



To: Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Cooke, Farquhar, Greig, Houghton, Hutchison, Malik, Radley, Thomson, van Sweeden and Watson.

Town House,
ABERDEEN 23 January 2024

FINANCE AND RESOURCES COMMITTEE

The Members of the **FINANCE AND RESOURCES COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **TUESDAY, 30 JANUARY 2024 at 10.00 am**. This is a hybrid meeting and Members may also attend remotely.

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

JENNI LAWSON
INTERIM CHIEF OFFICER – GOVERNANCE (LEGAL)

B U S I N E S S

NOTIFICATION OF URGENT BUSINESS

1.1. Urgent Business

DETERMINATION OF EXEMPT BUSINESS

2.1. Determination of Exempt Business

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

3.1. Declarations of Interest and Transparency Statements

DEPUTATIONS

4.1. Deputations

MINUTE OF PREVIOUS MEETING

- 5.1. Minute of Previous Meeting of 22 November 2023 (Pages 7 - 22)

COMMITTEE PLANNER

- 6.1. Committee Planner (Pages 23 - 34)

NOTICES OF MOTION

- 7.1. Notice of Motion by Councillor Thomson

Committee notes that:

1. The pressure on organisations to pay the right amount of tax in the right place at the right time has never been stronger.
2. Polling from the Institute for Business Ethics finds that “corporate tax avoidance” has, since 2013, been the clear number one concern of the British public when it comes to business conduct.
3. More than two-thirds (68%) of the Scottish public agree that the Government and local councils should consider a company’s ethics and how they pay their tax as well as value for money and quality of service provided, when undertaking procurement.
4. Around 15% of public contracts in Scotland have been won by companies with links to tax havens.
5. It has been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.
6. The Fair Tax Mark offers a means for business to demonstrate good tax conduct, and has been secured by wide range of businesses across the UK, including FTSE-listed PLCs, cooperatives, social enterprises and large private businesses.

Committee believes that:

1. Paying tax is often presented as a burden, but it shouldn’t be.
2. Tax enables us to provide services from education, health and social care, to flood defence, roads, policing and defence. It also helps to counter financial inequalities and rebalance distorted economies.
3. As recipients of significant public funding, local authorities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.
4. Where substantive stakes are held in private enterprises, then influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned - e.g., no use of marketed schemes requiring disclosure under DOTAS regulations (Disclosure Of Tax Avoidance Schemes) or arrangements that might fall foul of the General Anti-Abuse Rule.
5. More action is needed, however, as current law significantly restricts councils’ ability to either penalise poor tax conduct or reward good tax conduct, when buying goods or services.
6. UK cities, counties and towns can and should stand up for responsible tax conduct – doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

Committee resolves to:

1. Approve the Councils for Fair Tax Declaration.
2. Lead by example and demonstrate good practice in our tax conduct, right across our activities.
3. Ensure contractors implement IR35 robustly and pay a fair share of employment taxes.
4. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
5. Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates.
6. Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position.
7. Promote Fair Tax Mark certification to any business in which we have a significant stake and where corporation tax is due.
8. Support Fair Tax Week events in the area, and celebrate the tax contribution made by responsible businesses who say what they pay with pride.
9. Support calls for urgent reform of EU, UK and Scots law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES

- 8.1. Referrals from Council, Committees and Sub Committees

BUDGETS

- 9.1. Council Financial Performance - Quarter 3, 2023/24 - RES/24/031 (Pages 35 - 94)

See Exempt Appendices Section below for appendices.

- 9.2. Torry Heat Network - Future Operations - RES/24/026 (Pages 95 - 102)

- 9.3. Aberdeen City's Affordable Housing Delivery Programme - COM/24/020
(Pages 103 - 108)

- 9.4. Unrecoverable Debt - CUS/24/028 (Pages 109 - 124)

See Exempt Appendices Section below for an appendix.

- 9.5. Complex Care Funding Profile Stoneywood - RES/24/032 (Pages 125 - 128)

SERVICE DELIVERY

- 10.1. Performance Management Framework Report - Commissioning and Resources - COM/24/027 (Pages 129 - 166)

CITY GROWTH AND STRATEGIC PLACE PLANNING

- 11.1. International Travel 2024/25 - COM/24/029 (Pages 167 - 176)

- 11.2. UK Shared Prosperity Fund - COM/24/030 (Pages 177 - 196)

PROPERTY AND ESTATES

- 12.1. Capital Projects - Queen Elizabeth II Tribute - RES/24/036 (Pages 197 - 206)

WORK PLAN AND BUSINESS CASES

- 13.1. Work Plan and Business Cases - COM/24/025 (Pages 207 - 216)

See Exempt Appendices Section below for appendices.

EXEMPT/CONFIDENTIAL BUSINESS

- 14.1. Site at Beach Esplanade - Proposed Alternative Use - RES/24/035 (Pages 217 - 224)

EXEMPT APPENDICES

- 15.1. Council Financial Performance - Quarter 3, 2023/24 - Exempt Appendices (Pages 225 - 246)
- 15.2. Unrecoverable Debt - Exempt Appendix (Pages 247 - 248)
- 15.3. Work Plan and Business Cases - Exempt Appendices (Pages 249 - 284)

Integrated Impact Assessments related to reports on this agenda can be viewed [here](#)

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