

## GOVERNANCE

### DECISION SHEET

#### FINANCE AND RESOURCES COMMITTEE - TUESDAY, 30 JANUARY 2024

Please let the Committee Officer know as soon as possible if you do not agree with any action proposed in this decision sheet. These are decisions of the Committee and there is an expectation that action will be taken. If for any reason it is apparent that you will not be able to act on these instructions in full or in part or that there will be a delay, please let the Committee Officer know as it may be necessary to advise the Committee or seek further instructions from the Committee.

	Item Title	Committee Decision	Cluster Required to take action	Officer to Action
1.1	<u>Urgent Business</u>	<b><u>The Committee resolved:</u></b> There was no Urgent Business.		
2.1	<u>Determination of Exempt Business</u>	<b><u>The Committee resolved:</u></b> in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the following items of business:- <ul style="list-style-type: none"><li>• Item 14.1 – Site at Beach Esplanade – Proposed Alternative Use;</li><li>• Item 15.1 – Council Financial Performance – Quarter 3, 2023/24 – Exempt Appendices;</li><li>• Item 15.2 – Unrecoverable Debt – Exempt Appendices;</li><li>• Item 15.3 – Workplan and Business Cases – Exempt Appendices.</li></ul>		
3.1	<u>Declarations of Interest and Transparency Statements</u>	<b><u>The Committee resolved:</u></b> (1) Councillor Cooke advised that he had a connection in relation to agenda item 9.5 (Complex Care Funding		

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		<p>Profile Stoneywood) by virtue of him being the Chairperson of the Integrated Joint Board, however having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting; and</p> <p>(2) The Vice Convener advised that he had a connection in relation to agenda item 9.5 (Complex Care Funding Profile Stoneywood) by virtue of him being a member of the NHS Grampian Board, however having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.</p>		
4.1	<u>Deputation by Hamish McDonald, ABDN Limited</u>	<b>The Committee resolved:</b> To note the deputation.		
5.1	<u>Minute of Previous Meeting of 22 November 2023</u>	<b>The Committee resolved:</b> to approve the minute.		
6.1	<u>Committee Planner</u>	<b>The Committee resolved:</b> (i) to remove item 5 (Public Art Guidance and Panel) and Item 7 (Belmont Cinema) from the planner, for the reasons outlined therein; (ii) to note the reason for deferral in relation to item 13 (Financial Settlement from Transport Scotland for the De-trunking of the A92/A96 (Haudagain Improvement)); and		

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		(iii) to otherwise note the Committee Business Planner.		
7.1	<p><b><u>Notice of Motion by Councillor Thomson</u></b></p> <p>Committee notes that:</p> <ol style="list-style-type: none"> <li>1. The pressure on organisations to pay the right amount of tax in the right place at the right time has never been stronger.</li> <li>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.</li> <li>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.</li> <li>4. Around 15% of public contracts in Scotland have been won by companies with links to tax havens.</li> <li>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.</li> <li>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.</li> </ol> <p>Committee believes that:</p> <ol style="list-style-type: none"> <li>1. Paying tax is often presented as a burden, but it shouldn’t be.</li> <li>2. Tax enables us to provide services from education, health and social care, to flood defence, roads, policing and defence. It also</li> </ol>	<p><b><u>The Committee resolved:</u></b></p> <p>to Instruct the Chief Officer - Finance following consultation with the Chief Officer – Corporate Landlord and the Head of Commercial and Procurement Services to bring a report back to the Finance and Resources Committee on 8 May 2024 on the implications of implementing the motion.</p>		

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	<p>helps to counter financial inequalities and rebalance distorted economies.</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p>Committee resolves to:</p> <ol style="list-style-type: none"> <li>1. Approve the Councils for Fair Tax Declaration.</li> <li>2. Lead by example and demonstrate good practice in our tax conduct, right across our activities.</li> <li>3. Ensure contractors implement IR35 robustly and pay a fair share of employment taxes.</li> <li>4. Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.</li> <li>5. Undertake due diligence to ensure that not-for-profit structures are not being used</li> </ol>			

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	<p>inappropriately as an artificial device to reduce the payment of tax and business rates.</p> <p>6. Demand clarity on the ultimate beneficial ownership of suppliers and their consolidated profit &amp; loss position.</p> <p>7. Promote Fair Tax Mark certification to any business in which we have a significant stake and where corporation tax is due.</p> <p>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.</p> <p>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.</p>			
8.1	<b><u>Referrals from Council, Committees and Sub Committees</u></b>	<b><u>The Committee resolved:</u></b> there were none.		
9.1	<p><b><u>Council Financial Performance - Quarter 3, 2023/24 - RES/24/031</u></b></p> <p>See Exempt Appendices Section below for appendices.</p>	<p><b><u>The Committee resolved:</u></b></p> <p>(i) note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;</p> <p>(ii) note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3;</p> <p>(iii) note that the General Fund full year forecast position remains on track to achieve a full year outturn of 'on budget', and subject to any further financial shocks being experienced in the final quarter. Continuing action, as outlined in Appendix 2 will remain in</p>		

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		<p>(iv) place for the financial year; note that the Council maintains financial resilience with the resources available on the Council Balance Sheet, the General Fund Reserves in particular. As at 31 March 2023 the uncommitted value of those reserves was £12m, the minimum that the Council Reserves Statement recommends and as approved by the Council.</p> <p>(v) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, but continues to face challenging cost pressures as outlined in previous quarters and the 2024/25 HRA budget report, presented to Council in December 2023;</p> <p>(vi) note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that the IJB retains reserves to mitigate unplanned additional costs arising during the year, the Chief Officer – Finance has received assurance that the IJB will achieve a balanced budget for 2023/24;</p> <p>(vii) note that the forecast for General Fund Capital budget continues to reflect the previously reported position, that spending it will be lower than its revised budget and Housing Capital expenditure while closer to budget is also expected to be lower</p>		

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		<p>than budgeted in 2023/24 as described in Appendix 2;</p> <p>(viii) note that the non-teaching staff pay award has now been agreed and was paid to staff in December. The budgets, actuals, and forecasts in Appendices 1 and 2 now include the pay award figures. The final pay award has relied on additional funding from Scottish Government of £3.5m, and a further contribution from the Council of £1.2m, £0.88m of which will be funded by reserves in 2023/24 and refunded by Scottish Government in 2024/25.</p> <p>(ix) note the transactions and approve the write off of debt as noted in exempt Appendix 5;</p> <p>(x) approve, as per the exempt Appendix 6, the extension of a bank guarantee to Transition Extreme for a further 12 months, until 31 March 2025, to a revised value of £125,000. Note the expectation that plans beyond April 2025 will enable the removal of this guarantee and instruct the Chief Officer – Finance to review the position during 2024/25 and provide an update in the 2024/25 Quarter 3 Financial Performance report;</p> <p>(xi) to acknowledge that in May 2022 Aberdeen City Council provided a loan in relation to Units C and E at Marischal Square 1, which was approved and authorised using</p>		

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		<p>delegated powers and funded through the Marischal Square Development Account; and</p> <p>(xii) to instruct Internal Audit to carry out an investigation into the circumstances described in Appendix 5, and any pertinent matters, using delegated powers and funded through the Marischal Square Development Account, given the financial loss to Aberdeen City Council and potential failure to achieve best value for the public pound, and report back to Audit, Risk and Scrutiny Committee with any recommendation as deemed necessary.</p>		
9.2	<p><b><u>Torry Heat Network - Future Operations - RES/24/026</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <p>(i) note the current status of discussions held with Commercial Organisations and the potential additional opportunities with others to maximise the financial and carbon savings as the network is extended; and</p> <p>(ii) delegate authority to Aberdeen Heat and Power to enter into heat supply agreements with both commercial and domestic customers, subject to the terms set by the Council's annual budget decisions; and approves the methodology for the setting of heat sales prices outlined in section 4.2 of this report.</p>		
9.3	<p><b><u>Aberdeen City's Affordable Housing Delivery Programme - COM/24/020</u></b></p>	<p><b><u>The Committee resolved:</u></b> to approve the allocation of the £1,935,655</p>		



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		Section 75 and Council Tax monies, detailed at section 3.8 of the report, to the council house new build programme.		
9.4	<p><b><u>Unrecoverable Debt - CUS/24/028</u></b></p> <p>See Exempt Appendices Section below for an appendix.</p>	<p><b><u>The Committee resolved:</u></b></p> <p>(i) to approve the listing of the Non-Domestic Rates debts in excess of £25,000 shown in Appendix 6 as unrecoverable and instruct Chief Officer People &amp; Organisational Development and Customer Experience to write them off; and</p> <p>(ii) to note the Financial Regulations number, value and reasons for debts written off for Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, Penalty Charge Notices, Bus Lanes Enforcement Charge Notices, Service Income and Council house rent during 2022/23.</p>		
9.5	<p><b><u>Complex Care Funding Profile Stoneywood - RES/24/032</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <p>(i) note the contents of the report;</p> <p>(ii) approve the amendment to the 2023-2025 Housing Capital Programme to include Stoneywood accordingly;</p> <p>(iii) note that the Chief Officer - Aberdeen City Health and Social Care Partnership will present a report to Aberdeen Integration Joint Board on 6 February 2024 to seek approval for the changes highlighted in this report and for the costs for servicing the borrowing; and</p> <p>(iv) instruct the Chief Officer – Capital to include quarterly updates on progress</p>		

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		to the Finance and Resources Committee, including the full funding profile for this development.		
10.1	<b><u>Performance Management Framework Report - Commissioning and Resources - COM/24/027</u></b>	<b><u>The Committee resolved:</u></b> to note the performance information contained in the report Appendix.		
11.1	<b><u>International Travel 2024/25 - COM/24/029</u></b>	<b><u>The Committee resolved:</u></b> (i) approves the Lord Provost/one Elected Member plus one officer to attend High Wind 2024 in Stavanger, Norway between 11-12 March 2024; (ii) approves international travel and overseas conference attendance to support City Development activity as detailed below, and subject to the maximum expenditure set out in paragraph 4.1: (a) The Lord Provost plus one officer to attend the World Energy Council Congress in Rotterdam, Netherlands between 22 – 25 April 2024; (b) The Lord Provost plus one officer to attend the World Energy Cities Partnership AGM in Stavanger, Norway between 22 – 25 August 2024; (c) One Elected Member plus one officer to attend the Hydrogen Dialogue Summit and Expo in Nuremberg, Germany between 4 – 5 December 2024;		

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		<p>(d) The Lord Provost/one Elected Member plus one officer to attend the World Energy Cities Partnership Board Meeting at CERA Week Conference in Houston, USA in March 2025;</p> <p>(iii) approves international travel and overseas conference attendance to support Tall Ships 2025 as detailed below, and subject to the maximum expenditure set out in paragraph 4.2:</p> <p>(a) Two officers to attend the Tall Ships Host Port Seminar (European location TBC), in July 2024;</p> <p>(b) Three officers to attend Sail Training International and Tall Ships Conference (European location TBC), in November 2024;</p> <p>(c) Two officers to attend a Tall Ships Site Visit in Dunkirk, France, in Spring 2025;</p> <p>(iv) delegates authority to the Chief Officer – City Growth to authorise necessary and appropriate travel documentation and associated expenditure for the travel noted in 2.1, 2.2 and 2.3 above, provided costs do not exceed the budget referred to in Section 4 of this report and that all arrangements are made in line with current Council travel policies; and</p> <p>(v) agrees that the outcomes of overseas activity proposed for 2024/25 will be</p>		

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		provided to this Committee by way of an annual Service Update.		
11.2	<b><u>UK Shared Prosperity Fund - COM/24/030</u></b>	<p><b><u>The Committee resolved:</u></b>  <u>UKSPF Communities &amp; Place</u></p> <ul style="list-style-type: none"> <li>(i) notes that Committee have previously approved a Challenge Fund approach to delivering the Communities &amp; Place strand which enables external organisations and Aberdeen City Council services to apply for funds which meet the criteria of the programme;</li> <li>(ii) notes that £3.8m was made available for the Communities &amp; Place strand – £1.9m of which has been allocated in previous rounds and approximately 70% of the £0.9m funding recommended for approval in this round is to be awarded to external organisations;</li> <li>(iii) notes that if the below recommendations are approved there is £1m to be allocated within the Communities and Place strand by 31 March 2025;</li> <li>(iv) instructs officers to report back to Finance &amp; Resources Committee 13 March 2024 with recommendations on prioritising allocation of remaining funds;</li> <li>(v) awards up to £250,976 to Camphill School Aberdeen for a Fully Inclusive Outdoor Sensory Adventure Playground for children and young people with complex support needs;</li> </ul>		

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		<ul style="list-style-type: none"> <li>(vi) awards up to £14,988.22 to Citymoves Dance Agency for the Strive project;</li> <li>(vii) awards up to £129,259 to Flexible Childcare Services Scotland for the Flexible Childcare &amp; Family Support hubs in Tillydrone and Cummings Park;</li> <li>(viii) awards up to £67,080 to Visit Aberdeenshire for a Cruise Volunteer Programme;</li> <li>(ix) awards up to £106,110 to Greyhope Bay for co-creating sustainable solution for energy transition at Greyhope Bay;</li> <li>(x) awards up to £15,000 to Aberdeen Inspired for the Aberdeen Union Street Upper Floors Feasibility Study;</li> <li>(xi) awards up to £30,000 to Oldmachar Church of Scotland for an upgraded heating system to enable net zero aspirations;</li> <li>(xii) awards up to £275,000 to Aberdeen City Council to deliver a programme of events for Spectra, Scotland’s Festival of Light 2025; and</li> <li>(xiii) to instruct the Chief Officer – City Growth to provide further information to members in relation to Culture Impact Reports, specifically how officers evaluate the impact on the wider creative sector.</li> </ul>		
12.1	<b><u>Capital Projects - Queen Elizabeth II Tribute - RES/24/036</u></b>	<p><b><u>The Committee resolved:</u></b></p> <ul style="list-style-type: none"> <li>(i) notes the capital projects that could be named after Queen Elizabeth II detailed in the report;</li> </ul>		

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		<ul style="list-style-type: none"> <li>(ii) agrees that no suitable project can be identified at this time and therefore agrees to keep the naming of a future capital projects under consideration as projects reach completion;</li> <li>(iii) agrees to consult with the people of Aberdeen once an option is identified as a possible tribute to the late Queen Elizabeth II and if the public are supportive, thereafter to report those findings to the most appropriate Committee; and</li> <li>(iv) to instruct the Chief Officer – Capital following consultation with the Chief Officer – Corporate Landlord to circulate an annual Service Update on possible options.</li> </ul>		
13.1	<p><b><u>Work Plan and Business Cases - COM/24/025</u></b></p> <p>See Exempt Appendices Section below for appendices.</p>	<p><b><u>The Committee resolved:</u></b></p> <ul style="list-style-type: none"> <li>(i) reviews the workplan as detailed in the Appendices for the Children’s and Family Services, Customer and Resources Functions; and</li> <li>(ii) approves the procurement business cases, including the total estimated expenditure for the proposed contract.</li> </ul>		
14.1	<p><b><u>Site at Beach Esplanade - Proposed Alternative Use - RES/24/035</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <ul style="list-style-type: none"> <li>(i) instruct the Chief Officer - Corporate Landlord to advise the applicant that the site is not considered suitable for this use, and accordingly, they would be unable to enter into discussions with the applicant for a lease or sale of the site; and</li> <li>(ii) instruct the Chief Officer - Strategic</li> </ul>		

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		Place Planning to consider whether this type of use could be accommodated elsewhere within the masterplan work being undertaken around the Beach.		
15.1	<b><u>Council Financial Performance - Quarter 3, 2023/24 - Exempt Appendices</u></b>	<b><u>The Committee resolved:</u></b> to note the information contained within the exempt appendices relating to the Council Financial Performance – Quarter 3, 2023/24 report.		
15.2	<b><u>Unrecoverable Debt - Exempt Appendix</u></b>	<b><u>The Committee resolved:</u></b> to note the information contained within the exempt appendix relating to the Unrecoverable Debt report.		
15.3	<b><u>Work Plan and Business Cases - Exempt Appendices</u></b>	<b><u>The Committee resolved:</u></b> to note the information contained within the exempt appendices relating to the Work Plan and Business Cases report.		

If you require any further information about this decision sheet, please contact Mark Masson, [mmasson@aberdeencity.gov.uk](mailto:mmasson@aberdeencity.gov.uk) or 01224 067556