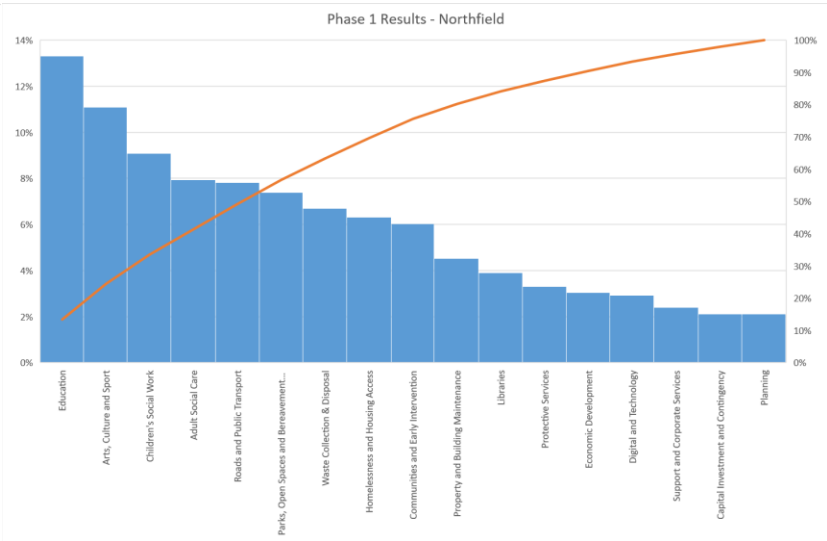
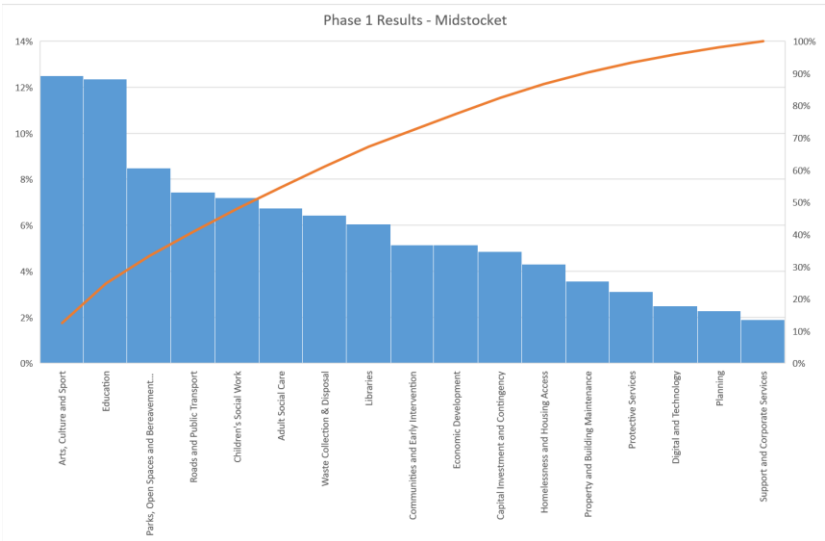


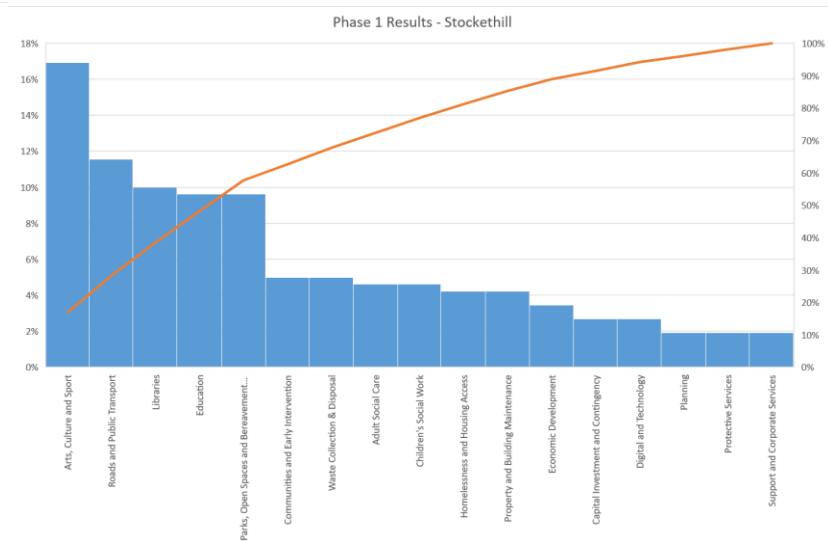
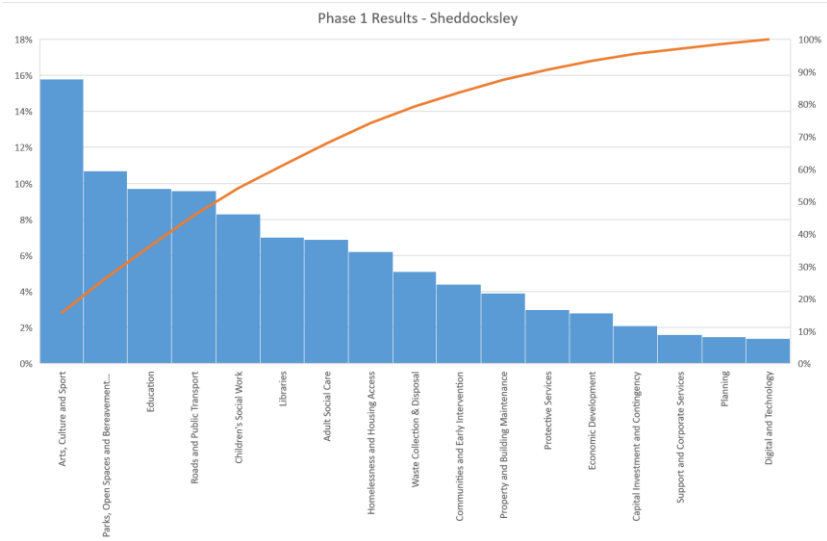
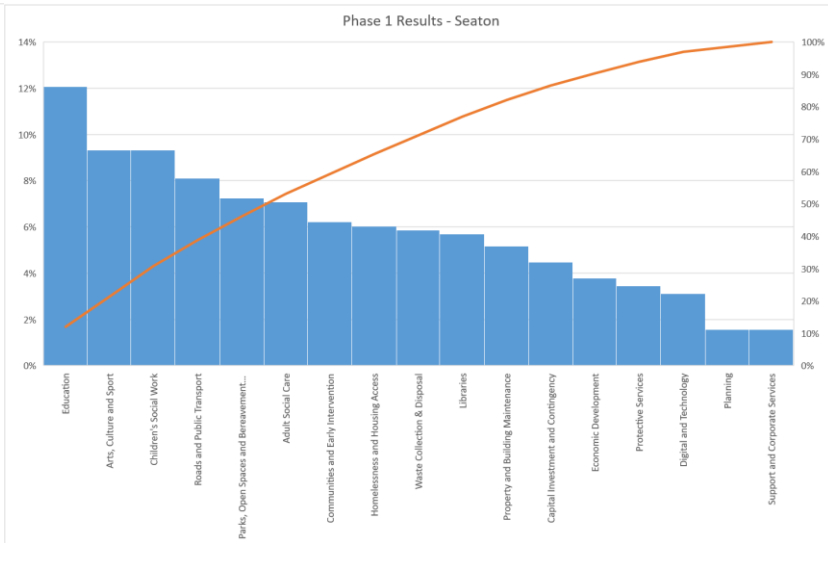
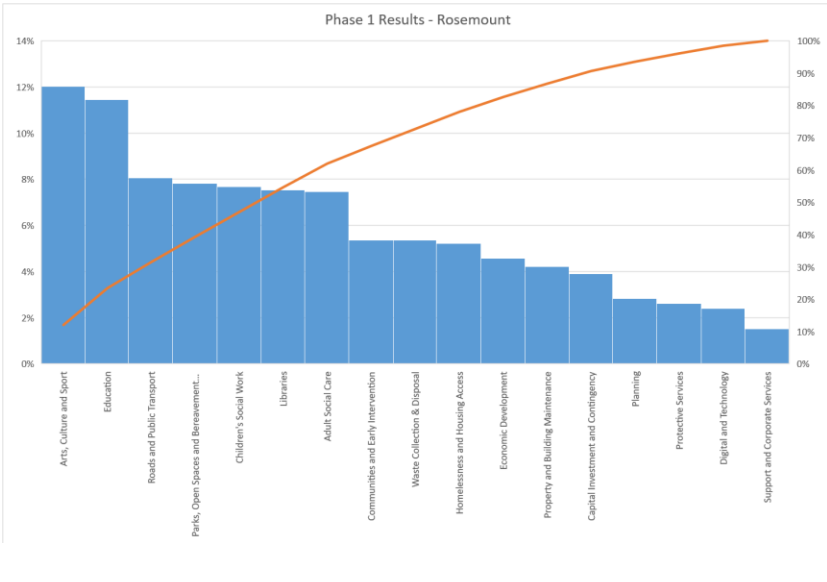


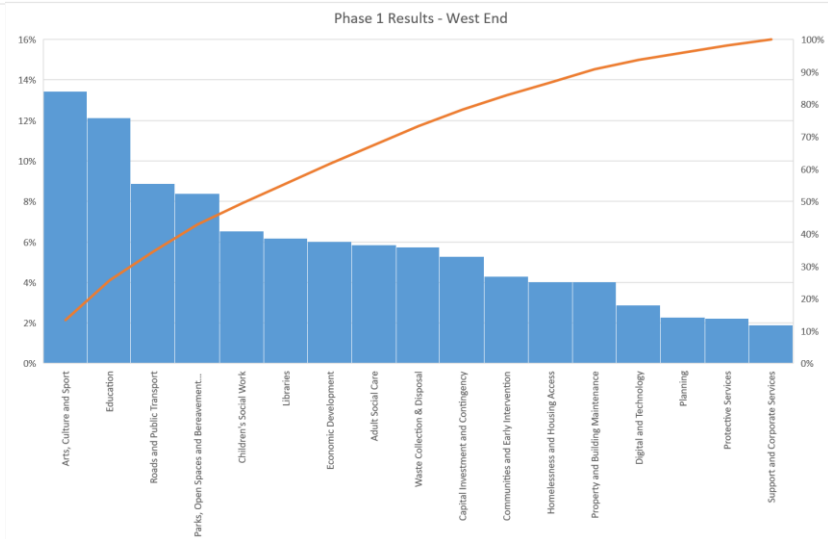
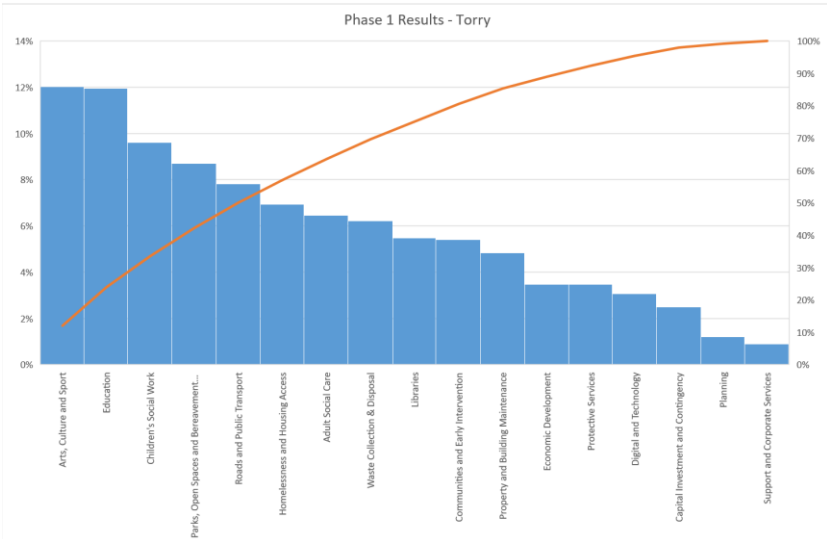
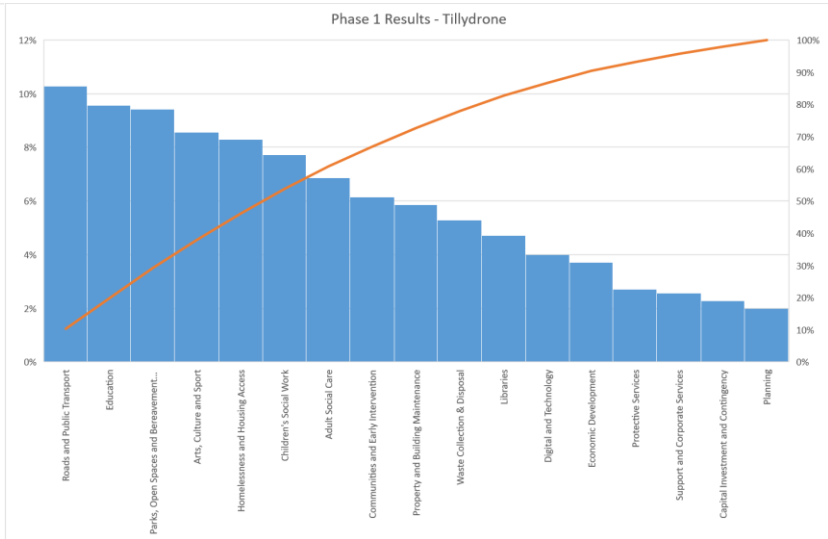
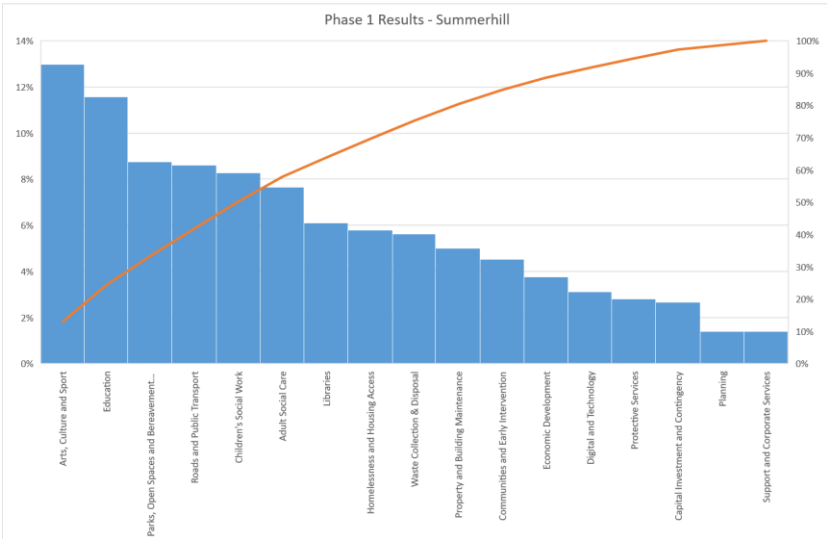


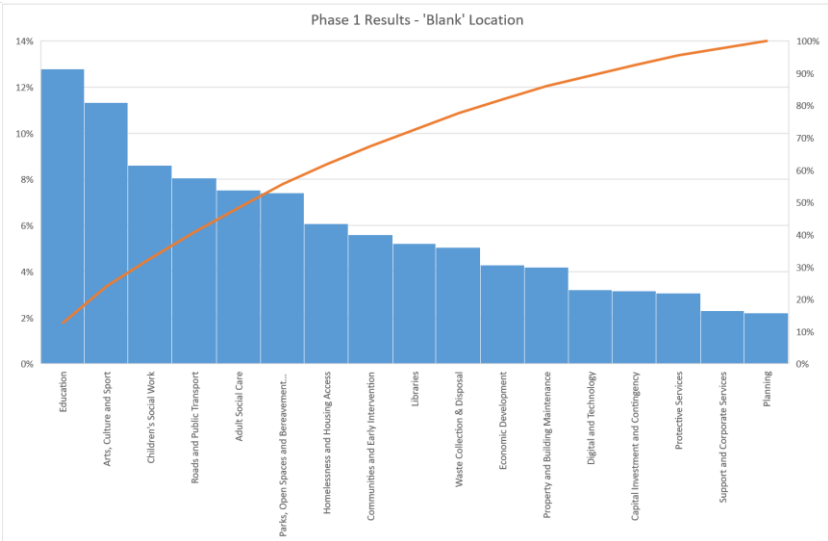
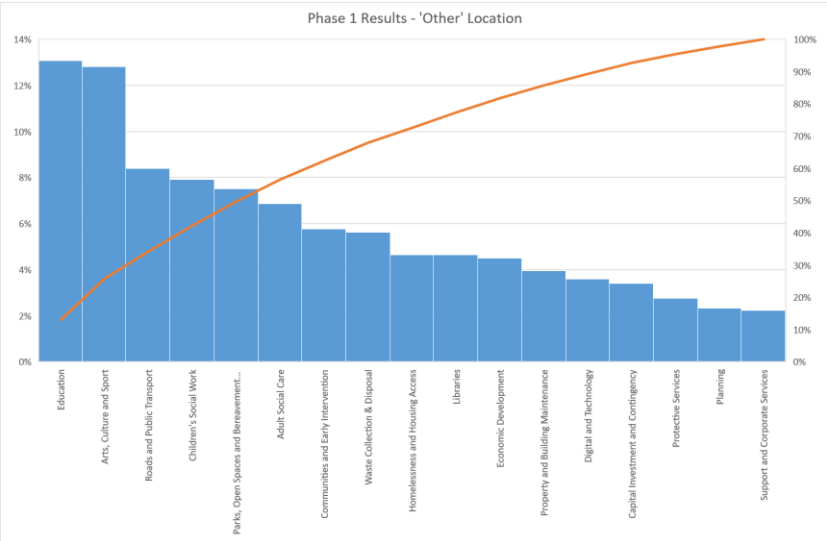
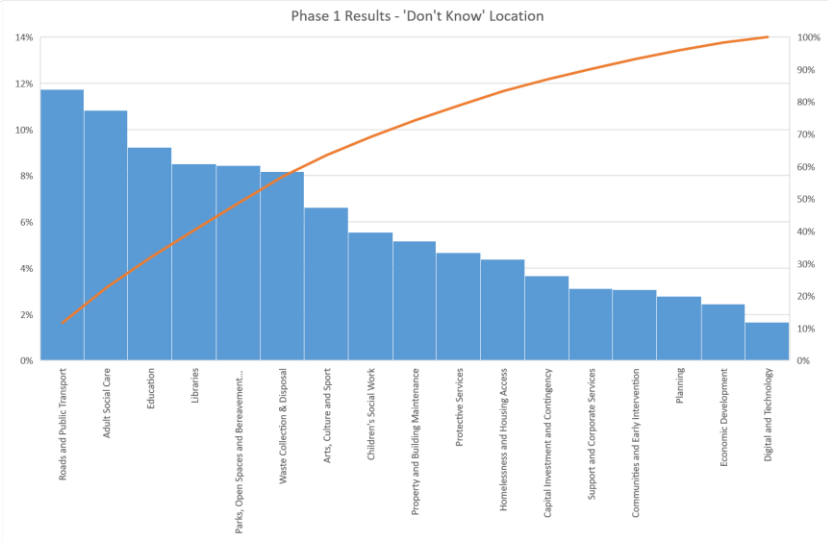
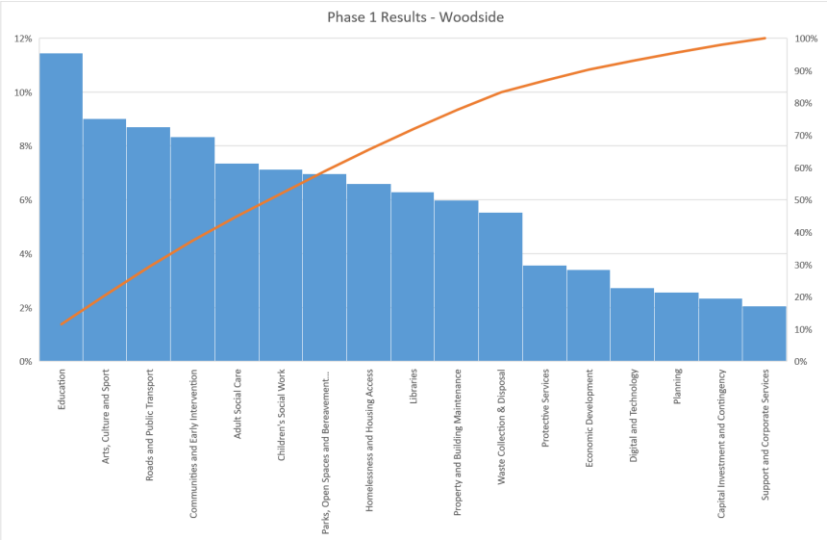




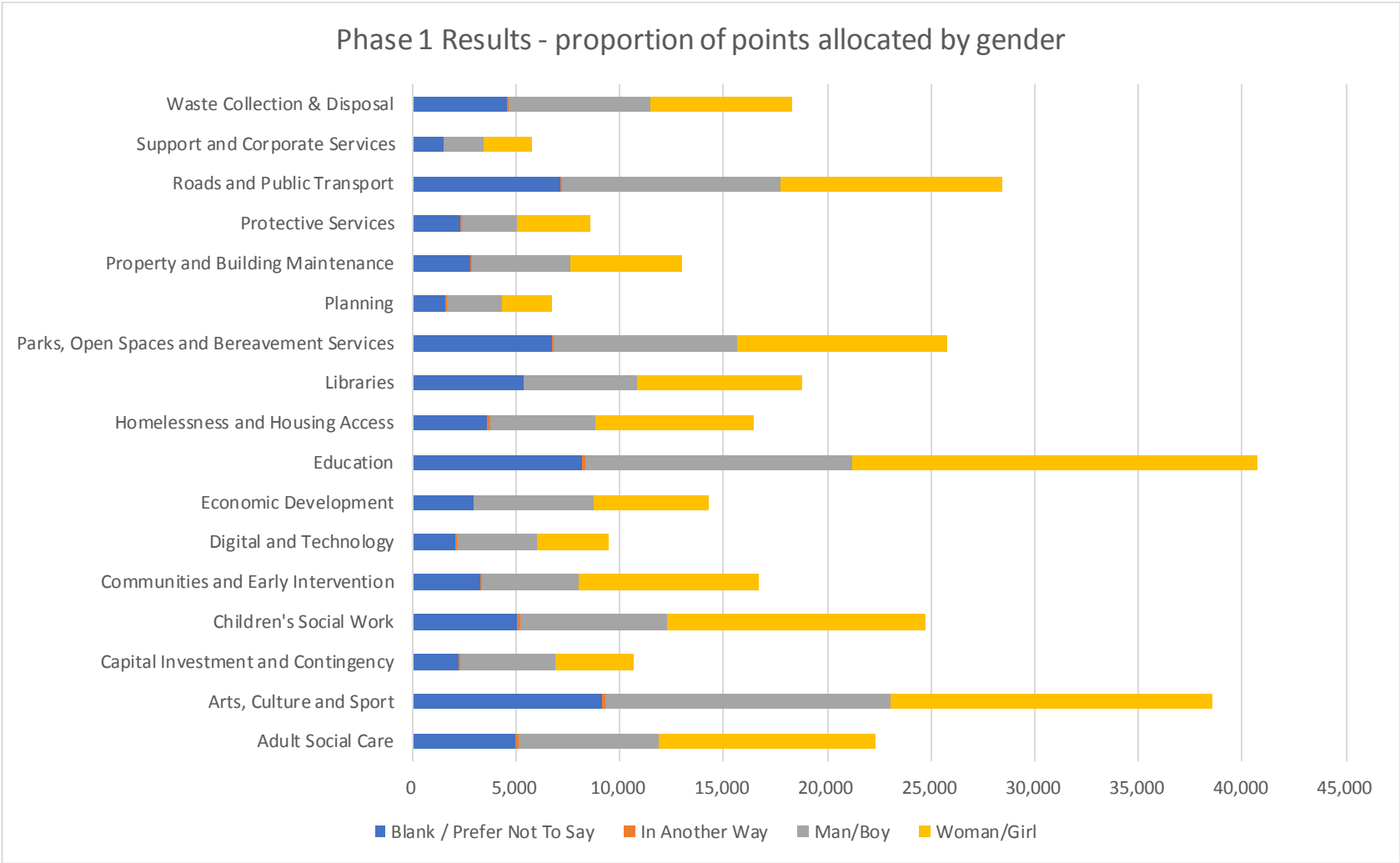


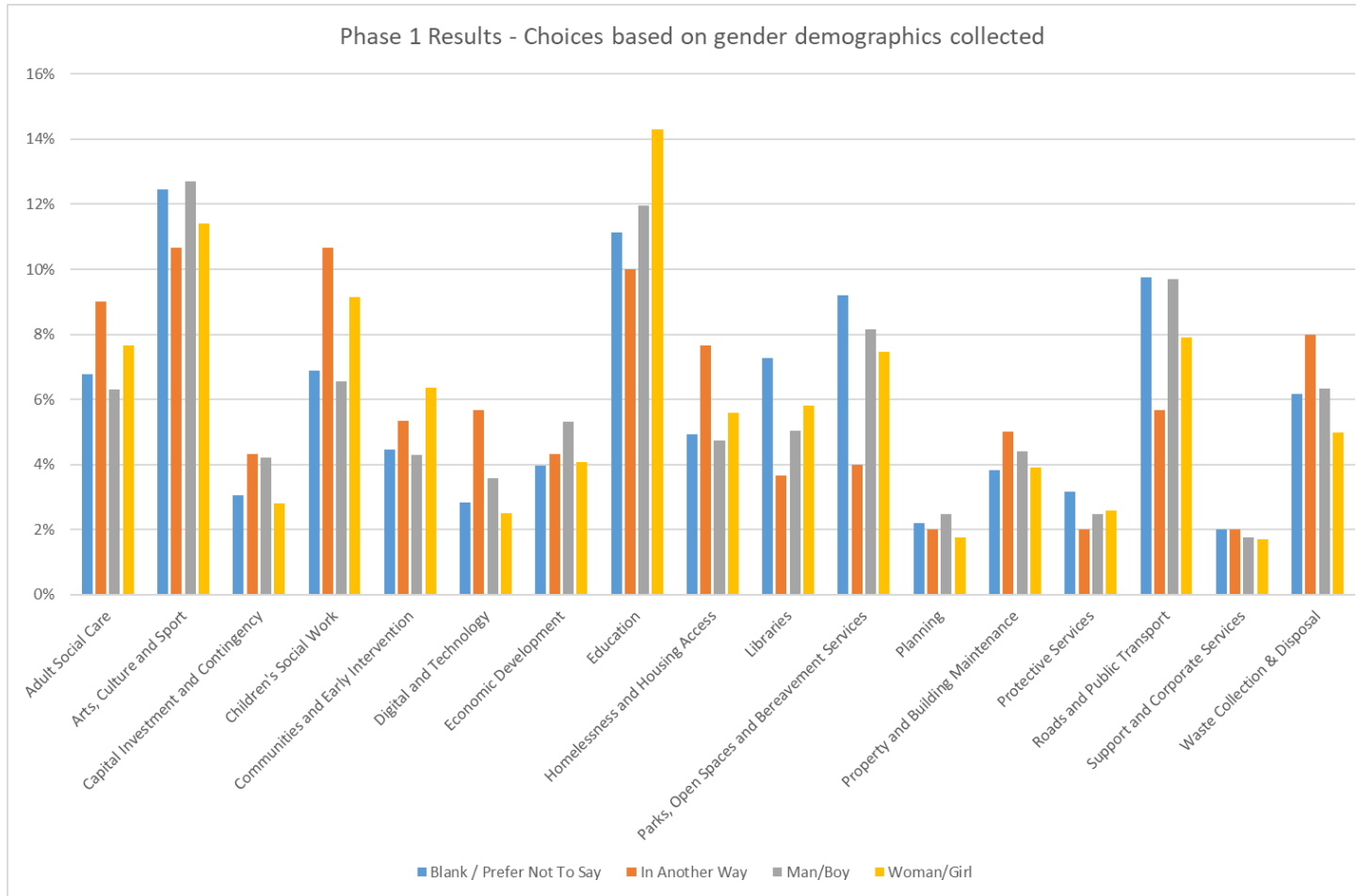






Graphs 46- 47 : Gender Statistics





Gender Data	Adult Social Care	Arts, Culture and Sport	Capital Investment and Contingency	Children's Social Work	Communities and Early Intervention	Digital and Technology	Economic Development	Education	Homelessness and Housing Access	Libraries	Parks, Open Spaces and Bereavement Services	Planning	Property and Building Maintenance	Protective Services	Roads and Public Transport	Support and Corporate Services	Waste Collection & Disposal
Blank / Prefer Not To Say	7%	12%	3%	7%	4%	3%	4%	11%	5%	7%	9%	2%	4%	3%	10%	2%	6%
In Another Way	9%	11%	4%	11%	5%	6%	4%	10%	8%	4%	4%	2%	5%	2%	6%	2%	8%
Man/Boy	6%	13%	4%	7%	4%	4%	5%	12%	5%	5%	8%	2%	4%	2%	10%	2%	6%
Woman/Girl	8%	11%	3%	9%	6%	3%	4%	14%	6%	6%	7%	2%	4%	3%	8%	2%	5%

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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Council Diary and Committee Places
REPORT NUMBER	COM/23/233
DIRECTOR	Gale Beattie, Director of Commissioning
CHIEF OFFICER	Vikki Cuthbert, Interim Chief Officer - Governance (Assurance)
REPORT AUTHOR	Martyn Orchard
TERMS OF REFERENCE	7 and 18

1. PURPOSE OF REPORT

- 1.1 To seek approval of the Council diary for 2024; and consider the allocation of committee places following the resignation of Councillor Crockett from the Labour group.

2. RECOMMENDATIONS

That the Council:-

- 2.1 approve the Council diary for 2024 appended to the report, making any changes as appropriate; and
- 2.2 agree that three Labour committee places transfer to Councillor Crockett and determine those committees.

3. CURRENT SITUATION

- 3.1 The current committee structure and Council diary for 2023 was approved by Council at its meeting of 25 August 2022. This resulted in an extra cycle of meetings being introduced with effect from October 2022.
- 3.2 Whilst the committee structure has bedded in, it has been apparent that the extra cycle of meetings has created congestion for both elected members and officers which has put unnecessary pressure on limited resources, with some committees being light on business at certain times.
- 3.3 Consequently, the proposed diary for 2024, as contained at Appendix A, recommends the removal of a cycle of meetings, with meetings more spaced out throughout the year. It should be noted that the proposed changes do not impact on the scheduling of the Planning Development Management Committee and the Pensions Committee. Furthermore, the removal of a cycle

of meetings does not include Full Council, which, it is proposed, will continue to have six ordinary meetings per year plus the budget meeting. Notwithstanding the above, Standing Order 8.1 allows Conveners to arrange special meetings of Council, Committees or Sub Committees at any time subject to the provisions of Standing Order 10.1.

3.4 In late June 2023, Councillor Crockett announced his resignation from the Labour group and that he would be an independent Councillor. Consequently, the committee places Councillor Crockett previously had as a Labour Councillor reverted to the Labour group. Furthermore, the Council decision of 14 June 2023 resulted in Councillor Malik becoming Convener of the Audit, Risk and Scrutiny Committee, in place of Councillor Crockett, with effect from 28 June 2023.

3.5 The current allocation of committee places, as agreed by Council on 26 April 2023, is below. It is important to note that the decisions of the Labour group and Councillor Mrs Stewart to not take their allocated places on the Pensions Committee resulted in the Partnership having extra committee places and the Labour group and Councillor Mrs Stewart having fewer committee places. The Council decision, of 26 April 2023, with regard to this matter was:-

“to agree that should members of the Labour group, or Independent members wish to subsequently agree to take up their vacated positions and serve on the Pensions Committee, that their nomination be brought to the appropriate meeting of Council or Urgent Business Committee to have their positions reinstated.”

Committee	Partnership	Labour	Conservative	Cllr Boulton	Cllr Mrs Stewart	Total
Anti-Poverty and Inequality	7	4	2	0	0	13
Audit, Risk and Scrutiny	7	3	2	0	1	13
Communities, Housing and Public Protection	7	3	2	0	1	13
Education and Children's Services	8	3	2	0	0	13
Finance and Resources	8	3	2	0	0	13
Licensing Committee	7	3	2	1	0	13
Net Zero, Environment and Transport	7	4	2	0	0	13

Committee	Partnership	Labour	Conservative	Cllr Boulton	Cllr Mrs Stewart	Total
Pensions	11	0	2	0	0	13
Planning Development Management	7	4	1	1	0	13
Staff Governance	7	3	2	1	0	13
Urgent Business	4	2	1	0	0	7
Integration Joint Board	3 (plus 2 subs)	1 (plus 1 sub)	0 (plus 1 sub)	0	0	4 (plus 4 subs)
Total	83 (plus 2 subs)	33 (plus 1 sub)	20 (plus 1 sub)	3	2	141 (plus 4 subs)

3.6 The Council has traditionally followed the principles of Section 15 of the Local Government and Housing Act 1989 when allocating committee places. The principles of section 15 of the 1989 Act are:-

- (a) not all the seats of the body are to be allocated to a particular group;
- (b) the majority of seats on the body are to be allocated to the group having a majority of seats on the Council; and
- (c) the number of seats on ordinary committees which are allocated to each group bears the same proportion to the total number of seats on those committees as the number of seats held by the group on the Council does to the whole membership of the Council.

3.7 This Section is not in force in Scotland. However, the Council has given effect to this through Standing Order 47.9 which states that 'the Council will set the membership for each Committee and in doing so should have regard to the political composition of the Council'.

3.8 The impact of Councillor Crockett resigning from the Labour group and becoming an independent Councillor means that 3 Labour committee places should transfer to Councillor Crockett. The Council is therefore requested to consider which committees those places should be on.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

- 5.1 As noted above, section 15 of the Local Government and Housing Act 1989 is not in force in Scotland. However, the Council has chosen to give effect to it through Standing Orders.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified	N/A	N/A	N/A
Compliance	Council must comply with legislation and the Scheme of Governance	The recommendations comply with statutory obligations and the Scheme of Governance	L	Yes
Operational	No significant risks identified	N/A	N/A	N/A
Financial	No significant risks identified	N/A	N/A	N/A
Reputational	No significant risks identified	N/A	N/A	N/A
Environment / Climate	No significant	N/A	N/A	N/A

	risks identified			
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8. OUTCOMES

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

9. IMPACT ASSESSMENTS

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

10. BACKGROUND PAPERS

None

11. APPENDICES

A - Council Diary 2024

12. REPORT AUTHOR CONTACT DETAILS

Name	Martyn Orchard
Title	Committee Lead
Email Address	morchard@aberdeencity.gov.uk
Tel	01224 067598

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1 PUBLIC HOLIDAY	2 PUBLIC HOLIDAY	3 SCHOOL HOLIDAYS	4 SCHOOL HOLIDAYS	5 SCHOOL HOLIDAYS	6
7	8 SCHOOL TERM STARTS	9	10	11	12	13
14	15 Local Review Body (11am)	16 Net Zero, Environment and Transport Committee (10am)	17	18 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	19	20
21	22 Staff Governance Committee (10am)	23 Communities, Housing and Public Protection Committee (10am)	24 Licensing Board (10am)	25 Planning Development Management Committee Visits (if required) (9.30am)	26 Grampian Joint Valuation Board (9.30am)	27
28	29	30 Finance and Resources Committee (10am)	31 Anti-Poverty and Inequality Committee (10am)			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
				1 Audit, Risk and Scrutiny Committee (2pm)	2	3
4	5	6 Integration Joint Board (10am)	7 Council (10.30am)	8 SPECTRA	9 SPECTRA	10 SPECTRA
11 SPECTRA	12 SCHOOL MID-TERM HOLIDAY	13 SCHOOL IN-SERVICE DAY	14 SCHOOL IN-SERVICE DAY	15 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	16	17
18	19 Local Review Body (11am)	20 Education and Children’s Services Committee (10am)	21 Licensing Committee (10am)	22 Planning Development Management Committee Visits (if required) (9.30am)	23	24
25	26	27 Clinical Care Governance Committee (10am)	28	29 Community Planning Aberdeen Board (CPA Board - 2pm)		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
					1	2
3	4	5	6 Council Budget (10.30am)	7	8	9
10	11	12	13 Finance and Resources Committee (10am)	14 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	15	16
17	18 Local Review Body (11am)	19	20 Anti-Poverty and Inequality Committee (10am)	21 Planning Development Management Committee Visits (if required) (9.30am)	22 Pensions Committee and Board (10am)	23
24	25	26 Integration Joint Board - Budget (10am)	27 Net Zero, Environment and Transport Committee (10am)	28 Communities, Housing and Public Protection Committee (10am)	29 SCHOOL TERM ENDS & GOOD FRIDAY	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1 SCHOOL EASTER HOLIDAYS	2 SCHOOL EASTER HOLIDAYS	3 SCHOOL EASTER HOLIDAYS	4 SCHOOL EASTER HOLIDAYS	5 SCHOOL EASTER HOLIDAYS	6
7	8 SCHOOL EASTER HOLIDAYS	9 SCHOOL EASTER HOLIDAYS	10 SCHOOL EASTER HOLIDAYS	11 SCHOOL EASTER HOLIDAYS	12 SCHOOL EASTER HOLIDAYS	13
14	15 SCHOOL TERM STARTS Local Review Body (11am)	16 Licensing Board (10am)	17 Council (10.30am)	18 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	19	20
21	22 Staff Governance Committee (10am)	23	24 Licensing Committee (10am)	25 Planning Development Management Committee Visits (if required) (9.30am) Audit, Risk and Scrutiny Committee (2pm)	26 Community Planning Aberdeen Board (CPA Board - 2pm)	27
28	29	30 Education and Children's Services Committee (10am)				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
			1	2	3	4
5	6 MAY DAY HOLIDAY	7 SCHOOL IN-SERVICE DAY	8 Finance and Resources Committee (10am)	9	10	11
12	13	14 IJB RAPC (10am)	15	16 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	17	18
19	20 Local Review Body (11am)	21	22	23 Planning Development Management Cttee Visits (if required) (9.30am)	24	25
26	27	28	29	30 Communities, Housing and Public Protection Committee (10am)	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
						1
2	3	4 IJB RAPC (10am)	5 Licensing Committee (10am)	6	7	8
9	10	11 Net Zero, Environment and Transport Committee (10am)	12 Anti-Poverty and Inequality Cttee (10am)	13	14	15
16 HIGHLAND GAMES	17 Local Review Body (11am)	18	19	20 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	21 Pensions Committee and Board (10am) (followed by Pension Board annual meeting)	22
23	24 Staff Governance Committee (10am)	25	26 Licensing Board (10am)	27 Planning Development Management Committee Visits (if required) (9.30am) Audit Risk and Scrutiny Committee (2pm)	28 Grampian Joint Valuation Board (9.30am)	29 ARMED FORCES DAY
30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
	1 Community Planning Aberdeen Board (CPA Board - 2pm)	2 Education and Children's Services Committee (10am)	3 Council (10.30am)	4	5 SCHOOL TERM ENDS	6
7	8 SCHOOL HOLIDAYS	9 SCHOOL HOLIDAYS	10 SCHOOL HOLIDAYS	11 SCHOOL HOLIDAYS	12 SCHOOL HOLIDAYS	13
14	15 SCHOOL HOLIDAYS	16 SCHOOL HOLIDAYS	17 SCHOOL HOLIDAYS	18 SCHOOL HOLIDAYS	19 SCHOOL HOLIDAYS	20
21	22 SCHOOL HOLIDAYS	23 SCHOOL HOLIDAYS	24 SCHOOL HOLIDAYS	25 SCHOOL HOLIDAYS	26 SCHOOL HOLIDAYS	27
28	29 SCHOOL HOLIDAYS	30 SCHOOL HOLIDAYS	31 SCHOOL HOLIDAYS			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
				1 SCHOOL HOLIDAYS	2 SCHOOL HOLIDAYS	3
4	5 SCHOOL HOLIDAYS	6 SCHOOL HOLIDAYS	7 SCHOOL HOLIDAYS Finance and Resources Committee (10am)	8 SCHOOL HOLIDAYS	9 SCHOOL HOLIDAYS	10
11	12 SCHOOL HOLIDAYS	13 SCHOOL HOLIDAYS	14 SCHOOL HOLIDAYS	15 SCHOOL HOLIDAYS	16 SCHOOL HOLIDAYS	17
18	19 SCHOOL IN-SERVICE DAY	20 SCHOOL TERM STARTS Licensing Committee (10am)	21 Council (10.30am)	22 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	23	24
25	26 Local Review Body (11am)	27	28 Anti-Poverty and Inequality Committee (10am)	29 Planning Development Management Committee Visits (if required) (9.30am)	30 Grampian Joint Valuation Board (9.30am)	31

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
1	2	3 Net Zero, Environment & Transport Cttee (10am)	4	5 Communities, Housing and Public Protection Committee (10am)	6	7
8	9 Staff Governance Committee (10am)	10	11 Licensing Board (10am)	12 Finance and Resources Committee (10am)	13 Pensions Committee and Board (10am)	14
15	16	17 Education and Children's Services Committee (10am)	18	19 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	20 SCHOOL SEPTEMBER HOLIDAY	21
22	23 SCHOOL SEPTEMBER HOLIDAY	24	25 Community Planning Aberdeen Board (CPA Board - 2pm)	26 Planning Development Management Committee Visits (if required) (9.30am) Audit, Risk and Scrutiny Committee (2pm)	27	28
29	30 Local Review Body (11am)					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
		1	2 Council (10.30am)	3	4	5
6	7	8	9 Licensing Committee (10am)	10	11 SCHOOL TERM ENDS	12
13	14 SCHOOL HOLIDAYS	15 SCHOOL HOLIDAYS	16 SCHOOL HOLIDAYS	17 SCHOOL HOLIDAYS	18 SCHOOL HOLIDAYS	19
20	21 SCHOOL HOLIDAYS	22 SCHOOL HOLIDAYS	23 SCHOOL HOLIDAYS	24 SCHOOL HOLIDAYS	25 SCHOOL HOLIDAYS	26
27	28 SCHOOL TERM STARTS	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
					1 Grampian Joint Valuation Board (9.30am)	2
3	4 Local Review Body (11am)	5 Finance and Resources Committee (10am)	6 Anti-Poverty and Inequality Committee (10am)	7 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	8	9
10	11	12 Net Zero, Environment and Transport Committee (10am)	13	14 Planning Development Management Committee Visits (if required) (9.30am)	15 SCHOOL IN-SERVICE DAY	16
17	18 Staff Governance Committee (10am)	19	20	21 Communities, Housing and Public Protection Committee (10am)	22	23
24 LIGHTS PARADE	25	26 Education and Children's Services Committee (10am)	27 Community Planning Aberdeen Board (CPA Board - 2pm)	28 Audit, Risk and Scrutiny Committee (2pm)	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Sat/day
1	2 Local Review Body (11am)	3	4 Licensing Committee (10am)	5 Planning Development Management Committee (10am) Pre-Application Forum (2pm)	6	7
8	9	10 Licensing Board (10am)	11 Council (10.30am)	12 Planning Development Management Committee Visits (if required) (9.30am)	13 Pensions Committee and Board (10am)	14
15	16	17	18	19	20 SCHOOL TERM ENDS	21
22	23	24	25 CHRISTMAS DAY	26 BOXING DAY	27 PUBLIC HOLIDAY	28
29	30	31				

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Regional Land Use Partnership Pilot Board
REPORT NUMBER	COM/23/241
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	David Berry
TERMS OF REFERENCE	General 8.2

1. PURPOSE OF REPORT

- 1.1 This report provides background on the establishment of a Regional Land Use Partnership (RLUP) Pilot Board for the North East of Scotland and seeks the appointment of two elected members to the Board.

2. RECOMMENDATIONS

That Council:-

- 2.1 Instruct the Chief Officer – Strategic Place Planning to continue to work collaboratively with Officers in Aberdeenshire Council on the development of the North East Regional Land Use Partnership Pilot, recognising the strong history of partnership working between the two Councils on matters affecting the North East Region;
- 2.2 Note the Terms of Reference for the newly formed Regional Land Use Partnership Pilot Board for the North East of Scotland; and
- 2.3 Appoint two members from Aberdeen City Council to sit on the Regional Land Use Partnership Board.

3. CURRENT SITUATION

- 3.1. The Climate Change (Scotland) Act 2009 places a requirement on Scottish Ministers to produce a Land Use Strategy every five years. Scotland's Land Use Strategy is a strategic document that sets out the Scottish Government's vision for sustainable land use in Scotland, as well as the Government's key objectives and policies for delivery. It was first published in 2011 and the third (most recent) iteration was published in March 2021. The aim of the third National Land Use Strategy "Land Use - Getting the Best from our Land:

Strategy 2021 to 2026”¹ is to make land use more understandable and accessible to everyone. It aims to support a shift in the way we think about land to promote more inclusive conversations around how we use land and who should be involved in decisions about land use. The strategy recognises that the current climate and nature emergencies cannot be addressed without changes to the way we use, manage and live on our land.

- 3.2. Instead of the sectoral approach set out within the earlier strategies, the third National Land Use Strategy promotes a more holistic approach on how sustainable land use in Scotland might look. Seven landscapes have been identified in the Strategy to broadly represent different aspects of land across Scotland: Settlements, Enclosed Farmland, Semi-Natural Land, Rivers and Water Bodies, Coastal, Islands and Marine.
- 3.3. The Strategy also identifies a number of platforms that are available to take forward deeper conversations regarding sustainable land use. Two are highlighted in particular – the (recently adopted) National Planning Framework 4 and a series of Regional Land Use Partnership (RLUP) pilots.
- 3.4. In early February 2021 Aberdeenshire Council was advised by the Scottish Government Cabinet Secretary that its Expression of Interest to participate as a Regional Land Use Partnership Pilot Region, submitted on behalf of Aberdeen City and Aberdeenshire Councils, had been successful. The submission followed an invitation from the Scottish Government in mid-January 2021 to all future Regional Spatial Strategy Groupings in Scotland.
- 3.5. Five RLUP pilot areas have been selected to participate in this project from across Scotland. The pilot areas are:
 - Cairngorms National Park;
 - Highland Council;
 - Loch Lomond and the Trossachs National Park;
 - North East Region (Aberdeenshire and Aberdeen City Council areas); and,
 - South of Scotland (Dumfries and Galloway and Scottish Borders Councils).
- 3.6. The Scottish Government has identified that the RLUP pilots will have three phases:
 - Phase 1 – Establish a partnership structure able to deliver a collaborative approach to land use change decision-making, involving national and local government, landowners and managers, communities and stakeholders.
 - Phase 2 – Develop a Regional Land Use Framework (RLUF) to identify key priorities for land use within the region that align to national climate and environmental targets.

¹ <https://www.gov.scot/publications/scotlands-third-land-use-strategy-2021-2026-getting-best-land/documents/>

- Phase 3 – Focus on delivering the objectives in the Framework.
- 3.7. Participating in the new pilot will allow the Council, in partnership with Aberdeenshire Council, to build on and update on earlier regional partnership work undertaken through the Strategic Development Planning Authority (SDPA) and progress, in a collaborative way, the preparation of a new Land Use Framework for the North East Region. The Framework will take a natural capital / ecosystem approach to identify at a landscape level potential land use changes with positive climate and environmental impacts. This will then allow the Councils to set regional land use and environmental objectives to help address the twin challenges of climate change and biodiversity, and link these to wider regional goals, such as those with the Regional Economic and Transport Strategies. This would then be used to inform the preparation of other future plans and strategies such as the Regional Spatial Strategy and Local Development Plan.
- 3.8. Officers from both Aberdeen City and Aberdeenshire Councils have begun to progress initial work under Phase 1 of North East Pilot, with Aberdeenshire Council leading the project due to the more extensive range of different landscape and land use types present. An overall governance structure for the RLUP pilot has been developed by Aberdeenshire Council and involves the establishment of a RLUP Pilot Board to oversee production of the RLUF. Aberdeenshire Council's Infrastructure Services Committee agreed Terms of Reference for the RLUP Pilot Board at a meeting on 11 May 2023. A copy of the approved Terms of Reference is included at Appendix 1 for Members' information.
- 3.9. Aberdeenshire Council will be providing secretariat support to the RLUP Board and it is intended that Board membership will comprise the following representatives:
- An independent Chair
 - Five Elected Members reflecting political representation in the North East RLUP area (three from Aberdeenshire Council and two from Aberdeen City Council)
 - Agriculture industry
 - Forestry industry
 - Environmental organisations
 - Relevant research institutions
- 3.10. There has already been interest expressed by various parties which cover a wide range of interests and fields of expertise relative to the above mentioned industries. In line with recommendations 2.2 and 2.3 above, Council is therefore requested to note the Terms of Reference and appoint two members from Aberdeen City Council to the RLUP Pilot Board.

4. FINANCIAL IMPLICATIONS

- 4.1. As noted in Section 3, Aberdeenshire Council is leading the North East RLUP pilot and will be providing secretariat support to the RLUP Board. The Scottish

Government has committed to provide up to £65,000 of grant funding to Aberdeenshire Council to deliver the RLUP Pilot for financial year 2023/24. This will be claimed quarterly by them in arrears. There is no current commitment from Scottish Government to funding after 2023/24. Phases 2 and 3 of the RLUP pilot process have therefore been paused by Aberdeenshire Council until confirmation of Scottish Government funding for 2024/25 has been provided, which they will require in order to continue provision of secretariat support to the RLUP Pilot Board and delivery of the RLUF beyond the current financial year. The Scottish Government has advised that the budget for future years will be agreed by them through its normal budgetary planning process.

4.2. In terms of financial implications for Aberdeen City Council, there are no direct implications as a result of this report as ongoing officer support to the project can be met from existing budgets.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

6.1 RLUPs are expected to enable natural capital led consideration of how to maximise the contribution that land can make to addressing the twin climate and biodiversity crises. They are also expected to help optimise land use in a fair and inclusive way – meeting local and national objectives and supporting the transition to net-zero. The RLUF will be subject to any necessary statutory environmental assessments during its production.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	The RLUP pilot is expected to support the delivery of several Council outcomes (as identified in Section 8 below). Failure to participate in the pilot process may mean that these	Appoint two Members to the RLUP board and participate in the RLUP pilot process.	L	Yes

	potential benefits are not fully realised.			
Compliance	With the North East having been selected by Scottish Government as one of five RLUP pilots, it will be important for ACC to participate in the pilot process to avoid any compliance risks.	Appoint two Members to the RLUP board and participate in the RLUP pilot process.	L	Yes
Operational	No significant risks identified.	N/A	N/A	N/A
Financial	Phases 2 and 3 of the RLUP pilot are paused until Aberdeenshire Council receives confirmation of Scottish Government funding for 2024/25. The RLUP Pilot may not progress unless such funding is confirmed.	Aberdeenshire Council to seek confirmation of Scottish Government funding to enable continuation of the RLUP project.	L	Yes
Reputational	Failure to participate in the RLUP pilot process may have an adverse reputational impact for ACC.	Appoint two Members to the RLUP board and participate in the RLUP pilot process.	L	Yes
Environment / Climate	Failure to participate in the RLUP pilot process may mean that its potential environmental and climate benefits are not fully realised.	Appoint two Members to the RLUP board and participate in the RLUP pilot process.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
Impact of Report	
Aberdeen City Council Policy Statement	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <ul style="list-style-type: none"> • Building a Greener and Sustainable City

<u>Working in Partnership for Aberdeen</u>	<ul style="list-style-type: none"> Empowering Aberdeen's Communities
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Place Stretch Outcomes	The proposals within this report support the delivery of LOIP Stretch Outcomes 13 (Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate) and 15 (Addressing the nature crisis by protecting / managing 26% of Aberdeen's area for nature by 2026). The paper seeks to nominate two ACC Members onto the RLUP Pilot Board for the North East. RLUP pilots are expected to enable natural capital led consideration of how to maximise the contribution that our land can make to addressing the twin climate and biodiversity crises.
<p style="text-align: center;">Regional and City Strategies</p> <p><u>City Strategies and Strategic Plans</u></p> <ul style="list-style-type: none"> - Local Development Plan - Net Zero Routemap for the City 	<p>The proposals within this report will complement the Local Development Plan in helping to promote sustainable patterns of land use across the City.</p> <p>They will also support the Net Zero Routemap for the City by enabling natural capital-led consideration of how to maximise the contribution that our land can make to addressing the twin climate and biodiversity crises, and by helping to optimise land use in a fair and inclusive way – meeting local and national objectives and supporting Scotland's just transition to net-zero.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required at this stage, although the RLUF will be subject to any necessary impact assessments during its production.
Data Protection Impact Assessment	Not required at this stage, although the RLUF will be subject to any necessary impact assessments during its production.
Other	None

10. BACKGROUND PAPERS

- 10.1 Scotland's Third Land Use Strategy 2021 – 2026: Getting the best from our land (<https://www.gov.scot/publications/scotlands-third-land-use-strategy-2021-2026-getting-best-land/documents/>)

11. APPENDICES

- 11.1 Appendix 1 – Terms of Reference for RLUP Pilot Board

12. REPORT AUTHOR CONTACT DETAILS

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APPENDIX 1

NORTH EAST SCOTLAND REGIONAL LAND USE PILOT BOARD TERMS OF REFERENCE

The North East Regional Land Use Planning Pilot Board (RLUP Pilot Board) is a partnership Board tasked with the preparation of the Regional Land Use Framework for the North East of Scotland (RLUF).

The RLUP Pilot Board membership is to total no less than 15 in number and shall accommodate the following representatives:

- An Independent Chair
- Five Elected Members reflecting political representation in the North East RLUP area (3 from Aberdeenshire Council and 2 from Aberdeen City Council)
- Agriculture Industry
- Forestry Industry
- Environmental organisations
- Relevant Research Institutions

The RLUP Pilot Board will be supported by a working group and technical support. It is also expected that the RLUP Pilot Board will have access to a panel of willing experts across a number of relevant specialisms who might be able to offer advice to the Board if required. Both the supporting working group and pool of experts could be expected to be drawn from Government Agencies, including NatureScot, Scottish Environmental Protection Agency (SEPA), and Scottish Water, the Scottish Government Rural Payments and Inspections Directorate (SGRPID), Marine Scotland, and Historic Environment Scotland (HES). However, university and research organisations such as the James Hutton Institute and Scotland's Centre of Expertise for Waters (CREW) have a significant potential input given the importance of water and soil management to all living and working in the North East Region.

The creation of the RLUP Pilot Board represents the joint commitment of the constituent Local Authorities along with partnership organisations to oversee the preparation of the RLUF for the North East of Scotland.

In particular it shall:

1. Prepare a draft Regional Land Use Planning Framework (RLUF) for approval by the constituent Local Authorities, and which draft RLUF shall identify and include regional strategic priorities for land use/landscape change within the North East region. The draft RLUF shall be supported by an appropriate evidence base.
2. Ensure that the preparation of the draft RLUF takes a natural capital / ecosystem approach in identifying 'strategic priorities' for landscape change that will deliver positive outcomes for climate and the environment.

3. When undertaking its work, the RLUP Pilot Board should engage with the identified Stakeholder Groups in **Appendix A** and any other stakeholders that the RLUP Pilot Board might consider to be beneficial to the identification of strategic priorities during preparation of the draft RLUF. The RLUP Pilot Board may therefore identify additional bodies or groups for early engagement.
4. Members of the RLUP Pilot Board should engage with the respective organisations they represent in order to bring the wealth of their colleagues' experience to the preparation of the draft RLUF.
5. The secretariat function for the RLUP Pilot Board will be provided by Aberdeenshire Council and this will include support on wider public and stakeholder engagement on draft priorities prepared by the Board and set out within the Draft RLUF. **Appendix B** attached sets out relationships.
6. These terms of reference will be kept under review by the constituent Local Authorities. At present the lifespan of the RLUP Pilot Board is not known until the Scottish Government identify the longer-term future for Regional Land Use Partnerships in Scotland.

APPENDIX A

Key established groups identified within the NE Region are:

- NESAAG (North East Scotland Agricultural Advisory Group);
- North East Scotland Area Advisory Group – one of a number of multistakeholder area advisory groups across Scotland, established by SEPA with the aim of assisting delivery of river basin management planning;
- North East Scotland Biodiversity Partnership (NESBiP) – established with members drawn from local government, environmental organisations, wildlife charities and hosted by the James Hutton Institute;
- Community Planning Partnerships – these partnerships are responsible for delivering positive changes for the communities of Aberdeenshire and Aberdeen;
- Climate Ready Aberdeenshire / Aberdeen Adapts – governed by steering groups consisting of senior representatives from organisations throughout the North East of Scotland and local groups.

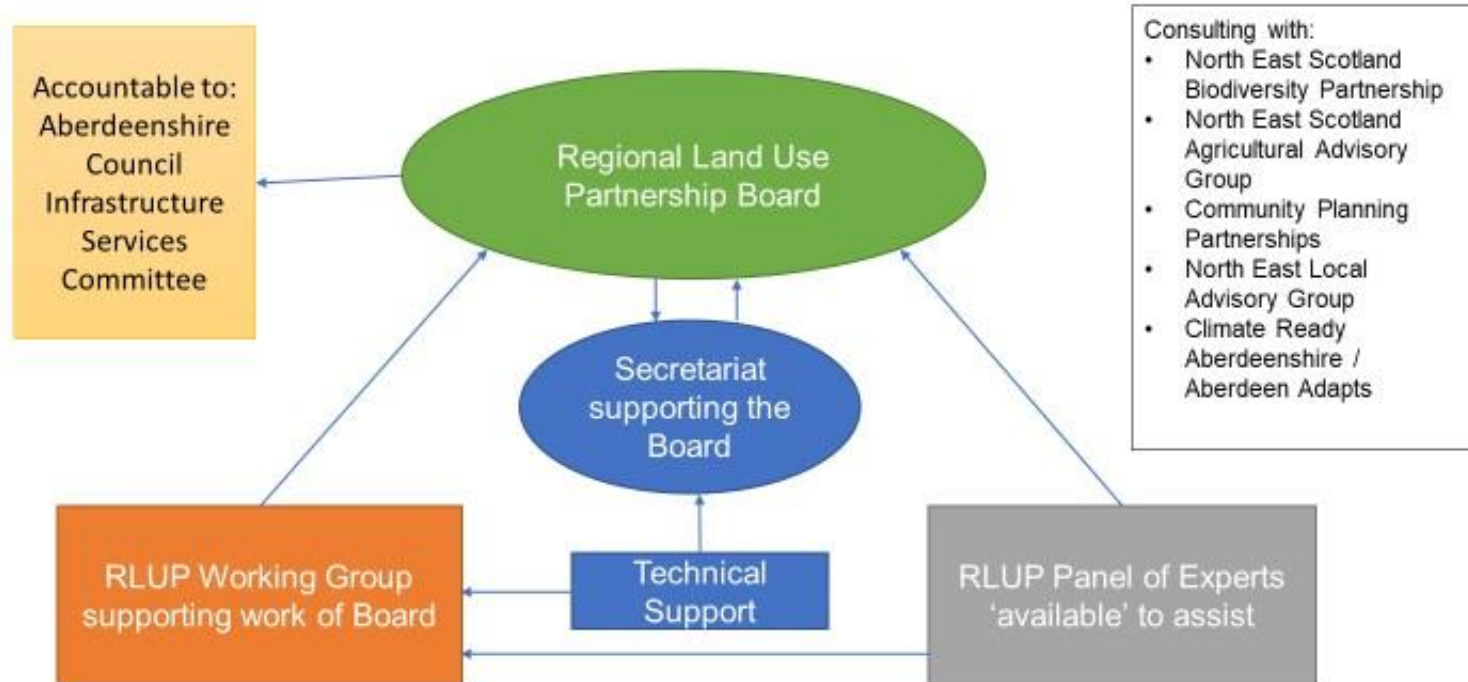
In addition to the key stakeholder groups identified above, the RLUP Pilot Board should undertake early engagement with the Scottish Tenant Farmers Association along with organisations that represent the renewables sector, including water, wind and solar farming.

Others that may be considered for early engagement if not already participating as members of the Pilot RLUP Board might also include:

- Transport Infrastructure - Network Rail (Scotland)
- NGOs – WWF
- NGOs - Woodland Trust
- NGOs - John Muir Trust
- NGOs – National Trust for Scotland
- Scottish B-Lines Buglife Scotland
- Scottish Moorland Group (Grampian Group)
- Food Sector – Scottish Food and Drink
- Economic – Opportunity North East Food and Drink
- Various – The RSA (Royal Society for Arts)
- Professional Body – Royal Town Planning Institute
- Professional Body – Royal Institute for Architecture in Scotland
- Professional Body – Royal Institute for Chartered Surveyors

APPENDIX B

Governance Structure for NE RLUP Phase 2



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ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	23 August 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Public Health Scotland / North East Population Health Alliance Strategic Partnership Agreement
REPORT NUMBER	CUS/23/273
DIRECTOR	Gale Beattie
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Martin Murchie
TERMS OF REFERENCE	24.5

1. PURPOSE OF REPORT

- 1.1 To seek Council's endorsement for the signing of a strategic partnership agreement between Public Health Scotland (PHS) and Aberdeen City Council, as one of nine organisations comprising the North East Population Health Alliance (NEPHA).

2. RECOMMENDATIONS

That Council:-

- 2.1 agree that Aberdeen City Council be a signatory to the strategic partnership agreement.
- 2.2 request the Chief Executive to provide the Council with an annual progress report on the strategic partnership agreement.

3. CURRENT SITUATION

- 3.1 The aim and purpose of the strategic partnership agreement is to develop a learning system to improve population health and reduce health inequalities across the North East of Scotland.
- 3.2 The draft agreement (appendix A) outlines a shared vision, value of the partnership, how the organisations will work together within the remit of the agreement, and high-level objectives which give an indication of areas the agreement will focus on.

Situation

- 3.3 Scotland continues to face significant population health challenges: stalling (and in some groups falling) healthy life expectancy, and pre-pandemic widening levels of inequality, further exacerbated by Covid-19. Additionally, the

pandemic has further increased demand on health and care services. Improving health requires improved system sustainability and, even more critically, improved outcomes in the wider factors that create health – good early years, learning, jobs, income and supportive communities.

- 3.4 The recent Health Foundation report ‘Leave no one behind’ emphasises the need for collective action. Specifically, to effect impactful change to tackle inequalities will require practical up and downstream collaboration and action across all parts of the delivery system, and from the public.

Background

- 3.5 We are fortunate to have strong partnerships across public agencies, private and third sectors and communities in the North East. However, as set out above, some of the population health challenges we are grappling with are significant and worsening.
- 3.6 The DPH Annual report 2022 sets out four key threats to population health and action we can collectively take together to break the cycle of widening health inequalities. The report recognises the strength of our partnerships and highlights where we are already working well together to tackle these challenges. However, greater action is required.
- 3.7 In response to these significant population health challenges and to reverse current trends, public sector leaders from across the North East have considered how we can create a system of public health learning to reverse current trends. This is referred to as the North East Population Health Alliance (NEPHA). Recognising that systems of governance are firmly embedded within and across our organisations already, the NEPHA is instead intended as an action learning forum for exploring challenges together, testing solutions, and bringing together our collective knowledge with data and evidence to enable more powerful conversations and effective action. The NEPHA currently comprises nine partners; NHS Grampian, Aberdeen City Council, Aberdeen City Health & Social Care Partnership, Aberdeenshire Council, Aberdeenshire Health & Social Care Partnership, Moray Council, Health & Social Care Moray, Scottish Fire and Rescue Service, and Police Scotland.
- 3.8 Public Health Scotland has a leadership role in, and contributes to, all of Scotland’s public health priorities and will focus on three areas: preventing disease, prolonging healthy life, and promoting health and wellbeing.
- 3.9 Public Health Scotland’s Strategic Plan sets out a clear commitment to collaborative working in recognition that no one organisation or profession can address Scotland’s public health challenge.

Assessment

- 3.10 The aim of this agreement is to share expertise and collaborate where there is added value to doing so, for the benefit of the people of the North East of Scotland. The agreement provides an opportunity to align the collective ambition of the NEPHA with the strategic aims of Public Health Scotland.

The agreement aims to facilitate collaboration between PHS and the NEPHA (comprising the nine respective organisations) to share and learn about key issues to build on our collective knowledge, share insights and use our collective capacity to improve population health outcomes. Specifically, the shared objective of the agreement is to improve population health and reduce inequalities across the North East of Scotland.

As the partnership matures, our work together will inevitably change. Following assessment of need, PHS and NEPHA (comprising the respective nine organisations) will agree shared priorities. In year one, six high-level themes will be explored with a view to developing more detailed objectives over the life of the strategic agreement. These are:

- i. Develop a learning system that explores the challenges faced by the North East of Scotland, tests solutions, and implements what works at scale and pace.
 - ii. Form collective knowledge, data, and evidence to shape more powerful collective conversations and action to achieve the vision of thriving communities living fulfilled lives.
 - iii. Developing common data governance and system models to enable findable, accessible, interoperability and reusable data to support research, policy development and operational delivery such as the Persons at Risk Database (PARD) and local use of common identifiers, including CHI.
 - iv. Collaboration on the commissioning and conduct of research on the wider determinants of health across the north east and the application of knowledge to practice locally and nationally.
 - v. Development of a baseline of prevention activity within the region with a view to establishing some targets for growth in activity.
 - vi. Child poverty, the Drugs Mission and the eradication of homelessness will appear in detailed work plan because the commitment is established at a national and local level, and therefore we can maximise the tripartite collaboration on the achievement of these commitments.
- 3.11 The agreement is currently out for review and sign off by late summer 2023 across the respective governance structures of the organisations comprising the NEPHA. During this time the agreement is subject to minor amendments as it moved through organisational approval processes. A final version comprising all feedback will be shared with all organisations once the process of signing off has concluded.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

- 5.1 The strategic partnership is a voluntary arrangement and, as such, there are no direct legal implications arising from this report.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	None	N/A	-	Yes
Compliance	None	N/A	-	Yes
Operational	None	N/A	-	Yes
Financial	None	N/A	-	Yes
Reputational	None	N/A	-	Yes
Environment / Climate	None	N/A	-	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
Impact of Report	
Aberdeen City Council Policy Statement Working in Partnership for Aberdeen	The partnership seeks to maximise collaboration which will support multiple Policy Statement commitments to improve the physical and mental health and wellbeing of residents of our city.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	As indicated in the report, as the partnership matures, its work will change in line with assessment of need. This will generate agreed shared priorities. A number e.g. child poverty, the drugs Mission and the eradication of homelessness have already been identified. These, and whichever future shared priorities are agreed will fully support the Local Outcome Improvement Plan.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	
Regional and City Strategies	The strategic partnership will support the broad range of Council and shared strategies, most

	specifically the Children’s Services Plan, Local Housing Strategy, Regional Economic Strategy, Regional Skills Strategy.
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required
Other	None

10. BACKGROUND PAPERS

10.1 [Director of Public Health Annual Report 2022](#)

11. APPENDICES

11.1 Appendix 1 – NEPHA PHS Strategic Partnership Agreement Draft V1.6

12. REPORT AUTHOR CONTACT DETAILS

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Strategic Partnership Agreement

Public Health Scotland and the North East Population Health Alliance

Date: 3rd August 2023

Version: DRAFT V1.6

Purpose

This strategic partnership agreement is a commitment between the North East Population Health Alliance (NEPHA) and Public Health Scotland (PHS) to work together with the objective of developing a learning system to improve population health and reduce health inequalities across the North East of Scotland.

This agreement outlines our shared vision, the value of this partnership, how we will work together and some indicative areas we will work together on. As our partnership matures, our work together will inevitably change.

Terms of agreement

The strategic partnership agreement will be effective from August 2023 and will run until August 2026 and will be reviewed annually.

National strategic context

Scotland has a robust and comprehensive national public health strategy that aims to improve the health and well-being of its population. The national strategic context for public health in Scotland is set out in several key documents, including:

1. **Scotland's Public Health Priorities:** This document outlines Scotland's key public health priorities, including reducing health inequalities, improving mental health and well-being, and tackling the underlying causes of ill health such as poverty, obesity, and smoking.
2. **Public Health Outcomes Framework:** This framework sets out the key outcomes that Scotland aims to achieve through its public health policies and interventions. These outcomes include improvements in life expectancy, reductions in premature mortality, and improvements in health-related quality of life.
3. **Scotland's Health and Social Care Delivery Plan:** This plan outlines the actions that the Scottish government will take to deliver its health and social care priorities, including those related to public health.
4. **Scotland's Diet and Healthy Weight Delivery Plan:** This plan sets out the actions that Scotland will take to improve the diet and weight of its population, including promoting healthy eating and physical activity.
5. **Mental Health Strategy:** This strategy outlines Scotland's approach to improving mental health and well-being, including prevention, early intervention, and treatment.

The Care and Wellbeing Portfolio is the overall strategic reform policy and delivery framework within Health and Social Care. It brings oversight and coherence to the major health and care



reform programmes designed to improve population health, address health inequalities and improve health and care system sustainability.

Scotland continues to face significant population health challenges: stalling (and in some groups falling) healthy life expectancy, and widening levels of inequality, exacerbated by COVID-19. In addition, the pandemic has further increased demand on health and care services. Improving health requires improved system sustainability and, even more critically, improved outcomes in the wider factors that create health – good early years; learning, jobs; income; and supportive communities.

The Portfolio provides an opportunity to take a systematic approach to planning and delivering care and wellbeing. Portfolio objectives focus on coherence, sustainability and improved outcomes both within health and care, and across government, with the overall goal of improving population health and reducing health inequalities.

Furthermore, the recent Health Foundation report ‘Leave no one behind’ⁱ clearly highlights that despite undoubted policy ambition, effective implementation has fallen short with inequalities persisting and growing across Scotland. Most importantly, the report recognises that change requires practical, up and downstream collaboration and action across all parts of the delivery system and from the public. More than ever this emphasises the need for collective action.

Public Health Scotland context

‘A Scotland where everybody thrives’ is the overarching ambition of Public Health Scotland’s Strategic Plan 2022–2025, which focuses on increasing healthy life expectancy and reducing health inequalities.

The Strategic Plan sets out a clear commitment to collaborative working in recognition that no one organisation or profession can address Scotland’s public health challenge. Public Health Scotland has a leadership role in, and contributes to, all of Scotland’s public health priorities. Public Health Scotland will focus on three areas:

- Prevent disease
- Prolong health life
- Promote health & wellbeing

The North East Population Health Alliance Context

We are fortunate to have strong partnerships across public agencies, private and third sectors and communities in the North East with many examples of good practice and innovation to address this complex agenda. However, compounded by the pandemic, some of the population health challenges we are grappling with are significant and in places worsening.

ⁱ <https://www.health.org.uk/publications/leave-no-one-behind>



The [2022/23 DPH Annual Report](#) sets out four key threats to population health and action we can collectively take together to break the cycle of widening of health inequalities. The report recognises the strength of our partnerships in the North East and where we are already working well together to tackle these challenges. However, with health gains stalling and health inequalities widening across the North East greater action is required.

There is no single blueprint for a local population health approach. Learning and adapting from our experiences and that of others, leaders in the North East of Scotland are looking at how we can create a system of public health learning across and within our partnership arrangements to reverse current trends. We have called this the North East Population Health Alliance in recognition of our collective responsibility. The North East Population Health Alliance currently comprises nine partners; NHS Grampian, Aberdeen City Council, Aberdeen City Health & Social Care Partnership, Aberdeenshire Council, Aberdeenshire Health & Social Care Partnership, Moray Council, Health & Social Care Moray, Scottish Fire and Rescue Service, and Police Scotland.

The North East Population Health Alliance is not intended to be a governance group, as we have governance mechanisms embedded in our system already, but a forum for ensuring that we develop a learning system that explores our challenges together, tests solutions, and ‘what works’ is implemented at scale and at pace. Over the next three years we plan to work with a growing and diverse membership from across different sectors, communities and determinants of health. Through bringing our collective knowledge together with data and evidence we want to shape and enable more powerful collective conversations and action to achieve our vision of thriving communities living fulfilled lives.

Vision

The vision of the North East Population Health Alliance has been established through discussions with the North East Population Health Alliance membership. The vision is to have flourishing communities, living fulfilled lives. The North East Population Health Alliance has a joint commitment that: together we will share collective responsibility for the durability of the North East. We will develop and refine this as our membership grows.

Value of collaboration

The aim of this collaboration is to share expertise and collaborate where there is added value to do so for the benefit of the people of the North East of Scotland. The NEPHA and PHS will work collaboratively to ensure that any outputs from the NEPHA are disseminated widely, to promote learning and sharing. We will collaborate to share and learn about key issues to build our knowledge, share insights and use our collective capacity to improve population health outcomes.

PHS will support the NEPHA by working with the health and care system in the North East of Scotland, the north east local authorities and other partners to collectively provide expertise, data, and evidence, as well as facilitating access to relevant networks and partners.

This collaboration represents a transformative approach to addressing population health challenges that distinguishes itself from previous efforts in several key ways:

- A commitment to a more holistic approach which can address health determinants more comprehensively by bringing together partners across the North East of Scotland.
- A shared commitment to ensuring communities are a true partner of the NEPHA and to build on each other's best practice to ensure effective and continuous community engagement to tackle inequalities.
- Ability to leverage data analytics and research capabilities to gain deeper insights into the health needs and trends across the North East of Scotland. These evidence-based insights can inform decision making and tailor interventions across all organisations.
- A long-term focus on sustainability to foster local leadership and create lasting relationships to ensure improvements stand the test of time.
- Creating a supportive environment which fosters innovation and knowledge exchange where partners can share best practice, lessons learned and success stories, learning from our respective experiences and capabilities.
- Prioritising equity as a guiding principle to actively ensure everyone has the opportunity to achieve their best possible health, regardless of background, socioeconomic status, or other factors.
- Developing methods to measure the impact of the work of the North East Population Health Alliance on population health outcomes. These metrics will be tracked and communicated transparently, providing a basis for continuous improvement.

Partnership governance

The NEPHA is not intended to be a governance group in itself, but a forum for ensuring that a learning system is developed and implemented. The governance mechanisms already embedded within and across the system will continue to operate as they do.

The NEPHA is open to members from different sectors, communities, and determinants of health, with the aim of promoting diversity and inclusivity.

The NEPHA will lead the development of the learning system, and will be responsible for ensuring that the NEPHA meets its objectives.

The partnership between the NEPHA and PHS will be underpinned by a set of shared principles:

<p>I will... use my position</p> <ul style="list-style-type: none"> ✚ Use my position, power and influence for North East wide objectives ✚ Use my networks for wider gains, constantly looking for opportunities to improve ✚ Proactively involve the community in finding solutions 	<p>I will... work with the North East family</p> <ul style="list-style-type: none"> ✚ To promote a system mindset and to relentlessly focus on health inequalities at all levels ✚ Shift system conversations to focus on maximising wellbeing ✚ To better use and share data and allocate resources to support our ambitions
<p>I will... help my organisation to</p> <ul style="list-style-type: none"> ✚ Define success as outcomes for collective health goals, not solely organisational success and minimising unintended consequences ✚ Being clear on priorities, and using knowledge and data more consistently to support better outcomes, experience and value ✚ Work more with communities through equality, diversity and inclusion 	<p>I will... help sustain efforts over time</p> <ul style="list-style-type: none"> ✚ By seeing ourselves as a family focused on being a healthier region, celebrating success and promoting local practice, support scale-up and sharing ✚ By helping create a collaborative system that rewards contribution to shared objectives not just organisational ones ✚ Helping flow to where it is most needed with communities, speaking up about equality, diversity and inclusion

The NEPHA and PHS will maintain the confidentiality of any information shared between them in accordance with relevant laws and regulations. The NEPHA and PHS may agree to share information with third parties, but only with the prior consent of the other party.

This agreement does not constitute a legally binding agreement between the NEPHA and PHS, but rather a statement of intent to collaborate.

The NEPHA and PHS will operate for a period of three years, at which point it will be evaluated.

Monitoring, evaluation and impact measurement

The shared objective of this MoU is to improve population health and reduce health inequalities across the North East of Scotland.

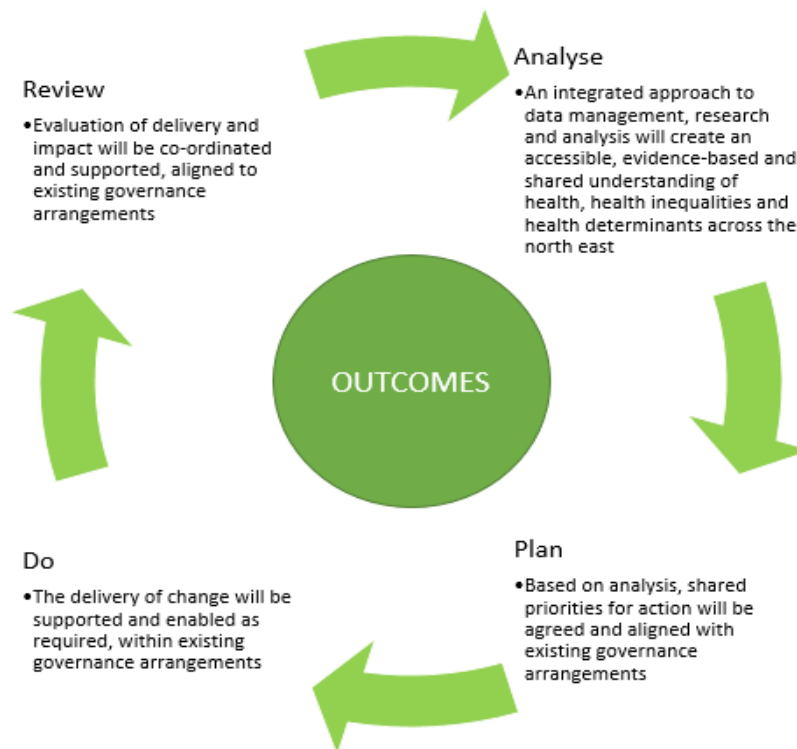
To do so will require the NEPHA and PHS to collectively create the conditions to build relationships, create, acquire and transfer knowledge, and co-design experiments/ explorations/ modifying behaviour/ changing system to reflect new knowledge and insights through shared research and evaluation.

This requires a focus on data capture / understanding the system to generate knowledge, aid decision making and turn knowledge into action to achieve better outcomes. Monitoring and evaluation, therefore, will focus on:

- A. The extent to which the key elements of a learning system have been implemented through the strategic partnership considering the following questions:

- Is this happening in the way we intended?
- How do respective partners undertaking the work of the learning cycles account for that work?
- How are we ensuring we are learning together?
- To what extent is our work together aligned to our shared principles?
- To what extent are human stories being used to bring meaning to data?

At the heart of learning as a management strategy is enacting a process of understanding and experimenting with complex systems to try and get those systems to produce a different pattern of results (or outcomes)ⁱⁱ. We will use learning cycles to collectively plan and organise this work, and form collective knowledge through research and evaluation which will feed into these learning cycles.



B. The impact of the learning system on health and health inequalities

- How have health outcomes changed across the north east?
- How have health inequalities changed across the north east?
- To what extent has this approach changed how we engage with communities?
- To what extent have the prioritised actions agreed by the NEPHA been delivered and what has been the impact?

ⁱⁱ <https://www.centreforpublicimpact.org/assets/pdfs/hls-practical-guide.pdf>

Resources

Proposed areas of joint work are described in appendix 1.

Fulfilment of the strategic partnership agreement will be dependent on the commitment of dedicated resource from both the NEPHA and PHS. This involves:

1. General principle of sharing knowledge, skills and expertise in order to enable the collective contribution against the agreed joint areas of work
2. Dedicated time from the NEPHA and PHS membership and identified staff to contribute and engage in regular Alliance meetings.
3. Establishment of a core team to develop the partnership and enable the achievement of the collective contribution against the identified joint areas of working
4. Further internal exploration of data held across the NEPHA partners and PHS is required in order to determine what and how data can be shared and utilised.
5. Capacity from NEPHA partners and PHS including data, evidence, research, evaluation, communications and marketing functions to be identified as part of a more detailed planning of joint actions. (This may include secondment opportunities across partner organisations to support skills development, knowledge sharing and transfer, and deployment of specialist skills for the purposes of achieving shared objectives.)

Appendix 1

Proposed areas of joint work

This agreement will facilitate the establishment of a forum for the NEPHA and PHS to collaborate and share knowledge to improve population health and reduce health inequalities across the North East of Scotland. Following assessment of need and understanding of activity across the system the NEPHA and PHS will agree shared priorities. The following high-level themes will be explored in year one with a view to developing more detailed objectives:

1. Develop a learning system that explores the challenges faced by the North East of Scotland, tests solutions, and shares learning and best practice of what works.
2. Form collective knowledge, data, and evidence to shape more powerful collective conversations and action to achieve the vision of thriving communities living fulfilled lives.
3. Collaboration on the commissioning and conduct of research on the wider determinants of health across the north east and the application of knowledge to practice locally and nationally.
4. Development of a baseline of prevention activity within the region with a view to establishing some targets for growth in activity.
5. Child poverty, the Drugs Mission and the eradication of homelessness are key areas of focus because the commitment is established at a national and local level, and therefore we can maximise the tripartite collaboration on the achievement of these commitments.



Strategic partnership agreement August 2023

We agree and accept this strategic partnership agreement between:

Public Health Scotland, **<add address>**

and: The North East Population Health Alliance (comprising NHS Grampian, Aberdeen City Council, Aberdeen City Health & Social Care Partnership, Aberdeenshire Council, Aberdeenshire Health & Social Care Partnership, Moray Council, Health & Social Care Moray, Scottish Fire and Rescue Service, and Police Scotland)

Public Health Scotland

Name:	
Position:	
Signature:	
Date:	

<insert NEPHA partner organisation name>

Name:	
Position:	
Signature:	
Date:	