

Public Document Pack



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

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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)

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- 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

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PROPERTY AND ESTATES

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EXEMPT/CONFIDENTIAL BUSINESS

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EXEMPT APPENDICES

- 15.1. Council Financial Performance - Quarter 3, 2023/24 - Exempt Appendices (Pages 225 - 246)
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Integrated Impact Assessments related to reports on this agenda can be viewed [here](#)

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FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 22 November 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Bouse (as substitute for Councillor Greig), Cooke, Copland (as substitute for Councillor Radley), Fairfull, Farquhar, Houghton, Hutchison, Malik, Thomson and Watson.

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

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

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 14.1 (The Outcome of Commercial Property Auctions Pilot Project, item 15.1 (Outline Business Case: New Secondary School Provision for Hazlehead and Countesswells – Exempt Appendices), item 15.2 (St Peter’s RC School – Long Term Education Provision – Exempt Appendices, item 15.3 (Complex Care Full Business Case – Exempt Appendices), item 15.4 (Disposal of the Bucksburn Primary School Site – Exempt Appendix) and item 15.5 (Work Plan and Business Cases – Exempt Appendices) with the press and public excluded from the meeting.

The Committee resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 19 (paragraph 9), articles 20, 21 and 24 (paragraph 8), article 22 (paragraphs 8 and 9) and article 23 (paragraphs 6 and 9).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

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

- (1) The Vice Convener declared an interest in relation to agenda item 10.4 (Partnership with NHS Grampian to Provide Statutory Mortuary Services on Behalf of Aberdeen City Council) by virtue of him being a Council appointed NHS Board Member. He considered that the nature of his interest would require him to leave the meeting prior to consideration of the item;
- (2) Councillor Cooke advised that he had a connection in relation to agenda item 9.3 (Complex Care Full Business Case) and item 15.3 (Complex Care Full Business Case – Exempt Appendix) 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

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- (3) Councillor Houghton advised that he had a connection in relation to agenda item 10.4 (Partnership with NHS Grampian to Provide Statutory Mortuary Services on Behalf of Aberdeen City Council) by virtue of his partner being an NHS Grampian employee, 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 PREVIOUS MEETING OF 13 SEPTEMBER 2023

3. The Committee had before it the minute of its previous meeting of 13 September 2023.

The Committee resolved:-

to approve the minute.

TRANSPARENCY STATEMENT

During discussion of the following item of business, a question relating to Aberdeen Heating and Power was raised. At this juncture, Councillor Hutchison advised that he had a connection in relation to this by virtue of him being a Council appointed member on the Aberdeen Heat and Power Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

COMMITTEE PLANNER

4. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer – Governance (Legal).

The Committee resolved:-

- (i) to note the reasons for deferral in relation to item 5 (School Estate Plan: St Machar Academy Outdoor Space Improvements (Modular Classroom Buildings) Condition & Suitability - Outline Business Case), Item 6 (School Estate Plan: Ferryhill School Condition & Suitability Improvements Outline Business Case), item 10 (Torry Heat Network – Phase 2), item 11 (Denis Law Trail) and item 16 (Financial Settlement from Transport Scotland for the De-trunking of the A92/A96 (Haudagain Improvement));
- (ii) to remove item 19 (Bucksburn Swimming Pool – Update November 2023) from the planner, for the reason outlined therein;
- (iii) that in relation to item 10 (Torry Heat Network - Phase 2), to note that a report would be submitted to the next meeting of the Committee;
- (iv) that in relation to item 6 (School Estate Plan: Ferryhill School Condition & Suitability Improvements Outline Business Case), to note that a report on the School Estate would be submitted before the end of the financial year; and

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- (v) that in relation to item 69 (Capital Projects – Queen Elizabeth II Tribute), to note that a report would be submitted to the next meeting of the Committee.

COUNCIL FINANCIAL PERFORMANCE - QUARTER 2, 2023/24 - RES/23/378

5. The Committee had before it a report by the Director of Resources which provided the financial position of the Council as at Quarter 2 (30 September 2023) and the full year forecast position for the financial year 2023/24, including:-

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

The report recommended:-

that the Committee –

- (a) note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 2 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 2 as detailed in Appendix 3;
- (c) note that the General Fund full year forecast position remains very uncertain at this time and subject to the continued implementation of actions as per Appendix 2, and no further financial shocks, then a full year outturn position of 'on budget' is anticipated;
- (d) note that financial resilience to mitigate the risks of overspending is underpinned by the resources available on the Council Balance Sheet and 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;
- (e) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, but faces challenging cost pressures;
- (f) 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;
- (g) note that the forecast for General Fund Capital budget is that it will be lower than its revised budget and Housing Capital expenditure while closer to budget is also expected to be lower than budgeted in 2023/24 as described in Appendix 2; and
- (h) note that earlier this month Cosla agreed to implement the pay award for nonteaching staff and this will be paid to staff in December. This will bring greater certainty to our financial forecasts as assumptions made and sums set aside for the pay award will now be able to be finalised, including the additional contribution the Council will have to make. The pay offer also relies on additional funding from Scottish Government, and all of these actuals and revised budgets will be included in the Quarter 3 forecasts, due to be reported to the Committee in January 2024.

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The Committee heard the Chief Officer – Finance request that an addendum recommendation be added to those contained within in the report and outlined above, which read as follows:-

- (i) that the Committee note that Aberdeen Football Club (AFC) are playing in the Viaplay Scottish League Cup final on 17 December 2023. In the event that the team wins, the Committee agrees that there will be a celebration in the city, including a parade and civic event, and that, in conjunction with AFC, preparations should be made for this to take place; Instruct the Chief Officer - City Growth, following consultation with the Chief Officer - Finance, to make the necessary arrangements and to agree that the Council's share of the cost is funded from the Common Good; and Instruct the Chief Officer - Finance to include in the Q3 financial performance report details of the costs incurred.

The Convener, seconded by the Vice Convener, moved:-
that the Committee approve the recommendations and addendum.

Councillor Malik, seconded by Councillor Watson, moved as an amendment:-
that the Committee –

- (1) approve the recommendations and addendum; and
- (2) note the financial challenges and uncertainty in the 2023/24 financial position and the recent announcement by the Scottish Government to freeze Council Tax in 2024/25 brings additional uncertainty around the Councils' Medium Term Financial Plans.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Allard, Bouse, Cooke, Copland, Fairfull and Hutchison; for the amendment (5) – Councillors Farquhar, Houghton, Malik, Thomson and Watson.

The Committee resolved:-
to adopt the motion.

FLEET REPLACEMENT PROGRAMME 2023/24 (ANNUAL REPORT) - RES/23/343

6. With reference to article 7 of the minute of meeting of the City Growth and Resources Committee of 21 September 2022, the Committee had before it a report by the Director of Resources which outlined the current position of the programme for Fleet Vehicles and Assets and presented the Fleet Asset Management Plan (Appendix A) which identified age and replacement plans for all vehicles and plant to provide assurance on effective identification of assets to populate the Phase 4 Fleet Replacement Programme Projected Spend for 2023/24 (Appendix B) and future Fleet Replacement requests.

The report recommended:-
that the Committee –

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- (a) note the refreshed Fleet Asset Management Plan and supports use of the Plan to identify future replacement requests;
- (b) approve the phase 3 Fleet Replacement Programme for 2023/24 (as detailed in Appendix B); and
- (c) delegate authority to the Chief Officer – Operations & Protective Services, following consultation with the Head of Commercial and Procurement Shared Services (CPSS) and Chief Officer – Finance:- (1) to consider and approve procurement business cases for vehicles and plant for the purposes of Procurement Regulation 4.1.1.2; (2) then consult with the Convener and Vice Convener, Finance and Resources Committee and thereafter to procure appropriate works and services, and (3) enter into any contracts necessary for the vehicles without the need for further approval from any other Committee of the Council, within the current Capital budget.

The Committee resolved:-

to approve the recommendations.

COMPLEX CARE FULL BUSINESS CASE - RES/23/362

7. With reference to article 11 of the minute of meeting of 29 March 2023, the Committee had before it a report by the Director of Resources which provided a Full Business Case for provision of Complex Care accommodation in the City and sought approval to proceed.

The report recommended:-

that the Committee –

- (a) note the contents of the Full Business Case appended; and
- (b) following confirmation that external funding can be secured to fully deliver the new infrastructure proposed, Instruct the Chief Officer – Capital to progress with construction award and deliver the project.

The Committee resolved:-

to approve the recommendations.

CAPITAL PROGRAMME DELIVERY: PROJECTS UPDATE - RES/23/363

8. The Committee had before it a report by the Director of Resources which (1) summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; (2) highlighted those issues considered worthy of particular note which were specific to individual programmes/projects; and (3) incorporated a review of any recent reprofiling of the General Fund Capital Programme, which had been carried out to take account of any current project related factors.

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The report recommended:-

that the Committee –

- (a) note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme;
- (b) note that this report aligns with the Council Financial Performance – Quarter 2 2023/24 report RES/23/378 as reported to this same Committee;
- (c) approve that £1.42m be vired from the Contingencies budget to the Bridge of Don Household Waste project as outlined in section 3.43; and
- (d) approve the use of £1m from the play park renewal programme budget included in the approved capital programme for the refurbishment of the existing play park at Hazlehead Park as outlined in sections 3.48 – 3.50.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to note that the Chief Officer – Capital would seek clarification on the historical information contained within the report relating to when the Council obtained Hazlehead Park and that it be circulated to the members of the Committee.

OUTLINE BUSINESS CASE: NEW SECONDARY SCHOOL PROVISION FOR HAZLEHEAD AND COUNTESSWELLS - RES/23/366

9. With reference to article 6 of the minute of meeting of the Council of 1 March 2023, the Committee had before it a report by the Director of Resources which presented an Outline Business Case (OBC), setting out the findings of a recent feasibility study, to identify options for delivering new secondary school provision within the Hazlehead and Countesswells Associated Schools Groups (ASGs).

The report recommended:-

that the Committee –

- (a) approve in principle the recommended option within the OBC to construct a new 1600 pupil campus on the current Hazlehead Academy playing fields to provide secondary school provision for Hazlehead and Countesswells ASGs, subject to the outcome of a statutory consultation;
- (b) instruct the Chief Officer – Capital to refer the proposals for the project to the Budget process in 2024/25; and
- (c) subject to the outcomes of the statutory consultation and any decision taken at the budget meeting of March 2024 approves in principle the use of resources for the implementation of the project from 2024.

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

that the Committee approve the recommendations contained within the report.

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

that the Committee –

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- (1) note the decision of the Education and Children Services Committee on 21 November 2023;
- (2) acknowledge that the Aberdeen Labour proposed amendment to Education and Children Services Committee as outlined below would have supported the Community of Hazlehead and Countesswells best:-
 - (a) notes the recommended option within the OBC and Instructs the Chief Officer - Corporate Landlord to carry out the statutory public consultation on the proposal to establish a new campus on the Hazlehead Academy playing field.
 - (b) instructs the Chief Officer – Corporate Landlord to carry out a separate statutory public consultation to specifically address the option of Kingswells primary remaining zoned for the Bucksburn Academy ASG
 - (c) instructs the Chief Officer - Corporate Landlord to provide members of the Education and Children’s Services Committee with written confirmation of the terms and scope of the LEIP funding allocation which was confirmed on October 30th, 2023.
 - (d) notes that committee should maintain its commitment to the decision of Council on 8th October 2014 regarding primary education provision (one two stream and one three stream school) and provide a new secondary school at Countesswells.
 - (e) instructs the Chief Officer – Corporate Landlord to report back to the Committee on the outcomes of the consultation on the Hazlehead Academy proposal at its next available meeting following the conclusion of the consultation process, in July 2024, and to bring forward a report on the provision of a new Secondary School for Countesswells.
 - (f) agrees that Council must not make the same mistake as the SNP made with the 3R’s Bucksburn Secondary School which was built without taking into consideration the increased capacity required for the area, therefore there is a need for a separate Secondary school for Countesswells.
That the Finance and Resources Committee:-
 - (g) approves in principle the recommended option within the OBC to construct a new campus to provide secondary school provision for Hazlehead subject to the outcome of a statutory consultation and instruct the Chief Officer – Corporate Landlord to provide an OBC for a new Secondary School at Countesswells
 - (h) instructs the Chief Officer – Capital to refer the proposals for the projects to the Budget process in 2024/25.
 - (i) notes 4.2 of the report that states, “The S75 agreement currently does not allow for the Council to use the ‘Secondary School Contribution’ and agree that failure to build a new school at Countesswells may open the Council to legal challenge as well as having to pay back developer’s contributions.

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- (j) subject to the outcomes of the statutory consultation and any decision taken at the budget meeting of March 2024 approves in principle the use of resources for the implementation of the project from 2024; and
- (3) thereby approves, (g) to (j) noted above.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Allard, Bouse, Cooke, Copland, Fairfull and Hutchison; for the amendment (3) – Councillors Malik, Thomson and Watson; declined to vote (2) – Councillors Farquhar and Houghton.

The Committee resolved:-

to adopt the motion.

In terms of Standing Order 34.1, Councillor Malik intimated that he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Malik was supported by Councillors Farquhar, Houghton, Thomson and Watson.

ST PETER’S RC SCHOOL – LONG TERM EDUCATION PROVISION - RES/23/365

10. With reference to article 17 of the minute of meeting of the Education and Children’s Services Committee of 12 September 2023, the Committee had before it a report by the Director of Resources which presented an updated Outline Business Case (OBC) for the long term education provision for St Peter’s Roman Catholic school which included the outcome of the Old Aberdeen House feasibility study as an alternative option to provide a two stream school.

The report recommended:-

that the Committee –

- (a) note and approve the recommended option to refurbish Old Aberdeen House with the addition of new build provision to deliver a 21st century learning environment for St Peter’s RC school;
- (b) approve the use of resources for the implementation of the proposed improvement works to Old Aberdeen House with new build provision;
- (c) instruct the Chief Officer – Capital to refer the proposals for the project to the Budget process in 2024; and
- (d) instruct the Chief Officer – Capital to report back to a future meeting of the Finance and Resources Committee in 2024 with a progress update report.

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

that the Committee approve the recommendations contained within the report.

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

that the Committee –

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- (1) note the decision of the Education and Children Services Committee on 21 November 2023.
- (2) acknowledge that the Aberdeen Labour proposed amendment to Education and Children Services Committee as outlined below would have supported the Community of Tillydrone and Old Aberdeen best:-
 - (i) notes the contents of the options appraisal and the officer recommendation to proceed with Option C.
 - (ii) notes the Education Scotland report, prepared in April 2019 by the HMIE, titled "Report by Education Scotland addressing educational aspects of the proposal by Aberdeen City Council to relocate St Peter's RC Primary School to the existing Riverbank school building..." concluded that the proposal to relocate St Peter's RC to a refurbished school at the current Riverbank school site, "has clear educational benefits for children who currently attend St Peter's RC Primary School and who would have access to a more flexible, modern and healthy living environment, with improved outdoor learning spaces and early learning and childcare facilities.
 - (iii) notes that the same HMIE report stated, "There will also be improved outdoor learning spaces with opportunities for physical education. There is significantly more outdoor space available around the Riverbank building, with more than ten times the amount of hard landscaping and nearly 80 times more soft landscaping than is available at the St Peter's site."
 - (iv) notes that the Options Appraisal sets out the significant disparity in the "total site area" of each option where Riverbank is currently 15,816sqm compared with St Peter's RC which is only 7,940sqm and agrees that the additional open space in the former presents a significant opportunity for future generations of St Peter's RC pupils to benefit from significantly better outdoor space.
 - (v) notes that the Options Appraisal sets out a rationale to develop a school that will accommodate a school roll of up to 434 pupils to cope with possible increased demand and suggests the school roll could be double its current size.
 - (vi) agrees that, if St Peter's RC were to double in size in the coming years, there is not nearly enough outside space on the existing St Peter's RC site in order to create an outdoor learning environment that pupils and staff deserve and that therefore Option C does not offer maximum educational benefit for the school community.
 - (vii) agrees that, in light of the above, recommends to the Finance and Resources Committee that it agrees to continue to progress work on Option B with any remaining preparatory work outstanding to be programmed and progressed as much as practical prior to the decant of Riverbank Primary School into new build which is scheduled to open in summer 2024.

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- (viii) recommends to the Finance and Resources Committee that it instructs the Chief Officer – Capital to refer the proposals for the project to the Budget process in 2024.
 - (ix) instructs the Chief Officer – Capital to report back to a future meeting of the Finance and Resources Committee in 2024 with a progress update report; and
- (3) therefore, approves recommendation (d) contained within the report.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Allard, Bouse, Cooke, Copland, Fairfull and Hutchison; for the amendment (3) – Councillors Malik, Thomson and Watson; declined to vote (2) – Councillors Farquhar and Houghton.

The Committee resolved:-

to adopt the motion.

In terms of Standing Order 34.1, Councillor Malik intimated that he would like this matter to be referred to full Council in order for a final decision to be taken. Councillor Malik was supported by Councillors Farquhar, Houghton, Thomson and Watson.

UK SHARED PROSPERITY FUND - COM/23/372

11. With reference to article 7 of the minute of meeting of 7 December 2022, the Committee had before it a report by the Director of Commissioning which sought approval for the proposed allocation of grant funding of UK Shared Prosperity Fund (UKSPF).

The report recommended:-

that the Committee –

- UKSPF Communities And Place
- (a) award up to £40,000 to Belmont Community Cinema Ltd for the community engagement and refurbishment project;
- (b) award up to £40,000 to Crow House Projects for the Film Accelerator programme;
- (c) award up to £5,000 to Aberdeen City Council for the Danestone Community Centre upgrade feasibility study;
- (d) award up to £25,000 to Aberdeen City Council for the SPECTRA festival accessibility improvements;
- (e) award up to £216,000 to Sport Aberdeen for the Northfield Outdoor Sports Centre Refresh; and
- (f) does not approve the request for up to £17,400 from the Aberdeen Chinese Women's Society due to the application being incomplete.
- UKSPF Local Business Support
- (g) award up to £64,500 to Aberdeen City Council for the City Centre Regeneration; and

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- (h) award up to £125,359 to Aberdeen City Council for the Digital Business Support programme;
UKSPF People and Skills
- (i) award up to £15,000 to Aberdeen City Council for the HMP Grampian Construction course project;
- (j) award up to £38,022 to Aberdeen City Council for the Admin Apprentice post;
- (k) award up to £70,000 to Aberdeen City Council for the ESOL project;
- (l) award up to £70,625 to Aberdeen City Council for pilot projects for people with long term health issues or disabilities; and
- (m) award up to £60,000 to Aberdeen City Council for the Skills audit project.

The Convener, seconded by the Vice Convener, moved:-
that the Committee approve the recommendations contained within the report.

Councillor Malik, seconded by Councillor Watson, moved as an amendment:-
that the Committee –

- (1) agree that the Partnership are using the United Kingdom Shared Prosperity Fund to bank roll projects that should be funded by the Scottish Government's core grant to the City;
- (2) agree that of the £769,505 being allocated within the report £689,506 is being allocated to the applicant Aberdeen City Council to delivery projects including digital grants and community support and Sport Aberdeen noting that this is almost 90% of the UKSPF being allocated to the Council and Sport Aberdeen; and
- (3) agree that this is completely unfair on applications from the community and therefore approves only Recommendations (a) and (b) within the report and defer grants to the other 11 projects until the next meeting of the Committee with an understanding that officers will encourage more applications from the community.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Allard, Bouse, Cooke, Copland, Fairfull and Hutchison; for the amendment (5) – Councillors Farquhar, Houghton, Malik, Thomson and Watson.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) to note that the Chief Officer – City Growth would include details relating to allocations to external organisations from other Local Authorities within the next report.

ANNUAL COMMITTEE EFFECTIVENESS REPORT - COM/23/320

12. The Committee had before it a report by the Director of Commissioning which presented the annual report of the Finance and Resources Committee to enable Members to provide comment on the data contained within.

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The report recommended:-

that the Committee –

- (a) provide comments and observations on the data contained within the annual report; and
- (b) note the annual report of the Finance and Resources Committee.

The Committee resolved:-

to approve recommendation (b).

NEW LEASE POLICY - RES/23/376

13. With reference to article 11 of the minute of meeting of the Audit, Risk and Scrutiny Committee of 23 March 2023, the Committee had before it a report by the Director of Resources which sought approval of a new Lease Policy.

The report recommended:-

that the Committee approve the new Lease Policy as appended to the report.

The Committee resolved:-

to approve the recommendation.

ABERDEEN ARCHIVES, GALLERY AND MUSEUMS ANNUAL REVIEW JUNE 2022 - MAY 2023 - COM/23/351

14. The Committee had before it a report by the Director of Commissioning which presented the Aberdeen Archives, Gallery and Museums Annual Review (June 2022 – May 2023) (Appendix A) for approval.

The report recommended:-

that the Committee approve the Aberdeen Archives, Gallery and Museums Annual Review (June 2022 – May 2023) (Appendix A).

The Committee resolved:-

to approve the recommendation.

At this juncture, in accordance with Article 2 of this minute, the Vice Convener left the meeting prior to consideration of the following item of business.

FINANCE AND RESOURCES COMMITTEE

22 November 2023

PARTNERSHIP WITH NHS GRAMPIAN TO PROVIDE STATUTORY MORTUARY SERVICES ON BEHALF OF ABERDEEN CITY COUNCIL - RES/23/368

15. The Committee had before it a report by the Director of Resources which sought approval that NHS Grampian would deliver, through a partnership arrangement, the statutory mortuary services currently delivered by Aberdeen City Council, with such delivery to be via the new mortuary hub at Foresterhill.

The report recommended:-

that the Committee –

- (a) approve that the statutory mortuary services currently delivered by Aberdeen City Council shall be delivered by NHS Grampian via the new Shared North East Scotland Mortuary (to be operated by NHS Grampian) from around mid-2024; and instruct the Chief Officer - Operations and Protective Services, following consultation with the Head of Commercial and Procurement and the Chief Officer – Finance, to enter into a new partnership working agreement with NHS Grampian for the provision of mortuary services; and
- (b) agree the transfer of Aberdeen City Council mortuary staff to NHS Grampian, once the new Shared North East Scotland Mortuary is completed, subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE); and instruct the Chief Officer - Operations and Protective Services, following consultation with the Chief Officer – People and Organisational Development and the Chief Officer – Finance, to undertake the necessary processes to effect this transfer.

The Committee resolved:-

to approve the recommendations.

ADOPTION OF LDP PARTICIPATION STATEMENT - COM/23/352

16. The Committee had before it a report by the Director of Commissioning which (1) provided an update on a recent period of public consultation on the Draft Participation Statement, which formed a key part of the Development Plan Scheme for the preparation of the next Local Development Plan; (2) presented a summary of the comments received during public consultation on the Draft Participation Statement, along with officer responses to the consultation comments; and (3) outlined the modifications to the Draft Participation Statement that were proposed following the consultation.

The report recommended:-

that the Committee –

- (a) note the comments received during the recent public consultation on the Draft Participation Statement and approve officers' responses to the consultation comments, as outlined in Appendix 1; and
- (b) agree the Draft Participation Statement section of the 2023 Development Plan Scheme (pages 20 to 26 in Appendix 2), and approve its adoption.

FINANCE AND RESOURCES COMMITTEE

22 November 2023

The Committee resolved:-

to approve the recommendations.

DISPOSAL OF THE BUCKSBURN PRIMARY SCHOOL SITE - RES/23/353

17. The Committee had before it a report by the Director of Resources which provided details in relation to the offers received for the Site of the Former Bucksburn Primary School following the recent closing date.

The report recommended:-

that the Committee –

- (a) accept the recommended offer to purchase the site as outlined in Appendix 2; and
- (b) instruct the Chief Officer – Governance to conclude missives for the disposal of the property incorporating various qualifications as are necessary to protect the Council's interest, together with any other matters as are required to complete the transaction.

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

that the Committee approve the recommendations contained within the report.

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

that the Committee –

- (1) do not approve the recommendations contained within the report; and
- (2) instruct the Chief Officer – Corporate Landlord to re-market the property and report the outcome to a future meeting of the Committee.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Allard, Bouse, Cooke, Copland, Fairfull, Farquhar, Houghton and Hutchison; for the amendment (3) – Councillors Malik, Thomson and Watson.

The Committee resolved:-

to adopt the motion.

WORK PLAN AND BUSINESS CASES - RES/23/361

18. The Committee had before it a report by the Director of Commissioning which presented the 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 in the Procurement and/or Outline Business Cases appended to the report.

The Procurement Business Case related to the following:-

- Additional Accommodation Framework.

FINANCE AND RESOURCES COMMITTEE

22 November 2023

The report recommended:-

that the Committee –

- (a) review the workplan as detailed in the Appendices for the Commissioning and Customer Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract;
- (c) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency); and
- (d) note the content of Appendix 4 - 4.1.3 Forms (Technical Exemption).

The Committee resolved:-

to approve the recommendations.

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

THE OUTCOME OF COMMERCIAL PROPERTY AUCTIONS PILOT PROJECT - RES/23/373

19. With reference to article 13 of the minute of meeting of 17 May 2023, the Committee had before it a report by the Director of Resources which outlined the outcome of the pilot project for trialling the disposal of surplus assets through a commercial auction process.

The report recommended:-

that the Committee –

- (a) note the outcome of the pilot trial of disposing of surplus Council property via a Commercial Property Auction;
- (b) instruct the Chief Officer - Corporate Landlord to *[redacted as it contained exempt information as described in paragraph(s) 9 of Schedule 7A of the Local Government (Scotland) Act 1973]*; and
- (c) instruct the Chief Officer - Corporate Landlord to put an annual report to Committee advising which subjects were put forward to auction and the outcome of this action.

The Committee resolved:-

to approve the recommendations.

OUTLINE BUSINESS CASE: NEW SECONDARY SCHOOL PROVISION FOR HAZLEHEAD AND COUNTESSWELLS - EXEMPT APPENDICES

20. The Committee had before it exempt appendices relating to the Outline Business Case: New Secondary School Provision for Hazlehead and Countesswells report. (Article 9 of this minute refers)

FINANCE AND RESOURCES COMMITTEE

22 November 2023

The Committee resolved:-

to note the information contained within the exempt appendices.

ST PETER'S RC SCHOOL – LONG TERM EDUCATION PROVISION - EXEMPT APPENDICES

21. The Committee had before it exempt appendices relating to the St Peter's RC School – Long Term Education Provision report. (Article 10 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

COMPLEX CARE FULL BUSINESS CASE - EXEMPT APPENDIX

22. The Committee had before it an exempt appendix relating to the Complex Care Full Business Case report. (Article 7 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendix.

DISPOSAL OF THE BUCKSBURN PRIMARY SCHOOL SITE - EXEMPT APPENDIX

23. The Committee had before it an exempt appendix relating to the Disposal of the Bucksburn Primary School Site report. (Article 17 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendix.

WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES

24. The Committee had before it exempt appendices relating to the Work Plan and Business Cases report. (Article 18 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

- **COUNCILLOR ALEX MCLELLAN, Convener**

	A	B	C	D	E	F	G	H	I
1	FINANCE AND RESOURCES COMMITTEE BUSINESS PLANNER								
	The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3			30 January 2024						
4	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 & 1.1.6		
5	Public Art Guidance and Panel	The F&R Committee on 7/12/22 agreed to review the process after 12 months of operation and to report back to this committee after 12 months.		Elspeth Winram	City Growth	Commissioning	2.1.2	R	A service update was circulated to members of the Committee on 18/1/24 on the progress on the panel and plans going forward to improve processes. There are no decisions required therefore officers request that it be Removed from the Planner
6	Council Financial Performance - Quarter 3, 2023/24	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
7	Belmont Cinema	The F&R Committee on 13/9/23 agreed to instruct the Chief Officer – City Growth to report back to the first meeting of the Finance and Resources Committee in 2024 on progress and any implications for the Council		Mark Bremner	City Growth	Commissioning	4.1	R	A service update was circulated to members of the Committee on 18/2/24 to note on preferred operators progress in respect to fundraising, lease agreement and reopening to the public. There are no decisions required at this time therefore officers request that it be Removed from the Planner.
8	Aberdeen City's Affordable Housing Delivery Programme	To provide an update on the Aberdeen City affordable housing delivery programme and approve allocation of funding		Mel Booth	Strategic Place Planning	Commissioning	1.1.8		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
15	Unrecoverable Debt	To advise numbers and values of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, Penalty Charge Notices, Bus Lanes Enforcement Charge Notices, Service Income and Council House Rent debts made unrecoverable during 2022/23 as required in terms of the Council's Financial Regulations and approve Non-Domestic Rates write offs in excess of £25,000.		Wayne Connell	Interim Chief Officer People & Organisational Development and Customer Experience	Customer	1.1.14		
16	Complex Care Funding Profile Stonewood	To outline the position regards funding for the development in advance of tender expiry date of 31 January 2024.		Kay Diack	Health and Social Care Partnership/ Capital	Resources	1.1.4		
17	Site at Beach Esplanade – Proposed Alternative Use	This report is provided to advise members of an unsolicited approach from a 3rd party seeking to lease or purchase a site at Beach Esplanade for a develop		Stephen Booth	Corporate Landlord	Resources	4.1		
18			13 March 2024						
19	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 1.1.6		
20	Christmas Village Feedback Report	The Committee on 29/3/23 agreed to instruct the Chief Officer – City Growth to report back to the Finance and Resources Committee in March 2024 with the evaluation report of the 2023 event.		Matthew Williams	City Growth	Commissioning	2.1 3.2		
21	Review of all Grants Awarded by the Council - Alignment to 3 Tier Prevention Approach	Council at the Budget Meeting on 1/3/23 agreed to instruct the Director of Commissioning to undertake a review of all grants awarded by the Council in order to ensure alignment to the 3 Tier Prevention Approach, which included the Family Support Model, as per the Prevention Report and to report back to the Finance and Resources Committee before the end of the financial year 2023/24.		Gale Beattie		Commissioning			

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2									
28	Denis Law Trail	The F&R Committee on 5/7/23 agreed:- (1) to instruct the Chief Officer – City Growth to develop a business case for Phase 2 delivery of the murals, including identifying external funding opportunities, and report back to Finance and Resources Committee 22 November 2023; and (2) to instruct the Chief Officer – City Growth to obtain the necessary agreements from the Denis Law Legacy Trust as noted at 5.1 of the report before proceeding to spend public money on this project to include confirmation that appropriate intellectual property rights/licences for design of the trail and images licence have been agreed for phase 2 delivery of the murals, and including identifying external funding opportunities, and report back to the Finance and Resources Committee on 22 November 2023.	Within the Planner, the F&R Committee on 22/11/23 noted that due to delays in contracting phase 1 of the Denis Law Trail, information from which impacts on the development of Phase 2, the business case and committee paper will now be presented to the March meeting of the committee.	Andrew Stephen	City Growth	Commissioning	1.1.4		
29	Place Based Investment Programme Fund	Approval to allocate grant funding		Laura Paterson	City Growth	Commissioning	1.1.8		
30	Capital Programme Delivery:Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts		John Wilson	Capital	Resources	1.1		
31			08 May 2024						
32	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 1.1.6		
33	School Estate Plan: Victorian School Building Improvements - Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of Victorian school buildings, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
34	School Estate Plan: Sunnybank School relocation of additional services - Outline Business Case	To seek approval of an outline business case for relocation of additional services currently accommodated at Sunnybank School, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
35	Invest Aberdeen Annual Report 2023-24	Required annual report on the activities of the Invest Aberdeen regional inward investment hub over the 2023-24 financial year.		Danielle McKinlay	City Growth	Commissioning	3.2 3.4		

	A	B	C	D	E	F	G	H	I
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2									
36	Events Plan	The F&R Committee on 1/2/23 agreed to instruct the Chief Officer - City Growth to re-convene the Event 365 Group as outlined in Section 3.19-3.21 in this report and to report annually to this Committee on the progress to implement the Event Plan		Matthew Williams	City Growth	Commissioning	2.1.2 3.2		
37	Council Financial Performance - Quarter 4, 2023/24	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
38			07 August 2024						
39	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 1.1.6		
40	School Estate Plan: Denominational Primary Schools	To seek approval of an outline business case for considering future arrangements for denominational primary school provision, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
41	School Estate Plan: Loirston Loch Primary School Provision - Outline Business Case	To seek approval of an outline business case for establishing new primary school provision for Loirston Loch, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
42	Council Financial Performance - Quarter 1, 2024/25	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
43	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson	Data & Insights Customer	Customer	2.1.3		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
44	Cluster Risk Register	To present Cluster Risk Register and Assurance Maps in accordance with TOR		Ronnie McKean	Chief Officers	Directors			
45			12 September 2024						
46	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 1.1.6		
47	School Estate Plan: Grandhome / Oldmachar / Bridge of Don Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Grandhome, Oldmachar and Bridge of Don, as detailed in the School Estate Plan	TBC - September 2024	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
48	School Estate Plan: Bucksburn and Dyce Secondary School Provision - Outline Business Case	To seek approval of an outline business case for future secondary school provision for Bucksburn and Dyce, as detailed in the School Estate Plan		Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
49	Beachfront Masterplan – Progress Update – Phase A Projects	Council on 11/9/23 agreed to instruct the Chief Officer - Commercial and 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		Craig Innes	Commercial and Procurement	Resources	1.1		
50	District Heating – Network Expansion / Waste Heat Utilisation (City Centre Link)	The Committee on 13/9/23 agreed to instruct the Head of Commercial and Procurement to explore external funding sources to support the capital delivery of this project and to report the outcomes of recommendations 2.1 and 2.2 to this Committee during Q3 2024		Barry Davidson	Commercial and Procurement	Commissioning	1.1.5		
51	Condition & Suitability 3 Year Programme (Annual Report)	This report seeks approval of an updated 3-year Condition and Suitability (C&S) Programme.		Alastair Reid	Corporate Landlord	Resources	1.1.5, 1.1.8 4.1		
52	Performance Management Framework Report – Commissioning and Resources	To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions		Alex Paterson	Data & Insights Customer	Customer	2.1.3		

	A	B	C	D	E	F	G	H	I
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2									
53	Fleet Replacement Programme (Annual Report)	To present the current position of the programme for Fleet Vehicles and Assets		John Weir/Derek Jamieson	Operations and Protective Services	Operations	1.1.6		
54	Capital Programme Delivery:Projects Update	The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts. Council on 13/12/23 agreed to instruct the Chief Officer - Capital to report back to a future meeting of the Finance and Resources Committee in 2024 with a progress update report in relation to St Peter's RC School Old Aberdeen House Development.	This report will include an update on the St Peter's RC School Old Aberdeen House Development.	John Wilson	Capital	Resources	1.1		
55	Housing Revenue 30 Year Account Business Plan	Council on 13/12/23 agreed to instruct the Chief Officer - Finance, in consultation with the Chief Officers - Corporate Landlord and Early Intervention and Community Empowerment to prepare an updated 30-year HRA Business Plan, commissioning external support where necessary, and reporting back to the Finance and Resources Committee before the end of September 2024		Jonathan Belford	Finance	Resources	1.1		
56			05 November 2024						
57	Work Plan & Business Cases	To seek approval of the estimated expenditure on the procurement business cases.	It may be the case that there are no Business Cases to consider and the report is withdrawn	Mel Mackenzie	Commercial and Procurement	Commissioning	1.1.5 1.1.6		
58	Council Financial Performance - Quarter 2, 2024/25	to present the Council Financial Performance - Quartely report to Committee for consideration.		Lesley Fullerton	Finance	Resources	1.1		
59	Commercial Property Auctions Annual Report (Annual Report)	The Committee on 22/11/23 agreed to instruct the Chief Officer - Corporate Landlord to put an annual report to Committee advising which subjects were put forward to auction and the outcome of this action.		Cate Armstrong	Corporate Landlord	Resources	4.1 4.4		
60	Annual Committee Effectiveness Report	The purpose of this report is to present the annual report of the Finance and Resources Committee to enable Members to provide comment on the data contained within (Reporting Period is 15 October 2023 to 15 October 2024)		Mark Masson	Governance	Commissioning	GD 8.5		
61			TBC						

	A	B	C	D	E	F	G	H	I
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
65	Outline Business Case: Oldmachar Primary Schools Excess Capacity	To seek approval of an outline business case for reducing the number of primary schools in the Oldmachar ASG, as detailed in the School Estate Plan	<p>The E&CS Committee on 12/9/23 agreed to instruct the Chief Officer - Corporate Landlord to carry out further work to identify potential future options for improving and consolidating primary school provision in the Oldmachar ASG, alongside the planned work to review secondary school provision in this area of the city, and to report back to the Committee with recommendations and next steps as appropriate.</p> <p>A service Update was circulated to F&R Committee members on 12/9/23 advising that Officers will undertake this additional work as instructed by the Education and Children's Services Committee, as part of the planned review of secondary school provision for Oldmachar, Bridge of Don and Grandhome, and will report back to the appropriate committee(s) with any new recommendations following the conclusion of that work</p>	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
66	Sustainable Drainage System (SUDS) Section 7	<p>Maintenance of SuDS within the boundaries or curtilage of a private property, such as a residential driveway or a supermarket car park, is the responsibility of the land owner or occupier. The Scottish Environment Protection Agency's (SEPA's) preference is for SuDS constructed outside the boundaries or curtilage of a private property to be adopted by Scottish Water, the local authority or a public body, and as such SEPA seeks a guarantee for the long term maintenance and sustainability of any SuDS implemented.</p> <p>The CG&R Committee on 3/2/22 agreed to defer this. Officers continue to liaise with Scottish Water, latest request for update was week commencing 10/1/22, however at this time officers are still in the same position as per the update in Column C</p>	<p>Within a planner, the F&R Committee on 13/9/23 noted that the Sustainable Drainage System (SUDS) Section 7 report is complete however a key point in the report is seeking maintenance funding for suds infrastructure from developers through the S75 legal agreements. Unfortunately this would be contrary to the current regulations governing S75's. We have been made aware that another local authority has approved guidance which seeks to do this. We have been trying to arrange a meeting with them to discuss but as yet have not been able to do so (circ by email - David Dunne - 9/8/23)</p>	Claire Royce	Operations and Protective Services	Operations	3.2 & 3.3		
67	School Estate Plan: St Machar Academy Outdoor Space Improvements (Modular Classroom Buildings) Condition & Suitability - Outline Business Case	The EODC on 08/09/22 agreed to instruct the Chief Officer – Corporate Landlord to make arrangements to carry out a feasibility study to consider the options for the removal of unused modular classroom buildings at St Machar Academy, and for carrying out general improvements to the outdoor space at the school, and to present a costed outline business case to the Finance and Resources Committee for consideration.	<p>Within the Planner, the F&R Committee on 22/11/23 noted that in light of recent developments with RAAC concrete in school buildings, and the impact this may have on timescales for the delivery of projects, officers are reviewing the overall programme of work for the School Estate Plan. Due to the work the team has been undertaking in relation to RAAC at the start of the school session, these reports will not be ready to present to committee in November. An updated timescale for when they will be ready cannot be given until officers have completed the review of the School Estate Plan programme.</p>	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		

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	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
68	School Estate Plan: Ferryhill School Condition & Suitability Improvements Outline Business Case	To seek approval of an outline business case for making improvements to the condition and suitability of the Ferryhill School building, as detailed in the School Estate Plan	as above	Andrew Jones/Maria Thies	Corporate Landlord	Commissioning	1.1.4		
69									

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 January 2024
EXEMPT	No, except Appendices 5 & 6 (Paragraph 6 – Financial Affairs, Local Government (Scotland) Act 1973 Schedule 7A)
CONFIDENTIAL	No
REPORT TITLE	Council Financial Performance – Quarter 3, 2023/24
REPORT NUMBER	RES/24/031
DIRECTOR	Steven Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Lesley Fullerton
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 To provide the financial position of the Council as at Quarter 3 (31 December 2023) and the full year forecast position for the financial year 2023/24, including:
- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
 - Common Good revenue account and Balance Sheet

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;
- 2.2 Note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3;
- 2.3 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 place for the financial year;
- 2.4 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.
- 2.5 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;

- 2.6 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;
- 2.7 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 than budgeted in 2023/24 as described in Appendix 2;
- 2.8 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.
- 2.9 Note the transactions and approve the write off of debt as noted in exempt Appendix 5; and
- 2.10 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.

3. CURRENT SITUATION

- 3.1 The Local Government Finance Act 1992 provides that the Council must set its Council Tax amount by 11 March each year for the next financial year. The amount set must be sufficient to meet total estimated expenditure. This means that having taken account of expenditure, agreed savings and income from other sources, the level of Council Tax must ensure that a balanced budget is set by the Council. Aberdeen City Council set the Council Tax for 2023/24 on 1 March 2023 to ensure a balanced budget for year ahead, in accordance with its statutory duty.
- 3.2 This report focuses on both the financial performance for the year to 31 December 2023 and the forecast financial position for the full year for the Council's General Fund, Housing Revenue Account and Common Good.
- 3.3 Across the General Fund the impact of global, national, and local conditions is having local implications for the financial position, and the need to address ongoing cost pressures remains a feature of the Quarter 3 position and forecasts.

- 3.4 Further financial risks from the war started by the Russian invasion of Ukraine resulting in supply chain volatility, and rising inflation, to levels not seen for four decades, are now also affecting the Council, and where these are known they have been considered in the financial forecasts. The financial year 2022/23 included some of the most significant financial market turbulence seen for years, with the cost of government borrowing rising and interventions by the Bank of England. The consequence of all these factors is that capital investment is more expensive and the Council needs to consider the choices it makes, to fund increasingly expensive capital works or to fund increasingly expensive service delivery. Taking opportunities to reduce or slow down the capital programme will have the benefit of reducing the financing costs as well as the revenue implications of assets becoming operational.
- 3.5 Over the last couple of years a specific example of the current operating environment has emerged, i.e. the number of families arriving in the city, either through the Ukrainian resettlement programme or through students (arriving with their families) from outside the UK coming to study at the two universities following a hiatus during Covid. This has pushed pupil numbers up in our schools to new levels. Some funding has been available through the resettlement schemes from UK and Scottish Governments, however the terms of these has changed over time and less funding is now provided per person, and in the case of the Ukraine welcome hub funding, this has now been stopped due to financial constraint by the Scottish Government. There are no funding streams related to students and their families arriving in the city, although in the second half of this year the numbers have stabilised rather than increased further.
- 3.6 The appendices show that the IJB is forecasting a balanced position as at Quarter 3. The Board retain reserves to use to support operations and the Council continues to rely on the financial position of the IJB to mitigate any exposure the Council has to additional funding.
- 3.7 In Appendix 2 the challenges of balancing the General Fund budget across the year are explained in detail, however achieving a balanced position is not without its need for continued action. To mitigate this the Corporate Management Team have reiterated the need for increased scrutiny of all costs.
- 3.8 The Establishment Control Board (ECB) has implemented key controls:
- i. Robust Recruitment Freeze. This will mean that only essential posts are recruited to when a vacancy arises.
 - ii. Agency Freeze. The use of agency workers should only be used for a short-term need, on average up to 13 weeks. The ECB will implement tighter controls where all agency requests must be supported by the relevant Chief Officer and then passed to the ECB for consideration. People and Organisational Development (P&OD) will also undertake a review of current agency to seek assurance that the council is only using agency for short term essential need.
 - iii. Overtime Freeze. Overtime is currently approved at service manager level. Like (ii) above, all future overtime requests will require the support of Chief Officer. Overtime requests should only be used for emergency-

type need where the resource requirement is not planned. Again, P&OD will review current overtime usage and work with the business to ensure that it is being used effectively.

- 3.9 Due to the continued uncertainty of the fiscal environment and the recognition of new service demand entering our system, further controls are in place to effectively manage non-essential spend and control additional spending resulting from unplanned demand. Demand Management Control Board controls and a review of authorisation and approval processes will focus attention on reducing expenditure on the goods and services we have to purchase.
- 3.10 The Council retains a contingency budget to address unexpected and unplanned expenditure, as well as costs that could arise as a result of the identified contingent liabilities coming to fruition or from risks included on the corporate and operational risks registers. The Risk Board routinely reviews the risk registers, and the Chief Officer - Finance tracks the contingent liabilities, and these are included in Appendix 1.
- 3.11 Finalising the pay award for all staff this year has brought some welcome certainty to the financial forecasts in Quarter 3. COSLA agreed in September that Local Government would contribute a further £10m across Scotland to the revised pay offers, as part of the final negotiations in November it was also agreed that £24.2m of Councils reserves would be used to fund the final part of the pay award – which will be repaid to Councils in 2024/25.
- 3.12 The additional cost that the Council will have to fund to support the revised pay offer is in the region of £1.2m. Part of this (c.£0.3m) will be met from Council contingencies budget in 2023/24, while there will be a use of reserves to support the balance (c.£0.9m), which will be reinstated with funding from Scottish Government in 2024/25. The budgets for the final adjustments for pay will be updated in the final quarter to take account of what, in totality, is a complex funding settlement. Recurring funding for the 2023/24 pay award is due to be provided by Scottish Government for teachers and non-teaching staff pay in 2024/25.
- 3.13 The Capital Programme spend being lower than budget, primarily due to the pausing of some sites/projects but also the delays in timing of expenditure, will reduce the requirement for borrowing during this financial year and will defer the revenue cost until future years. Project progress is being monitored by this Committee, and the Chief Officer – Capital and a further review was reported to this Committee on 13 September 2023, with the reprofiling incorporated in the Capital Programme detailed in Appendix 2.
- 3.14 The Housing Revenue Account (HRA) is forecasting to be on budget and the associated Housing Capital Programme is forecasting an underspend. It is likely that capital spending will be lower than forecast due to the prioritisation of work on voids shifting resources from capital to revenue works. It is notable that the contribution from rents towards the Capital Programme is reducing and in-year will be reduced against budget. This is a reflection of the additional and rising costs being experienced in the HRA.

3.15 Operationally the Common Good is expected to be in line with budget. The investment of cash balances in a Multi-asset Income Fund has been put in place with Fidelity as the fund manager since 2021. This continues to deliver the level of income the Common Good was expecting, however the value of the underlying investment has fallen by £6m since outset. The investment remains a long-term financial instrument and performance should be measured over a period of 3 to 5 years rather than for any single year.

3.16 Summary of Financial Statement Appendices

1. The financial statements reflect the income and expenditure of the General Fund and Housing accounts for the period to 31 December 2023 and, where the impact of statutory accounting adjustments can be calculated, these have been reflected in the financial statements as required by International Financial Reporting Standards (IFRS). The position at 31 December 2023 is positive as the profile of income from Scottish Government supports expenditure levels.

The Balance Sheet figures at 31 December 2023 show an overall net worth of the Council of £1.7 billion. The figures shown include statutory adjustments where these have been made, and where this is not possible the figure as at 31 March 2023 has been used.

2. This provides an overview of the forecast outturns for revenue and capital across the General Fund, Housing Revenue Account and Common Good. These financial statements provide a comprehensive summary of where the Council expects to be at the end of the financial year. These forecasts indicate that the General Fund will be on budget, subject to no financial shocks emerging and with instruction to budget managers to delay, reduce, stop expenditure where possible and ECB controls remaining tight. This aims to mitigate the risks however the use of earmarked reserves provides the assurance that the General Fund would have the in-year resilience to rely on. The Council will continue to manage cost pressures across the whole portfolio of services with all other revenue accounts expected to be on budget. Capital investment expenditure is forecast to be lower for the year, which will be funded by a mixture of Scottish Government Capital Grants, contributions from other partners and borrowing, as well as a contribution from Housing revenue to support the Housing Capital programme.
3. This presents the Common Good position as at 31 December 2023 and provides an overview of performance.
4. This provides information on the Group Entities. Due to the timing of this report not all performance reports are available in relation to Quarter 3 and in the absence of Quarter 3 information the latest 2023/24 data has been provided where appropriate.

4. FINANCIAL IMPLICATIONS

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

Revenue	2023/24 Budget £'000	2023/24 Forecast (Surplus) / Deficit exc. Group £'000	Variance (Under) / Over Budget £'000
General Fund	0	0	0
HRA	(500)	(500)	0
Common Good	0	(304)	(304)

4.2 The capital position can be summarised as follows:

Capital	2023/24 Budget £'000	2023/24 Forecast Expenditure £'000	Variance (Under) / Over Budget £'000
General Fund	241,813	124,243	(117,570)
HRA	159,015	109,694	(49,321)

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

4.4 Appendix 1 includes a Management Commentary providing information on the 2023/24 financial position, including details of the movement between Reserves.

4.5 The usable reserves have moved as follows:

Usable Reserves	Balance at 31 March 2023 £'000	Balance at 31 December 2023 £'000	Movement £'000
General Fund	(85,928)	(186,956)	(101,028)
HRA	(15,715)	(22,889)	(7,174)
Statutory & Other	(53,901)	(55,683)	(1,782)
Total	(155,544)	(265,528)	(109,984)

4.6 The impact of writing off the debts as described in Appendix 5 are cost neutral to the Council, as provision for the non-repayment of the sums has previously been included and accounted for on the Council Balance Sheet.

4.7 The implication of granting an extension to the bank guarantee is that the Council will continue to be exposed to the company having an overdraft in the event of Company failure, the reduced value takes account of the forecast cash flow from the Company that would reduce the exposure the Council currently has.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

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

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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Robust financial reporting and monitoring activities, combined with a rigorous financial planning process as part of the commissioning cycle prepare the Council for the years ahead. Financial resilience to address financial pressures arising in-year is maintained and monitored.	M	Yes
Compliance	There is the risk that the accounts do not comply with legal and	Annual external audits are undertaken to review the financial transactions and controls. Ongoing internal audits also	L	Yes

	accounting legislation.	review specific financial and service data.		
Operational	There is the risk that there may be an IT system failure.	Daily backups taken and held offsite for security purposes. Constant review and update of security systems for IT.	M	Yes
Financial	The main financial risk the Council is managing is the supply chain and inflation impact on costs.	Reviewing all areas of expenditure with a view to only incurring essential expenditure. Forecasts have taken account of known implications Regular reporting and action taken where appropriate.	M	Yes
	In relation to capital projects there is a risk that following the procurement process tendered costs will vary from that assumed at the time of project approval.	Quantification and review of indicative projects costs by suitable qualified staff or external body, where appropriate. Review of Capital Programme was carried out and was reported to the September meeting of F&R Cttee.	M	Yes
	The risk that workforce management options are not affordable in the future, such as the cost of the VS/ER scheme described in Appendix 2 (page 2).	Having approved the implementation of the fiscal flexibility for service concessions, this will provide a source that will enable the funding of VSER costs.	H	Yes

Reputational	There is a risk that through the reduction of expenditure the Council may be criticised that spending isn't in line with public expectation of service delivery.	The Council has continued to address priority spending areas, and to protect people. It is equally accountable for the use of public funds and to ensure that they are managed robustly. There are a wide range of unknown external factors that require to be balanced to deal with the current operating environment. Regular reporting during the year provides an ongoing description of the position the Council is in and the situations it faces.	M	Yes
Environment / Climate	None identified			

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals in this report have no impact on the Council Delivery Plan
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Prosperous People Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Prosperous Place Stretch Outcomes	The proposals in the report have no impact on the Local Outcome Improvement Plan
Regional and City Strategies	The proposals in this report have no impact on Regional and City Strategies

9. IMPACT ASSESSMENTS

Assessment	Outcome
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Integrated Impact Assessment	It is confirmed by Chief Officer- Finance that no Integrated Impact Assessment is required
Data Protection Impact Assessment	not required
Other	not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Appendix 1 – Financial Statement for the period ending 31 December 2023

Appendix 2 – Forecast Financial Position for the year 2023/24

Appendix 3 – Common Good Financial Statement for the period ending 31 December 2023

Appendix 4 – Group Entities Forecast Financial Position for the year 2023/24

Appendix 5 – Loan and Unrecoverable Debt, Marischal Square – Exempt

Appendix 6 – Financial Guarantee – Transition Extreme - Exempt

12. REPORT AUTHOR CONTACT DETAILS

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**FINANCIAL STATEMENT
FOR THE PERIOD ENDING
31 December 2023**

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Management Commentary

The purpose of the Management Commentary is to inform readers, helping them to assess how the Council is performing and understand our financial performance for the 9-month period to 31 December 2023.

Combined with Appendix 2, it also provides an insight into the expected financial performance for the remainder of the financial year 2023/24, the challenges we face and how we will address these challenges to provide stability, financially, thus allowing our citizens to have confidence that we can continue to provide the diverse portfolio of services on which they rely. Appendices 3 and 4 present the latest information in relation to the Common Good and Group entities.

Background

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

Moody's (the credit rating agency) published their latest credit rating assessment of the Council on 25 October 2023 with a rating of 'A2 with a stable outlook', which was a downgrade (from A1 with a negative outlook) of one 'notch'. This was the consequence of a review of the whole sub-sovereign sector on 25 October 2023, which had followed Moody's rating action on 20 October 2023 in respect of the UK Sovereign rating (Aa3, Stable outlook). The downgrade reflects Moody's view that, the fiscal flexibility of local authorities in both England and Scotland has materially deteriorated due to consistently high expenditure pressures and funding levels that do not keep pace with both cost inflation and demand. As substantial cuts have been implemented across the sector over the past decade, there is limited scope for further cuts without significant deterioration of services to a point that would be politically infeasible. At the same time, Moody's considers that more generous funding settlements for the sector are unlikely given the UK government's commitment to fiscal prudence. Consequently, Moody's anticipates that gross operating balances will decline over the medium term for most local authorities in the UK. The formal annual review of the Council credit rating is to be carried out in February, and will be reported to Committee thereafter.

The Council's independent external auditors, Audit Scotland, finalised the audit of the 2022-23 Annual Accounts, and these were signed in second quarter. They were approved at a special meeting of Audit, Risk & Scrutiny Committee on 15 August 2023. As shown in the final accounts the outturn position achieved as at 31 March 2023 was in line with forecasts, carrying forward a large value of grant funding for Covid pandemic recovery, Capital Grant funding and dispersal and settlement of people from Ukraine, Syria and Afghanistan. While the balance sheet was therefore underpinned by substantial Usable Reserves most of this is allocated toward supporting specific activities and hence the importance of in-year recurring funding that underpins core services.

As at 1 April 2023 the Council held Usable Reserves of £156 million and had a Net Asset Value of £1.5 billion.

The Council set its 2023/24 budgets on 1 March 2023, approving for the General Fund a range of budget savings options to set a balanced budget for the year. This included a Council Tax increase of 5% and agreement to use fiscal flexibilities, but fundamentally will rely on reducing staff costs, through voluntary processes – attrition and voluntary severance and early retirement opportunities.

The General Fund budget took account of a range of pay and price inflation pressures, in particular the pay award of c.3%, which was broadly in line with other Councils in Scotland but was considerably lower than the increase that had been claimed by Trade Unions.

The teachers' pay award for 2023/24 has been agreed and is funded in part by an increase in Scottish Government grant, with additional funding also underpinning the non-teaching pay which was agreed in December.

Proposals to make use of the Scottish Government approved fiscal flexibility to restructure the service concession payments, to manage the cost of voluntary severances and early retirements, were included in the budget and will be implemented during 2023/24.

There were conditions attached to the Scottish Government financial settlement in relation to funding for Community Health and Social Care and to support maintaining teacher and pupil support numbers across Scotland.

Since the budget was approved the spectrum of difficulty that our financial environment continues to face has increased further. While the impact of the Covid pandemic is less obvious, citizen and customer behaviour continues to result in lower income levels. Global factors, including the Russian invasion of Ukraine, energy inflation, commodity availability and price inflation, alongside the rising cost of borrowing has caused and is sustaining a cost of living crisis for those who live, work and visit the city, as well as for the Council.

Whilst the rate of inflation fell to 4.2% in December 2023, the situation remains critical as high inflation is impacting on the costs of supplies and services, fuel, and energy.

As a result of the turmoil in the financial markets over the past 12 to 18 months, there have been increases in the cost of government borrowing, with local authorities also seeing significant increases in borrowing rates through the PWLB than in the past few years. Borrowing rates appear to have now peaked towards the end of last year, with inflation also dropping significantly. It is hoped that interest rates will start to fall below 5% and beyond over the next 6 to 9 months, as they return to more "normal" and expected levels. On the other hand cash balances are securing additional interest from short term investments and this is helping to offset a proportion of in-year costs.

The city is hosting many individuals and families and welcomes them to Aberdeen. From Ukraine, in particular, resettlement schemes have developed over the last year and while funding of a one-off nature has been provided by UK and Scottish Governments our costs have risen particularly in providing education, and children and families services. Further cost is being experienced from the rise in international students attending the two Universities, and their families, with over 2,500 children enrolling for the first time during the school session 2022/23. Figures from the start of academic year 2023/24 indicate that the increase has stabilised to a large extent. Funding for Ukrainian welcome hubs has been stopped by Scottish Government in 2023/24.

The cost of new borrowing is rising and with inflation and construction inflation at very high levels also being key factors, the Council should expect the future cost of capital investment to rise substantially for both the General Fund and the Housing Revenue Account.

The Housing Revenue Account budget was approved and at the Council meeting on 1 March 2023 there was a rent increase of 4% agreed.

Our Financial Performance: General Fund

Performance in Quarter 3

In March 2023, the Council set its General Fund and Housing Revenue Account (HRA) revenue and capital budgets for the financial year 2023/24. Performance for the year is measured against these budgets with the projected full year position considered in Appendix 2 of this report. This section focuses on the actual financial results for the period from 1 April to 31 December 2023 presented in the format of our Annual Accounts on pages 7 to 14.

Staffing Costs:

As part of our 2023/24 budget, it was recognised that our payroll bill needed to reduce. The levers to deliver this was mainly turnover and through our current Voluntary Severance and Early Retirement (VSER) policy. Importantly managers are supported to redesign services with a reduction of resources as well as looking at automation and process improvements to remove work.

To monitor this, an Establishment Control Board (ECB) oversees all recruitment and VSER requests and monitors the level of people leaving the council (turnover) and people newly joining the council (new starts). Through this monitoring it is evident that the turnover and new starts are almost balancing each other out meaning that we are not experiencing a reduction in our payroll. Furthermore, the number of staff seeking VSER, and subsequently being approved is less than was forecast or assumed in the budget.

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

1. Children's and Family Service

Although at 77% against the full year budget the service is forecasting a significant overspend for the full year. Pressure in respect of the cost of providing education to rising numbers of pupils and children's social work services, including Out of Authority placements (OOA) are being identified as ongoing challenges.

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.

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.

2. Resources

At 74% against the full year budget, the function's net expenditure for the year is above budget. The function has a budget where a significant proportion relates to capital projects therefore variances occur throughout the year depending on when project work is carried out. Within the function there are ongoing concerns regarding the cost of materials and parts in Fleet Services which are the subject of inflationary pressures and lower than expected income for car parking.

3. Customer

At 71% against the full year budget, the function's net expenditure for the year to date is under budget. Across the function a number of services are showing small underspends at this stage of the year, concern regarding the cost of temporary accommodation is of greatest significance.

4. Commissioning

At 65% against the full year budget, the function's net expenditure for the year is slightly under budget. This relates to funding received in advance of spend within City Growth whilst in Governance there are underspends on staff and elections however it's expected these costs will increase in Q4.

It was agreed at a previous meeting of this committee to provide the costs of the Aberdeen Football Club parade. This was intended to be held on Monday 18th December 2023. The parade did not go ahead and there was therefore minimal spend incurred. The spend on the parade was £1,168.20, this consisted of civic hospitality costs of £810.00 and £358.20 for communications for stewards.

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

The function's net expenditure is 80% which is above budget due the costs of care.

6. Corporate

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

Contingencies are critical to the effective and resilient operation of the Council, risks over the winter months that might arise include weather events such as storms, flooding, and snow; pay negotiations; the impact of inflation may be greater than forecast; the crystallisation of contingent liabilities.

7. Other Income and Expenditure

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

Income from Non-Domestic Rates (NDR) is 60.20% of full year budget. As the Scottish Government hold the financial risk of NDR not delivering the total value across Scotland, a shortfall in cash against the amount has been guaranteed will be topped up at the end of the financial year. This is an adjustment to the Council's General Revenue Grant.

As at quarter 3 income from Council Tax is forecast to be on budget for the full year based on the income levels achieved last year.

Income from Scottish Government is above budget, which is due to the profiling of Grant and NDR across the year. The Scottish Government front load General Revenue Grant payments, before adjusting for NDR income estimates. Further adjustments will be made following the redeterminations advised by the Scottish Government, and this is paid in March 2024.

The Council receives a substantial income from the commercial tenanted non-residential property (TNRP) portfolio. The income to the TNRP portfolio is invoiced regularly but it is not in even quarters as timing depends on individual leases. The level of collection for 2023/24, and therefore provision for bad debt, in the current market conditions, is under review. This is exacerbated by the energy and supply costs for commercial facilities, including the TECA energy centre and anaerobic digestion plant.

Income from car parking has not returned to pre Covid-19 levels, this continues to be monitored on an ongoing basis.

Our Financial Performance: Housing Revenue Account

• Performance in Quarter 3

8. Housing Revenue Account (HRA) responsible for the provision of council housing to over 22,000 households with the most significant areas of expenditure being on repairs and maintenance and the servicing of debt incurred to fund capital investment in the housing stock. This is a ring-fenced account such that its costs must be met by rental income which at this stage in the year exceeds expenditure incurred. Rental income remains a regular source of funding. The HRA is ahead of budget at Quarter 3 because the capital financing charges have yet to be charged through the account. There continues to be significant spending on Repairs and Maintenance this year with the impact of inflation being particularly prevalent. The loss of income arising from voids continues to be a pressure, depriving the account of income; improvement plans are in place to address the availability of void properties. The rented housing market in Aberdeen remains competitive, offering more choice to prospective tenants. Tenant arrears remain a concern too, with the aged debt analysis showing that tenants are taking longer to pay their debts.

Our Financial Performance: Full Year Forecasts

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

Conclusion

The balanced budget for 2023/24 takes into account using fiscal flexibility to manage the cost of some long-term debt and places a great deal of emphasis on managing the cost of staff resources down. Transformation, as well as tried and tested means of managing staff turnover and offering voluntary severance and early retirement are being used to achieve these savings.

The impact of the pandemic and other global events, the Russian invasion of Ukraine, commodity prices and inflation continue to have an effect on the Council, and this means 2023/24 still looks very uncertain, with the spectrum of difficulty increasingly widening as time passes.

Continuing risks, not seen on the same scale for decades are inflation levels and supply chain volatility. These made a large impact on the Council's finances in 2022/23 and persist into 2023/24, with utility cost increases, forecasts for the year remaining high.

Spend levels are forecast to be high in certain areas of the budget that will be familiar in respect of children and education services, and there is high recruitment and retention of teachers in schools to support higher school rolls, which is leading to much lower forecast levels of savings from staff turnover than had been expected. The school roll forecasts for August indicated a further rise, this took into account continuing numbers of international students moving to Aberdeen with their families, and the impact of dispersal and resettlement schemes, this was reviewed in quarter 3 following the figures in the September census, with numbers more stable instead of rising yet further.

An emerging cost pressure locally is homelessness, with the need for and value attributed to temporary accommodation being considerably increased this year.

During the remainder of the year the Council will continue to act to reduce spending while reviewing and assessing the changes that the local financial environment has brought about and will re-evaluate the position to ensure that expenditure and income is being monitored and managed as required, taking appropriate action when required. The next reporting period will be Quarter 4, which will be prepared for Finance & Resources Committee on 8 May 2024.

Movement in Reserves Statement

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

	General Fund	Housing Revenue Account	Statutory and Other Reserves	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000		£'000	£'000	£'000
Balance at 31 March 2023 brought forward	(85,928)	(15,715)	(29,635)	(24,266)	(155,544)	(1,345,337)	(1,500,882)
Movement in Reserves during 2023/24							
Total Comprehensive Income & Expenditure	(140,337)	(27,606)	0	0	(167,944)	0	(167,944)
Adjustments between accounting basis & funding basis under regulations	37,527	20,433	0	0	57,960	(57,960)	0
Net (Increase)/Decrease before Transfers to Reserves	(102,811)	(7,173)	0	0	(109,984)	(57,960)	(167,944)
Transfers to/from Reserves	1,782	0	(1,782)	0	(0)	(0)	(0)
(Increase)/Decrease in Year	(101,028)	(7,173)	(1,782)	0	(109,984)	(57,960)	(167,944)
Balance at 31 December 2023	(186,956)	(22,889)	(31,417)	(24,266)	(265,528)	(1,403,297)	(1,668,826)

Expenditure and Funding Analysis

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

Services	Quarter 3 2023/24			Notes
	Net Expenditure chargeable to General Fund & Housing Revenue Account	Adjustments between funding & Accounting basis	Net Expenditure in the CIES £'000	
	£'000	£'000	£'000	
Children & Family Services	191,951	0	191,951	1
Operations	0	(13,718)	(13,718)	2
Customer	32,142	0	32,142	3
Commissioning	13,100	0	13,100	4
Resources	50,289	0	50,289	5
Integration Joint Board	96,947	0	96,947	6
Corporate	8,251	(142)	8,109	7
Net Cost of General Fund Services	392,679	(13,860)	378,819	
Housing Revenue Account	(7,173)	(3,254)	(10,427)	8
Net Cost of Services	385,506	(17,114)	368,392	
Other Income and Expenditure	(495,490)	(40,846)	(536,336)	9
(Surplus) or Deficit on Provision of Services	(109,984)	(57,960)	(167,944)	
Opening General Fund and HRA Balance at 31 March 2023	(101,643)			
(Surplus) or Deficit on General Fund and HRA Balance in Year	(109,984)			
To/From Other Statutory Reserves	1,782			
Closing General Fund and HRA Balance at 31 December 2023	(209,845)			

Notes

1. See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter
2. See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £13.718m accounting adjustment relates to the removal of Annual Service Payments for the 3R's schools and Lochside Academy which for accounting purposes are required to be split into its component parts, payment for services; repayment of capital; and financing costs.
3. See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
4. See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
5. See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
6. See page 3 for information relating to Net Expenditure chargeable to the General Fund. There are no accounting adjustments relating to this service in this quarter.
7. See page 3 for information relating to Net Expenditure chargeable to the General Fund. The £0.142m accounting adjustment relates to CFCR.

8. See page 3 for information relating to Net Expenditure chargeable to the Housing Revenue Account. The £3.254m accounting adjustment relates to CFCR.

9. See page 4 for information relating to Net Expenditure chargeable to the General Fund. The £40.846m adjustment comprises the following three elements, which realign costs from other parts of the budget:

£8.386m is the element of the 3R's and Lochside Annual Service Payments which is reallocated as per note 1 above to bring together financing costs which flow into the Financing and Investment Income and Expenditure line in the CIES below.

(£0.396) m that is the allocation of the Marischal Square finance lease payment.

(£48.836) m that is the allocation of capital grant income which flows into the Taxation and Non-Specific Grant Income line in the CIES below

Comprehensive Income and Expenditure Statement

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

Services	Quarter 3, 2023/24			Notes
	Gross Expenditure	Gross Income	Net Expenditure	
	£'000	£'000	£'000	
Children & Family Services	218,779	(26,829)	191,951	
Operations	(13,718)	0	(13,718)	
Customer	77,337	(45,196)	32,142	
Commissioning	27,574	(14,474)	13,100	
Resources	152,512	(102,223)	50,289	
Integration Joint Board	139,268	(42,321)	96,947	
Corporate	12,317	(4,208)	8,109	
Cost of General Fund Services	614,070	(235,251)	378,819	
Housing Revenue Account	73,208	(83,635)	(10,427)	
Cost of Services	687,278	(318,886)	368,392	
Other Operating Expenditure	0	0	0	1
Financing and Investment Income and Expenditure	69,315	(66,841)	2,474	2
Taxation and Non Specific Grant Income	0	(538,810)	(538,810)	3
(Surplus) or Deficit on Provision of Services	756,593	(924,537)	(167,944)	
(Surplus)/deficit on revaluation of Property, Plant and Equipment assets			0	4
Impairment losses on non current assets charged to the Revaluation Reserve			0	4
(Surplus)/deficit on revaluation of available for sale financial assets			0	4
Actuarial (gains)/losses on pension losses/liabilities			0	4
Other (gains)/losses			0	4
Other Comprehensive Income and Expenditure			0	
Total Comprehensive Income and Expenditure			(167,944)	

Notes

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

Balance Sheet

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

The values as at 31 March 2023 are based on the Council's audited Annual Accounts 2022/23.

31 March 2023 £'000		31 December 2023 £'000	Note
2,610,218	Property, Plant & Equipment	2,770,128	1
199,723	Heritage Assets	199,723	1
169,883	Investment Property	169,883	1
28,219	Long Term Investments	28,219	2
498	Long Term Debtors	1,814	3
3,008,541	Long Term Assets	3,169,767	
76,078	Cash and Cash Equivalents	38,337	4
11,588	Short Term Investments	23,547	5
146,275	Short Term Debtors	154,222	6
4,312	Inventories	29,889	7
3,150	Assets Held for Sale	3,150	8
241,403	Current Assets	249,145	
(306,405)	Short Term Borrowing	(361,882)	9
(156,365)	Short Term Creditors	(112,958)	10
(5,354)	Short Term Provisions	(5,334)	11
(5,332)	PPP Short Term Liabilities	(4,308)	12
(7,948)	Accumulated Absences Account	(7,948)	13
(4,235)	Grants Receipts in Advance - Revenue	(828)	14
(493)	Grants Receipts in Advance - Capital	(798)	14
(486,132)	Current Liabilities	(494,056)	
(1,064,341)	Long Term Borrowing	(1,063,617)	15
(56,445)	Finance Lease	(56,011)	16
0	Long Term Creditors	0	17
(1,986)	Long Term Provisions	(551)	11
(120,706)	PPP Long Term Liabilities	(116,398)	12
(19,452)	Pension Liabilities	(19,452)	18
(1,262,930)	Long Term Liabilities	(1,256,030)	
1,500,882	Net Assets	1,668,826	
	Usable Reserves:		
(85,928)	General Fund Balance	(186,956)	19
(15,715)	Housing Revenue Account	(22,889)	19
(29,635)	Statutory and Other Reserves	(31,417)	19
(24,267)	Capital Grants and Receipts Unapplied	(24,266)	19
(1,345,337)	Unusable Reserves	(1,403,297)	20
(1,500,882)	Total Reserves	(1,668,826)	

Balance Sheet Notes

1. Depreciation is calculated annually and therefore no depreciation has been applied in Quarter 3. Capital expenditure to the end of Quarter 3 totalling £159.910m has been applied to Property, Plant & Equipment (this includes £77.017m of general fund expenditure and £82.893m of HRA expenditure). Disposals, revaluations, and transfers have not been accounted for in Quarter 3.
2. Long Term Investments comprises the council's interest in Aberdeen Sports Village and Hydrogen Hub.
3. Long term debtors reflect the movement based on transactions for the period.
4. Cash and cash equivalents include short term investments of £24.603m (because they can be called up at short notice i.e. 0 to 35 days) and developer's contributions of £29.267m. See the cash flow statement for an analysis of how this is used.
5. Short term investments have been adjusted as described in Note 4.
6. Short term debtors reflect the movement based on transactions for the period.
7. Inventories are adjusted at year end for inter-related account balances.
8. Assets held for sale reflect the position at March 2023. This will be reviewed in Quarter 4.
9. Short term borrowing reflects the current position based on transactions for the period.
10. Short term creditors reflects the current position based on transactions for the period.
11. Short term provisions reflects the current position with an adjustment to split this total into long and short term provisions based on year-end figures. This split will be updated in future quarters.
12. PPP short and long-term liabilities has been adjusted to reflect the projected position at March 2024.
13. The accumulated absences account is reviewed annually and will therefore be updated in Quarter 4.
14. The grants received in advance totals reflect the position at the end of Quarter 3.
15. Long term borrowing reflects the current position based on transactions for the period.
16. Finance Lease reflects the closing position as at March 2024.
17. Long term creditors reflect the current position based on transactions for the period.
18. Pension liabilities are only reviewed annually and will therefore be updated in Quarter 4.
19. Usable Reserves reflects the current position based on transactions for the period. Usable Reserves includes uncommitted reserves and earmarked reserves, and due to

the positive cashflow have increased to a level that is higher than forecast for the end of the year, the cashflow being used to fund expenditure that will be incurred in the second half of the year.

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

Cash Flow

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

	Quarter 3 2023/24
	£'000
Net Surplus or (Deficit) on the provision of services	167,944
Adjust net surplus or deficit on the provision of services for non cash movements	(34,401)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(48,836)
Net cash flows from Operating Activities	84,706
Net cash flows from Investing Activities	(171,868)
Net cash flows from Financing Activities	49,421
Net increase or decrease in cash and cash equivalents	(37,741)
Cash and cash equivalents at the beginning of the reporting period	76,078
Cash and cash equivalents at the end of the reporting period	38,337
Cash held by the Authority	24
Bank current accounts	38,313
	38,337

Contingent Liabilities

In addition to amounts recognised on the Balance Sheet, the Council is aware of the following contingent liabilities at 31 December 2023:

Guarantees

Transition Extreme Sports Ltd

The Council has agreed to provide a guarantee to the Bank of Scotland in respect of a maximum overdraft facility of £250,000, as approved at City Growth & Resources Committee on 21 September 2022. This guarantee will remain in force until 31 March 2024.

Sport Aberdeen

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

Aberdeen Heat & Power

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

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

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

SEEMIS Group LLP

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

Integration Joint Board (IJB)

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

Contractual

Waste Disposal

The Council has a long-term contract with an external contractor for the disposal of all relevant waste arising in the City and the operation and maintenance of waste transfer stations, recycling facilities and landfill sites. The contract commenced in September 2000 and is due to run until April 2029.

The fire at Altens East Recycling and Resource Facility on 8 July 2022 has resulted in business continuity plans being implemented and changes made to the processing of some waste streams. There have therefore been a wide range of the implications arising from the events. The financial impact of known implications has been assessed and incorporated into the full year forecast for 2023/24. There will remain contractual matters to be addressed that will take time and the Council continues to work closely with the Contractor and representatives to determine the full extent of those.

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

Litigation in connection with the above

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

Landfill Allowance Scheme (LAS)

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

Section 75 agreements

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

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

The inherent risk with all developer obligation funded projects is whether the build rate of the development is triggering financial contributions at the rate required to fund the Council projects involved. Where the Council project advances more quickly than the development, the Council may have to step in to “cashflow” the necessary funding requirement. Where a project has not been legally committed, a failure to receive the supporting developer obligation funding may require a discussion to determine whether the project should be paused, or even stopped completely. More detailed monitoring is therefore required by the Planning service to forecast expected build rates on developments and map out the timelines of expected trigger points for release of funding.

Impact of Covid on Working Practices, Global events and High inflation environment

Almost all restrictions that were in place for the Covid-19 pandemic have now been lifted, and although the virus continues to circulate it no longer presents the health risk that previously existed. However, the consequences of the pandemic have been far reaching and recovery has been slow. The Council has prepared its 2023/24 budget to include known Covid-19 related implications, however, there remains the possibility that further costs may arise that were not previously identified.

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

The Council are also aware that the construction industry is experiencing shortage of products, raw materials, staffing and logistical support which is impacting on current and future costs across the UK. Ordering lead times are extending across the sector with the risk of increased delay impacts to projects. Advance order of materials continues to be a project mitigation strategy where it can be applied.

There is evidence of a contraction in the construction industry particularly in terms of small to medium sized suppliers. The Russian invasion of Ukraine and resulting economic sanctions placed on Russia and Belarus has further exacerbated supply chain issues for some commodities e.g. bituminous materials, steel etc. which were sourced from eastern Europe. Now there is added risk of escalation in the Middle East due to the Palestine/Israel conflict.

Taken altogether, this had manifested as the highest level of cost inflation experienced for around 30 years, though there were signs the inflation rate was starting to stabilise by the summer of 2023. This volatility has created new risks around capital projects. A review of project timeline delivery and financial viability was reported to the City Growth and Resources committee and full Council in August 2022, and again in

September 2023, and any significant programme/project impacts continue to be updated through updates to this committee.

Reinforced Autoclaved Aerated Concrete (RAAC)

Following a published update regarding the risk of failure with Reinforced Autoclaved Aerated Concrete (RAAC) Planks, the Council has completed its review of its public buildings where the presence of RAAC has been identified. RAAC was found in a small number of them and mitigation is now in place. As reported previously a similar programme of work is being conducted across the Council housing estate.

As part of this housing review, we have already identified a housing type with RAAC, located to the south of the city in the Balnagask area. The full review across the whole housing estate is on-going.

At this stage, across the whole Council portfolio (public buildings and housing) it is still not known the extent of the issue or any remedial costs. This is expected to result in future financial liability to both the General Fund and the Housing Revenue Account.

Scottish Child Abuse Inquiry

The Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 (“the Act”) received Royal Assent on 23 April 2021. Scotland’s Redress Scheme opened on 8 December 2021.

Although Redress Scotland works with guidance and funding from the Scottish Government, it is not part of any Government department. Survivors, as an alternative to civil litigation, may choose to apply for redress. Local Authorities, as a Local Government sector, pay financial contributions towards the redress scheme and this has now been agreed as part of the Local Government Settlement and will be applied for the next 10 years.

Civil Litigation claims are still being received by the Council, both as lead authority for the former Grampian Regional Council and Aberdeen District Council as well as claims solely against Aberdeen City Council. Any uninsured claims or associated costs in respect of Aberdeen District Council or Aberdeen City Council will require to be met by Aberdeen City Council. The costs of these are unquantifiable at this time but will give rise to a future financial liability.

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**PROJECTED FINANCIAL POSITION
FOR THE YEAR 2023/24**

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MANAGEMENT COMMENTARY

This is the third reporting point in the year for the Council's finances, following approval of the budgets in March 2023. The full year budgets reflected in the table below differ from those set by Council in March 2023 for a number of reasons. This is normal practice during the year as virements are identified and budget responsibilities change.

The General Fund, Housing Revenue Account and Common Good are all forecast to deliver in line with budgets set for 2023/24, but this will not be without continued effort and action.

In common with previous years there are pressures on the organisation that emerge during the year and this year the Council continues to be impacted by the longer-term effects of the Covid pandemic, such as customer and citizen behaviours resulting in lower than expected income streams in some services. As reported to the Committee in June 2022, supply chain volatility [RES/22/131] is significant and continues to be present, and inflation remains at high levels.

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

Demand has continued to rise for our services this year, with attention being drawn to changes in our population, specifically rising school rolls, which are on the back of increased numbers of families in the city, whether through the dispersal and resettlement schemes, welcoming those fleeing harm and seeking sanctuary, and through the University schemes to attract international students to the City, with their families. Increased homelessness presentations are also affecting our finances with significant levels of temporary accommodation being needed.

At best there is a lag between rising population and funding, but with the core grant not increasing to take account of more demand or cost in the system then the redistribution of grant between local authorities means nobody receives what is needed to deliver the current level of services. Without the funding the alternative action, as seen over the last many years, is to reduce the cost of services and it is clear from the decisions made for 2023/24 budget that the savings are reducing services. They are also limiting the service standards that we can deliver and if the pressure described in Appendix 1 for the third quarter continues as expected for the foreseeable future, then this position will only get more difficult.

There is an underlying commitment from Senior Management to pursue options to mitigate cost pressures and to work with the Chief Officer – Finance to ensure the overall agreed budget is adhered to, however this is increasingly difficult.

Appendix 1 provides the Income and Expenditure Statement and Balance Sheet of the Council as at 31 December 2023. The forecast for the year is built on the information that was available at this time.

For the full year, 2023/24, the General Fund is forecast to be on budget however it must be noted that there are continuing actions and processes in place to support managers to continue to reduce, stop or delay expenditure that they can, in the remainder of the financial year.

Payroll / Staff Costs:

As part of our 2023/24 budget it was recognised that our payroll bill needed to reduce. The levers to deliver this was mainly turnover and through our current Voluntary Severance and Early Retirement (VSER) policy. Importantly managers are supported to redesign services with a

reduction of resources as well as looking at automation and process improvements to remove work.

To monitor this, an Establishment Control Board (ECB) oversees all recruitment and VSER requests and monitors the level of people leaving the council (turnover) and people newly joining the council (new starts). Through this monitoring it has been evident that the turnover and new starts are almost balancing each other out meaning that we are not experiencing a reduction in our payroll costs. Furthermore, the number of staff seeking VSER, and subsequently being approved is less than was forecast or assumed in the budget.

To improve this position the Establishment Control Board continues to maintain these key controls:

1. Robust Recruitment Freeze. This will mean that only essential posts are recruited to when a vacancy arises.
2. Agency Freeze. The use of agency workers should only be used for a short-term need, on average up to 13 weeks. The ECB has implemented tighter controls where all agency requests must be supported by the relevant Chief Officer and then passed to the ECB for consideration. People and Organisational Development (P&OD) continue to monitor previously approved agency contracts to seek assurance that the council is only using agency for short term essential need.
3. Overtime Freeze. Overtime is currently approved at service manager level. Like 2. above, all future overtime requests now requires the support of Chief Officer. Overtime requests should only be used for emergency-type need where the resource requirement is not planned. Again, P&OD review current overtime usage and work with the business to ensure that it is being used effectively.

These 3 controls will be continually monitored for effectiveness and to ensure the payroll bill is reducing in line with our budget commitment. It is estimated that a net 200 to 250 resources, from a base of almost 8,000 employees, will not be replaced, to achieve the level of saving required.

Essential Spend:

The council has been operating in an environment of restricting discretionary spend for many months, if not years. This has been communicated to 'requisitioners' and 'approvers' at all levels within the organisation. Due to the continued uncertainty of the fiscal environment and the recognition of new service demand entering our system, further controls have been implemented to effectively manage non-essential spend and control additional spending resulting from unplanned demand.

To enable the Council to work towards achieving delivery of a balanced budget by 31 March 2024 the provisions are essential and necessary, in the face of the significance of the uncertainty arising from current known situational awareness and the continuing financial risks that exist.

General Fund

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

The high costs of gas and electric will affect all Council services to some degree. These forecasts are included in the table below.

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

As stated above, across the whole of the Council the planned reduction in the number of posts that are affordable is being managed through voluntary and natural turnover processes. The full value of the staff savings is still forecast to be below budget at this time however actions noted above continue to be implemented to continue to influence the full year position. Other savings are supporting balancing the budget, to counteract the situation.

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

1. The main areas of pressure within Children's and Family Service are:
 - Higher than budgeted spend on Out of Authority Placements, spend has increased from previous years however this is mainly due to contract uplifts rather than the number of placements. Kinship placements are increasing which is increasing the pressure on this budget. Initial estimates indicated the additional funding awarded for the introduction of a Scottish Recommended Allowance (SRA) for kinship and foster carers will mitigate this however if numbers continue to increase this may not be the case.
 - Looking at demand, 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.
 - 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.

For Education the service is managing a substantial increase in children that have arrived in the city. This continues to be driven by two factors: - the post-Covid increase of international students from other countries to the two Universities, who are bringing their families with them - there is evidence that this is now levelling off, and secondly the number of children (and families) in the city seeking refuge from Ukraine.

- Also, within Education there are increased costs of the 3R's Schools unitary charge due to the inflationary uplift, also other contracts and long-term absence spend will be over budget for 2023/24, this is being closely monitored.
 - There is a risk that Early Years will not achieve the budgeted income from Cross Boundary Charging as the difference in the number of children between local authority areas is not as significant as anticipated.
2. The main areas of pressure within Resources are:
 - Commercial property trading account income has been revised to reflect current conditions, this will continue to be monitored closely and the Council may be affected by bad debt provisions at the year end. This includes the additional costs of energy for corporate facilities and, also the Energy Centre and AD Plant at The Events Complex Aberdeen, and related contracts.
 - Car Parking income was severely affected by the pandemic, and whilst it is now recovering it is not expected the budgeted income from parking permits will be achieved.
 - In Building Services there is a risk that the level of capital works will not increase with the focus being on void properties and response repair and maintenance, then the budgeted surplus may not be achieved this year.
 - Energy from Waste (EfW) gate fees are higher than budget mainly due to the price per tonne being higher than expected and Waste Disposal management fees are higher than budget largely due to annual contract increases.

- Facilities are experiencing significant staff overspend in the areas of cleaning, janitorial and catering costs.
 - There is a risk that forecasts may be higher than budget within Fleet as a result of implementation issues of new software, Jaama.
3. The main areas of pressure within Customer are:
- Temporary accommodation (hotels, and bed and breakfast) is experiencing a significant rise in demand due to the cost of living crisis and this is being exacerbated by fewer people moving into permanent accommodation.
 - There is a risk that the level of rental income from Homeless Flats will be lower than budget due to the levels of activity to the end of the quarter, this is offset by increased income levels for hostels.
 - Digital and Technology are experiencing a cost pressure whilst transitioning to new contracts and increasing digital services.
4. The main areas of pressure within Commissioning are:
- Governance is expecting an under recovery of licencing income.
 - For commercial services the Beach Ballroom are forecasting income to be lower than budget. They are now at 90% of their pre-covid trade and business growth continues at the Art Gallery with increasing venue hire activity the primary goal.
 - It is expected that there will be an under recovery of income from planning & building applications due to current market conditions.
5. The main areas of pressure within Integrated Joint Board (IJB)/Adult Social Care are:
- An uplift of 6% for 23/24 was agreed for care home providers that run care homes under the national care home contract. This was higher than anticipated when the budget was set at the beginning of the year. There is a risk that care home costs will be overspent unless there is a reduction in client numbers.
 - There is a risk that the commissioned services & direct client payment budgets might not be sufficient to cover any agreed contract uplifts.
 - There is a risk that income from clients' care packages may not be received in full.
 - Scottish Government may claw back unspent covid reserves from IJBs in 2023/24.
 - The numbers of direct payments to clients may rise. Capacity is gradually starting to increase however there is a risk that the number of new clients requiring care exceeds the financial capacity.

In recognition of Scottish Government funding being provided to support the 2023/24 pay award an adjustment will require to be made to reflect the additional cost for IJB staff. This adjustment will be agreed between Chief Finance officers in the final quarter and included in the Quarter 4 report.

6. Miscellaneous Services includes capital financing costs, the cost of repaying the borrowing received in the past for General Fund Capital Programme investment. Capital Financing Costs is the most significant budget within Miscellaneous Services and includes the impact of accounting for loans fund repayments on a prudent basis, approved by the Audit Risk and Scrutiny Committee in April 2019.

As highlighted above, and in Appendix 1, the financial turmoil recently has only exacerbated the rising cost of borrowing, the cost of capital investment will rise from previous forecasts due to the current economic environment, with borrowing rates up at levels last seen a decade ago, high inflation – above Government and Bank of England targets – and supply chain volatility.

Misc Services now includes the saving of £4.6m against the capital financing budgets or principal and interest and is reflective of total borrowing costs and slower than expected capital expenditure.

The bad debt provision has been updated to take account of latest data. This budget sits within Miscellaneous Services and is under regular review. The council reinstated income recovery processes in 2021 following deferral of action due to the pandemic and there has subsequently been a reduction in the level of debt.

7. The corporate saving for a reduced teaching workforce is captured in the “Corporate Budgets”. The full value of the staff savings is forecast to be above budget, and mitigates the additional spending on non-teaching workforce in Children and Family Services.

At the end of the quarter the pay negotiations for non-teaching staff were resolved after revised offers were made, Unison members were balloted and strike action was suspended. COSLA confirm the pay award through an Industrial Relations circular. The Council implemented the pay award in the December payroll and the figures in Appendices 1 and 2 reflect this.

This has now provided certainty to our Quarter 3 forecasts and also crystallised the funding that is to be provided from Scottish Government to support the pay negotiations. The actual costs and income have determined how much additional funding the Council must fund as part of the final pay offer, any additional funding has been met from the Contingencies budget and as agreed by COSLA Council Reserves, this element of which will be reimbursed by the Scottish Government in 2024/25.

Contingencies also holds the in-year revenue contingency for the General Fund and the forecast includes the use of that contingency in the remainder of the year. That does not stop future unplanned events taking place or from implications arising from the risk registers and, where identified, contingent liabilities becoming more certain (see Appendix 1). It means at this stage that the Council relies on the strength of its balance sheet to address future unknown costs.

8. Council Expenses include the budgets for all councillors’ costs, including salaries and expenses. These are forecast to be on budget.
9. The Joint Boards budget and forecast outturn is based on the amount requisitioned by Grampian Valuation Joint Board. This is currently forecast to be below budget as a result of a refund issued for 2022/23.
10. The Non-Domestic Rates figure is set by the Scottish Government as part of its overall funding support package rather than the amount billed and receivable by the Council. The forecast amount receivable by the Council is in line with Government distribution information.
11. The General Revenue Grant is set by the Scottish Government as part of its funding support package for Local Government. This is regularly updated to account for the redeterminations that are allocated to Local Government after the approval of the Scottish Budget. Funding for these allocations is paid to Councils in March.
12. Council Tax income is forecast to be on budget for 2023/24 based on collection levels in 2022/23.
13. Use of Reserves. The Council approved in its 2023/24 budget that a sum of £9.072m will be used from Service Concession and other earmarked General Fund reserves to fund the budget.

Housing Revenue Account

14. The overall HRA budget is balanced however there are several areas of unsustainability. These are the continued rising costs of repairs and maintenance from materials and staff costs also the level of voids. The higher costs in these areas will be further offset by a reduced contribution to Capital from Current Revenue (CFCR). The 2024/25 HRA Budget on 14 December 2023 agreed a rental increase of 4.7% lower than the officer recommendation of 8.8% which was required to sustain the current level of services. Due to the sustained increase in repairs and maintenance in 2023/24 it is likely in 2024/25 we may need to consider for example, time taken to respond to repairs and maintenance, cleaning of multi storey buildings, ground maintenance frequency as well as consideration of the minimum letting standard.

Earmarked Reserves

As at 1 April 2023 the Council held c.£92m of earmarked reserves across the General Fund and HRA and expenditure is estimated to be incurred over a period of years.

Expenditure in relation to the delivery of other specific projects, funded by the earmarked reserves is not included in the figures in the tables above, the expenditure being set against the finite reserves held at the start of the year. As an example, the Council expects to continue to incur expenditure from the Transformation Fund in 2023/24 progressing the digital programme of transformation.

The other significant earmarked reserves to draw attention to at this time are the Refugee Funding (£18.046m) to support the work and activities we deliver for through the dispersal and resettlement schemes; and the Joint Venture (ASV) Revaluation Surplus (£11.216m), which is not cash backed and reflects the increased value of the Council shares of the Sports Village following asset revaluation.

Also notable is the Second & Long-term Empty Properties (Affordable Housing) reserve (£10.733m), which is underpinned by legislation. Expenditure in 2023/24 will depend on the progress with a number of developments including Cloverhill, and the amount of Scottish Government funding and Section 75 income (developers' contributions) to be used as this funding is time limited, these funds support the delivery of additional social housing by the Council.

The earmarked Covid-19 Grants (£6.669m) are for areas such as Education, income shortfall and general support to Council services. It is anticipated that much of this funding will be fully utilised to fund the employment of additional teachers, support staff within Education, support income shortfalls in such areas such as car parking and commercial properties, essentially using the general sums available to balance the budget should a deficit remain at the end of the financial year– and this is subject to action being taken to reduce, stop and delay expenditure in the second half of the year.

Balancing the Budget through Controls and Monitoring Structures

Drawing attention again to the points made in the introduction about Payroll/Staff Costs and Essential spend controls, specific actions that will continue, to manage spending and work towards reducing the operating deficit include:

- Further instruction to all budget holders to reduce, stop or delay expenditure wherever possible to reduce the outturn position.

- Ongoing review and analysis of the national dispersal and resettlement programmes on council budgets.
- Ongoing review and scrutiny of the out of authority placements for children by the Chief Officer – Integrated Children’s Services.
- Specific work in relation to the Service Income policy to ensure full cost recovery is achieved from a range of services that the Council delivers, such as support services, housing services, accommodation and building services.
- Monitoring and management of council long-term debt in light of the agreed policy and capital spend forecasts for 2023/24.
- The voluntary severance / early retirement scheme is how the Council has incentivised workforce reductions. The scheme has been recently promoted to staff in order to further reduce the ongoing cost of staff and to support the affordability of the Council’s budget going forward. This is an expensive scheme, funding must be found and accounted for up front from revenue resources. For the last few years, it has been permitted, by Scottish Government Ministers, for Local Government to use Capital Receipts to fund this revenue cost. This scheme expired at 31 March 2023. With effect from 2023/24 it is intended that this scheme will be financed by the Scottish Government’s financial flexibility to amend service concession payments in their accounts. To maintain robust financial controls, and with such tight financial constraints on the funding of the scheme, consideration should be given to the parameters of the current scheme.
- Closure of small financial assistance grant scheme (honouring commitments already made).

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

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

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

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

Balancing the Budget through the monitoring and control of risks.

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

The emerging risks from demand and costs and the challenge to balance the budget should be having an impact on those operational risk registers and the corporate Management Team expect where appropriate that these risks are escalated to the Corporate Risk Register, along with the potential impacts and means of mitigation.

The spectrum of difficulty that has been described as widening signals that risks are going to change and that the likelihood and impact of those risk are going to rise. The Council should be expecting to see this and to be asked to take appropriate action to mitigate them as they are identified.

The main risks to the Council are now the cost of living crisis, the rise in the number of people in the city through resettlement and refugee schemes and studying in the city from abroad. Also,

the high inflation level and extremely high increases experienced in the cost of energy supplies remain significant risks as these will continue to have a substantial impact on Council services.

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

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

Conclusion

Based on the information available, and set out in this report, the forecast for the overall position of the General Fund is a balanced budget, with key actions continuing as described to reduce the payroll/staff costs across the Council and also the cost of our supplies and services during the remainder of this year. Any deficit that emerges later in the year, the Council will have to rely on unused contingencies and the availability of funding from the Balance Sheet in the form of earmarked reserves.

The Housing Revenue Account is also in a balanced position, and this is captured in the tables set out below.

General Fund Financial Reporting Summary 2023/2024 - Quarter 3

As at 31 December 2023	Budget 2023/2024	Outturn 2023/2024 Quarter 3	Variance from Budget		Notes
	£'000	£'000	£'000	%	
Children & Family Services	243,480	258,810	15,330	6.3	1
Resources	58,771	64,870	6,099	10.4	2
Customer	47,079	46,831	(248)	(0.5)	3
Commissioning	20,131	22,262	2,130	10.6	4
Integrated Joint Board	120,787	120,787	0	0.0	5
Total Functions Budget	490,248	513,560	23,312	4.8	
Miscellaneous Services	74,440	57,981	(16,459)	(22.1)	6
Contingencies	7,106	4,035	(3,071)	(43.2)	7
Council Expenses	1,549	1,557	7	0.5	8
Joint Boards	1,952	1,763	(189)	(9.7)	9
Total Corporate Budgets	85,048	65,336	(19,712)	(23.2)	
Non Domestic Rates	(257,797)	(257,797)	0	0.0	10
General Revenue Grant	(170,518)	(170,518)	0	0.0	11
Government Support	(428,315)	(428,315)	0	0.0	
Council Tax	(137,908)	(137,908)	0	0.0	12
Local Taxation	(137,908)	(137,908)	0	0.0	
Contribution from Reserves	(9,072)	(12,672)	(3,600)	39.7	13
Contribution from Reserves	(9,072)	(12,672)	(3,600)	39.7	
Deficit/(Surplus)	0	(0)	(0)	0.0	

Housing Revenue Account Summary 2023/2024 - Quarter 3

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

During Quarter 3 2023/24, three existing capital projects secured external funding to support delivery:

- Up to £0.121 million from the Scottish Government to invest in the new Bairns Hoose;
- £0.120 million from Cycling Scotland to support creation of additional cycle lockers;
- £0.025 million from the Scottish Environment Protection Agency to progress studies for the Denburn Restoration project.

As at Period 9 2023/24	2023/24			
	Revised Budget for Year	Actual Expenditure for Year	Forecast Outturn	Outturn Variance from Revised Budget
	£'000	£'000	£'000	£'000
AECC Programme Board	3,140	47	140	(3,000)
Asset Management Programme Board	77,357	19,658	42,478	(34,879)
Asset Management Programme Board Rolling Programmes	26,604	19,243	25,899	(705)
City Centre Programme Board	33,723	8,365	11,204	(22,519)
Energy & Climate Programme Board	48,234	15,920	20,211	(28,023)
Housing and Communities Programme Board	2,801	807	1,322	(1,479)
Housing and Communities Programme Board Rolling Programmes	754	637	754	0
Transportation Programme Board	21,936	6,697	11,612	(10,324)
Transportation Programme Board Rolling Programmes	1,335	520	1,335	0
Strategic Asset & Capital Plan Board	22,028	2,136	5,256	(16,772)
Strategic Asset & Capital Plan Board Rolling Programmes	3,901	2,752	3,901	0
Developer Obligation Projects & Asset Disposals	0	236	131	131
Total Expenditure	241,813	77,017	124,243	(117,570)
Capital Funding:				
Income for Specific Projects	(78,040)	(19,716)	(45,823)	32,217
Developer Contributions	0	(126)	(131)	(131)
Capital Grant	(26,038)	(23,977)	(26,038)	0
Other Income e.g. Borrowing	(137,735)	(33,199)	(52,251)	85,484
Total Income	(241,813)	(77,017)	(124,243)	117,570

Profiling of project budgets and forecasting of outturns remains challenging given the wide range of factors continuing to affect construction supply chains. Cost inflation is only now beginning to reduce from the highest experienced in several decades. As such the forecast outturns quoted above represent a point in time and there is a strong probability they will be subject to change as the financial year progresses and additional information becomes available. Opportunities exist to review the overall programme for affordability as business cases for new project budgets approved in March 2023 continue to be developed and presented to Capital Board.

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

The programme reprofiling approved by the report RES/23/284 – Capital Programme Delivery: Projects Update, at Finance and Resources committee on 13 September 2023 is included in this update. A further reprofiling update will be prepared for the Council's 2024/25 budget, and presented in the reports for Council Budget day.

Quarter 3 2023/24 includes significant progress on several projects. Practical Completion of the new Greyhope Primary School and Community Hub was achieved on 9 October 2023, and the school opened to pupils after the October holidays. The Energy from Waste (EfW) facility achieved its Acceptance Certificate on 12 December 2023, and formally moved into the 20 year Services (operations) phase of the contract. Council resolved to proceed with the replacement Hazlehead Academy at its current site and the replacement school was accepted into the Scottish Government's Phase 3 Learning Estate Investment Programme (LEIP). Also the refurbishment of St Peters RC Primary on the Old Aberdeen House site, both schools are subject to updating the relevant budgets as part of the Council budget process for 2024/25. It was also resolved to refurbish and re-open Bucksburn Swimming Pool.

Works continue on the new Tillydrone Primary and neighbouring Cruyff Court, the new North East Shared Mortuary facility, expansion of Torry Heat Network, the Roads, Fleet and Buildings rolling programmes, and the Council's Digital Transformation programme.

Housing Capital Programme

Spend remains low on the regular programme due to a shortage of resources in the design team and the prioritisation of work on voids continuing to shift resources from capital to revenue works.

Out-turn for the New Homes Programme has been reduced to reflect the cashflow on the projects provided for the 24/25 budget process, this does not mean there is reduced spend rather spend pushed to future years.

There remains uncertainty if any further Affordable Homes grants will be received in 23/24 from the Scottish Government, this will depend on the acceptance of the exception to Fair Work First.

CFCR out-turn has been amended to reflect the pressures experienced by the revenue account, this has not impacted on the borrowing due to the reduced overall spend.

Housing Capital Programmes	Approved Budget	Expenditure to date	Forecast Expenditure	Variance from revised budget
As at 31 December 2023	£'000	£'000	£'000	£'000
Compliant with the tolerable standard	1,816	1,393	1,600	(216)
Free from Serious Disrepair	17,694	6,087	9,100	(8,594)
Energy Efficient	15,094	5,665	6,600	(8,494)
Modern Facilities & Services	15,268	6,792	7,900	(7,368)
Healthy, Safe and Secure	7,112	4,069	5,100	(2,012)
<i>Non Scottish Housing Quality Standards</i>				
Community Plan and Local Outcome Improvement Plan	9,648	5,853	9,648	0
Service Expenditure	7,544	3,327	7,544	0
2000 New Homes Programme	93,439	49,508	62,202	(31,237)
less 11% slippage	(8,600)		0	8,600
Net Programme	159,015	82,695	109,694	(49,321)

Capital Funding				
Borrowing	(127,078)	(70,160)	(83,694)	43,384
Other Income - Grants Affordable Homes etc	(21,000)	(9,281)	(21,000)	0
Capital Funded from Current Revenue	(10,937)	(3,254)	(5,000)	5,937
Total	(159,015)	(82,695)	(109,694)	49,321

Prudential Indicators

The Prudential Code For Capital Finance in Local Authorities - 2022/23 to 2028/29

From 1 April 2004, Councils are required by Regulation to have regard to the Prudential Code (the Code) when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

In setting the revenue and capital budgets, members will be aware that under the Prudential Code, the level of capital investment is determined locally. Therefore, these indicators will be reviewed on an ongoing basis to ensure that the Council does not breach the indicators it sets.

The key objectives of the Code are to ensure: -

- The Council's capital programmes are affordable, prudent and sustainable.
- Treasury management decisions are taken in accordance with good professional practice.

The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

In setting the indicators, cognisance should be paid to the level of capital investment looking ahead for a five-year period, for both the housing and non-housing capital programmes that the Council wishes to embark upon. The Code also requires that the underlying requirement to finance PPP projects and finance leases be included when setting the indicators.

The Code requires the following Prudential Indicators to be set for the Council:

Capital Expenditure							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Non HRA	128,126	124,243	93,663	132,376	114,087	85,146	59,825
HRA	114,447	109,694	123,050	119,592	97,780	72,752	74,105

Ratio of Financing Costs to Net Revenue Stream							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Non HRA	6.9%	9.5%	10.9%	9.3%	9.3%	9.0%	8.8%
HRA	10.7%	9.9%	15.0%	12.1%	14.6%	19.4%	19.0%

Capital Financing Requirement							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Non HRA	1,237,598	1,272,630	1,312,945	1,391,827	1,458,223	1,488,347	1,494,803
HRA	362,414	443,337	536,370	629,320	716,701	782,972	851,936
Total	1,600,012	1,715,967	1,849,315	2,021,147	2,174,924	2,271,319	2,346,739

Gross Borrowing							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	1,422,086	1,543,769	1,681,858	1,856,931	2,016,793	2,119,797	2,202,099

The Prudential Code states: “In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

The Chief Officer - Finance reports that the Council met this requirement in 2022/23 and it is expected to do so for the future years, as outlined, taking into account current commitments, existing plans, and the assumptions in this report.

Authorised Limit for External Debt							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Operational Boundary	1,604,965	1,720,920	1,854,268	2,026,100	2,179,877	2,276,272	2,351,692
10% Margin	160,497	172,092	185,427	202,610	217,988	227,627	235,169
Total	1,765,462	1,893,012	2,039,695	2,228,710	2,397,865	2,503,899	2,586,861

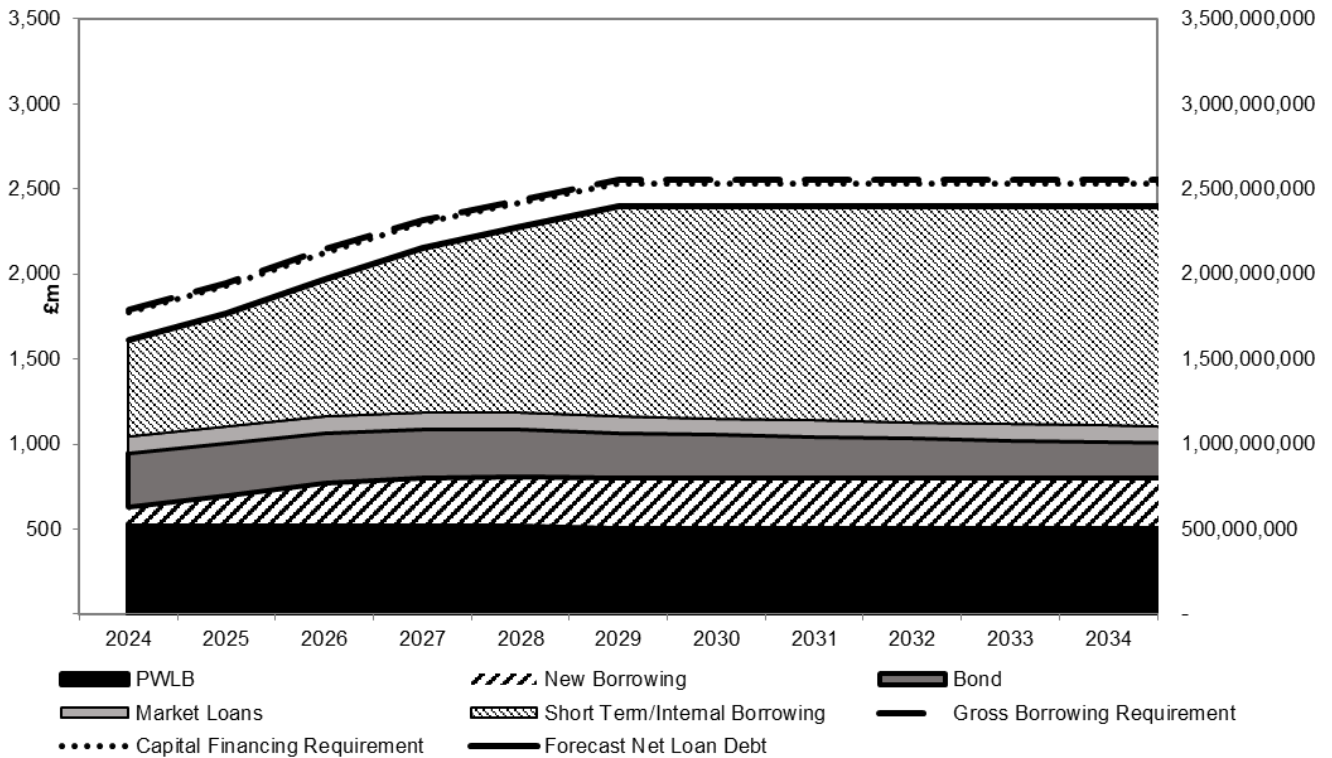
Operational Boundary for External Debt							
	22/23	23/24	24/25	25/26	26/27	27/28	28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	1,422,086	1,543,769	1,681,858	1,856,931	2,016,793	2,119,797	2,202,099
Other Long Term Liabilities	182,879	177,151	172,410	169,169	163,084	156,475	149,593
Total	1,604,965	1,720,920	1,854,268	2,026,100	2,179,877	2,276,272	2,351,692

The latest version of the Prudential Code for Capital Finance in Local Authorities introduced a new indicator – the Ratio of Net Income from Commercial and Service Investments to Net Revenue Stream.

The Code defines Commercial Investments as investments taken or held primarily for financial return and not linked to treasury management activity and Service Investments as those directly involved in the delivery of a service, for example, loans to leisure providers, loans to trusts providing services, a shareholding in a shared service vehicle, and investments in local companies for regeneration.

As the Council has no investments that fall into these categories, there is no requirement to report this indicator.

The latest version of the CIPFA Treasury Management in the Public Services code requires the reporting of an additional treasury management indicator known as the Liability Benchmark. The liability benchmark (shown below) is a comparison of existing borrowing levels against future capital financing requirements from both committed and planned future borrowing over the next ten years.



Common Good

As at 31 December 2023	Full Year Budget 2023/24	Full Year Forecast Expenditure	Variance from Budget
	£'000	£'000	£'000
Recurring Expenditure	4,263	4,161	(103)
Recurring Income	(5,088)	(5,290)	(202)
Budget after Recurring Items	(825)	(1,129)	(304)
Non Recurring Expenditure	825	825	0
Non Recurring Income	0	0	0
Net (Income)/Expenditure	(0)	(304)	(304)
Cash balances as at 1 April 2023	(37,384)	(37,384)	
Net Expenditure from Income & Expenditure	(0)	(304)	(304)
Investment Revaluation (Increase)/Decrease	0	389	389
Net Capital Receipt	0	(3,243)	(3,243)
Cash Balances as at 31 March 2024	(37,384)	(40,543)	(3,159)

Notes

- Operationally the Common Good is forecast to be under budget as at 31 December 2023.
- The investment of cash balances in a multi-asset income fund, approved by Council on 10 March 2021 has now been implemented. The value of the investment may fall as well as increase, this will be reported quarterly. As at 31 December 2023 the value of the investments was £23.756m, an increase in the quarter of £0.744m. Cash balances will be affected by this change as will the overall Net Value of the Common Good.
- The investment with Fidelity remains a long-term investment and should be measured over a 3 to 5 year period.
- Income levels expect to be maintained and the budgeted income achieved.
- Recurring expenditure is generally forecast to be above budget, with events proceeding as expected this year, and grants payable throughout the year to the wide range of approved organisations.



**COMMON GOOD
FINANCIAL STATEMENT
FOR THE PERIOD ENDING
31 DECEMBER 2023**

Contents

Movement in Reserves Statement	2
Comprehensive Income and Expenditure Statement	2
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Common Good

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

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

Movement in Reserves Statement

	Common Good Fund £'000	Reserves Fund £'000	Total Common Good £'000
Balance at 31 March 2023	(119,549)	(68)	(119,617)
Movement in Reserves during 2023/24			0
(Surplus) or Deficit on provision of services	(3,718)	0	(3,718)
(Surplus) or Deficit on revaluation of investment property	389	0	389
Total Comprehensive Expenditure and Income	(3,329)	0	(3,329)
Balance at 31 December 2023	(122,878)	(68)	(122,946)

Comprehensive Income and Expenditure Statement

	<u>Quarter 3, 2023/24</u>		
	Gross	Gross	Net (Income)
	Expenditure	Income	Expenditure
	£'000	£'000	£'000
Grants & Contributions to External Organisations	500		500
External Organisations Rents	52		52
Promoting Aberdeen	638		638
Grants/Services Provided by Aberdeen City Council	998		998
Civic Service Funding	738	(1)	737
Duthie Park HLF	0		0
Specific Projects	634	(0)	634
Earmarked Reserves	6		6
Cost Of Services	3,566	(1)	3,565
Sales Income			(3,245)
Cost of Sales			2
Other Operating Income/Expenditure			(3,243)
Financing and Investment Income and Expenditure			(4,040)
(Surplus) or Deficit on Provision of Services			(3,718)
(Surplus) or Deficit on revaluation of investment property			389
Total Comprehensive Income and Expenditure			(3,329)

Notes

1. This includes project expenditure to 31 December 2023.
2. This reflects any gains or losses on the disposal of assets during the year.
3. This reflects income receivable from investments and land and properties net of associated expenditure.
4. This figure represents the decrease in value of the long term investment. The revaluation of investment property will be undertaken in Quarter 4.

Balance Sheet

31 March 2023 £'000		31 December 2023 £'000	Notes
24,145	Long Term Investments	23,756	1
82,231	Investment Property	82,231	1
106,376	Long Term Assets	105,987	
13,302	Investments in Aberdeen City Council Loans Fund	17,970	2
0	Investment Property Held for Sale	0	3
527	Short Term Debtors	116	4
13,829	Current Assets	18,086	
(588)	Short Term Creditors	(1,128)	5
(588)	Current Liabilities	(1,128)	
119,617	Net Assets	122,945	
(119,549)	Common Good Fund	(122,877)	6
(68)	Reserve Fund	(68)	6
(119,617)	Total Reserves	(122,945)	

Notes

1. This represents the long term investments as at 31 December 2023. The revaluation of investment property will be undertaken in Quarter 4, at which time this figure will be updated.
2. Reflects current cash balances held following transactions to 31 December 2023.
3. Will be reviewed and updated accordingly in Quarter 4.
4. Based on transactions to 31 December 2023.
5. Based on transactions to 31 December 2023.
6. Reflects the accounting value of the funds, based on transactions to 31 December 2023.

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**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2023/24**

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

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

For the Financial Year 2023/24	ACC Control	ACC Commitment to meet accumulated deficits	Annual Turnover
	%	%	£m
Subsidiaries			
Common Good	100	100	5
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	14
Bon Accord Care Limited	100	100	29
Bon Accord Support Services Limited	100	100	36
Aberdeen Heat and Power	100	100	9
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
BP Aberdeen Hydrogen Energy Ltd	50	50	
Aberdeen City Integration Joint Board	50	50	396
Associates			
Grampian Valuation Joint Board	39	39	5

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

For the Financial Year 2023/24	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	31.12.23	3,718	3,159	
Trust Funds	31.03.23	503	-	Full year forecast not internally available at Q3
Sport Aberdeen Limited	30.11.23	426	0	Forecasting a Break Even position as at Q3
Bon Accord Care Limited and Bon Accord Support Services Ltd	31.12.23	(842)	-	Full year forecast not internally available at Q3
Aberdeen Heat and Power Ltd	31.12.23	480	600	
Joint Ventures				
Aberdeen Sports Village Limited	31.10.23	(197)	-	Full year forecast not internally available at Q3
BP Aberdeen Hydrogen Energy Ltd	31.12.23	335	-	Full year forecast not internally available at Q3
Aberdeen City Integration Joint Board	31.12.23	0	0	
Associates				
Grampian Valuation Joint Board	31.12.23	148	148	

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

Subsidiaries

Common Good

The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. It is invested in land and buildings, such as industrial estates and farms, with any surplus being placed on cash deposit, with £30m of accumulated cash invested in a multi-asset income fund managed by Fidelity.

The Common Good is currently showing an operational surplus at the end of Quarter 3 of £3,718k, however an overall surplus of £3,329k mainly due to net capital receipt of £3,243k and an investment revaluation decrease of £389k. The full year, on budget, projection for operational activities means the forecast for the year reflects the projected reduction in the value of long-term investments as a result of revaluations - see Appendix 2. The financial statements for the quarter are shown in Appendix 3.

Trust Funds

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

At the end of March 2023, the Trusts reported a net surplus of £503k.

The Trusts are not expected to have a material impact on the Council's financial position for 2023/24.

Sport Aberdeen

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

The results for the period ended 31st December 2023 show net surplus of £426k.

Bon Accord Care and Bon Accord Support Services

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

The consolidated position of Bon Accord Care and Bon Accord Support Services shows a deficit of £842k against budget for the period ended 31st December 2023.

Aberdeen Heat and Power Ltd (AH&P Ltd)

AH&P Ltd is a company limited by guarantee and has no share capital. Aberdeen City Council is the sole member of AH&P which is a wholly owned subsidiary of the council guarantor. All AH&P board appointments are made by the Council as the sole member of AH&P Ltd.

For the period ended 31st December 2023, Aberdeen Heat and Power shows a surplus of £480k. The forecast for the financial year shows a surplus of £600k.

Joint Ventures

Aberdeen Sports Village Limited (ASV Ltd)

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

The financial year end for ASV Ltd is not aligned to the Council's with its year end being 31 July. The accounts for the period ended 31st October 2023 showed that ASV Ltd reported a deficit of £395k. The share of the deficit being attributed to the Council is £197k.

Aberdeen City Integration Joint Board (IJB)

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

As at 31st December 2023, the IJB is forecasting a break-even position for financial year 2023/24.

Further analysis of the IJB variance can be seen in Appendix 2.

BP Aberdeen Hydrogen Energy Ltd (BPAHE Ltd)

BPAHE Ltd is a 50:50 joint venture between Aberdeen City Council and BP International Ltd set up on 11 March 2022. The purpose of this company is to establish a commercial hydrogen production, storage and distribution infrastructure for green hydrogen utilising renewable power to service transport in the short term. This will have the potential to be further expanded in future phases for the delivery of hydrogen power for a wide range of sectors looking to decarbonise, including fleet, heat and industry.

As at 31st December 2023, BPAHE Ltd show a deficit of £671k against budget. The portion of this deficit attributed to ACC is £335k.

Associates

Grampian Valuation Joint Board

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

The Board has reported a surplus of £381k during the period ended 31st December 2023 mainly due to continued underspends in staffing and other supplies and services.

This is a favourable variance of £450k compared to the budgeted deficit of £69K.

The portion of the underspend attributable to ACC is £148k.

Non-Material Interest in Other Entities

On the grounds of materiality, the North East Transport Partnership (NESTRANS), Grampian Venture Capital Fund Ltd, Strategic Development Planning Authority and Scotland Excel have to date been excluded from the Group Accounts, and therefore are not disclosed in the quarterly monitoring.

More information on these relationships can be found in the Council's Annual Accounts for 2022/23.

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 th January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Torry Heat Network : Future Operations
REPORT NUMBER	RES/24/026
DIRECTOR	Steve Whyte
CHIEF OFFICER	Stephen Booth, John Wilson
REPORT AUTHOR	Mai Muhammad, Bill Watson
TERMS OF REFERENCE	1.1.2, 1.1.3, 1.1.8, 2.1.1, 4.1

1. PURPOSE OF REPORT

- 1.1 On 21 September 2022 the City Growth and Resources Committee sought an update on commercial discussions with a number of organisations, located in Torry, related to the potential uptake of an alternative form of heat supply.
- 1.2 Bearing in mind the extent of the constructed and planned phased delivery for the new Torry Heat Network, now is an appropriate time to update the Finance and Resources Committee (formerly City Growth and Resources Committee).
- 1.3 In addition, the report seeks approval for progressing the methodology in setting the heat sales price and to progress further commercial agreements which would benefit the viability of the wider heat network.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes 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.
- 2.2 Delegates 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.

3. CURRENT SITUATION

Network Background

- 3.1 The City Growth and Resources committee of 21 September 2022: authorised that commercial discussions be held with a number of organisations regarding

their potential uptake of an alternative form of heat supply. At that point in time two organisations had shown an interest;

- Grampian Housing Association with regard to the potential supply of heat to their proposed mixed-use re-development of the former Victoria Road school; and
- Ark Housing Association with regard to the potential supply of heat to their Balnagask Court premises.

3.2 Since item 3.1, Aberdeen Heat and Power have been appointed to operate the new heat network on behalf of Aberdeen City Council. This appointment has included the requirement to undertake preliminary discussions with potential heat supply customers. Discussions are on-going with both Grampian HA and Ark HA.

3.3 Should the Committee approve the recommendations of this report it is intended that Aberdeen Heat and Power will then endeavour to enter into commercial heat supply agreements at a time which is acceptable to both (i) Grampian Housing Association, and (ii) Ark Housing Association.

3.4 As the new network is extended through future phases the intention would be that Aberdeen Heat and Power seek to enter further heat supply agreements with other potential commercial heat supply customers, so as to maximise the financial and carbon saving opportunities for the heat network. For example, it is noted that the Scottish Government's Facility Services have expressed an interest in the potential for this network to supply heat to the Marine Laboratory.

Heat and Power Supply Agreements

3.5 Aberdeen Heat and Power have been tasked with promoting the benefits of connecting to the heat network for heating and hot water to potential domestic customers. Should the Committee approve the recommendations of this report it is intended that Aberdeen Heat and Power shall seek to enter heat supply agreements with these potential domestic customers.

4. FINANCIAL IMPLICATIONS

4.1 Going forward the progress delivery of the project will be reported through regular updates, within the Capital Programme Update Report which will provide details of an increased grant (circa £3.5m) which has been awarded by the Scottish Government.

4.2 One the conditions of this increased grant relates to the provision of a "*methodology to be used for the setting of heat sales rates*". The methodology below is proposed to fulfil this requirement;

It is proposed that Council Officers following discussion with Aberdeen Heat and Power will make annual financial proposals to the Council, and that they will:-

- propose heat prices for each category of customer, for the forthcoming year;

- take cognisance of the requirements of the Heat Networks Metering and Billing Regulations;
- take cognisance of the requirement to balance the financial sustainability of the organisations and the alleviation of fuel poverty;
- take cognisance of the state subsidy restrictions, with regard to heat pricing for commercial customers; and
- propose heat prices on a City-wide, blended basis; and

That the Council will then make decisions with regard to these proposals, as part of the Council's annual budget process.

- 4.3 Following Council approval, any decisions will be incorporated within the Heat Supply Agreements that will be offered to potential domestic and non-domestic customers of this new heat network.

Life cycle replacements

- 4.4 For awareness it is highlighted to members that there will inevitably be on-going maintenance costs of the network. The estimated capitalised life cycle replacement costs are summarised in the following table.

Category	Estimated Capital Cost	Year Incurred	Comment
HDF M&E plant	£ 1.376 m	Every 25 years	Boilers etc., approximately 50% of original capex, pipework etc remains.
District heating network (underground pipe)	£ 0.181 m	From year 20 recurring	Assumed 50 year overall lifespan but replace at 2% per year from year 20 at expiry of manufacturer warranty
EfW Heat Exchangers	£ 0 m	n/a	It has been agreed that this would be the responsibility of the EfW operator
Above ground distribution pipe	£ 0.661 m	Every 40 years	Assumed replaced at 40 years, 100% of original capex
DH interfaces, non-domestic buildings	£ 0.544 m	Every 20 years	Assumed heat exchangers controls and valves replaced at 20 years, 75% of original capex
DH interfaces, domestic properties	£ 4.531 m	Every 15 years	Assumed heat exchangers controls and valves replaced at 15 years, 75% of original capex

4.4 In the project's financial model these are allowed for by creation of a sinking fund towards a reserve for infrastructure replacements. A potential goal is that the new network becomes revenue self-sufficient, however this has to be balanced with consideration of fuel poverty.

5. LEGAL IMPLICATIONS

5.1 The proposed investment by Aberdeen City Council to create a new heat network is considered to be in compliance with Subsidy obligations as set out in the statutory guidance and the Subsidy Control Act 2022 with regard to the creation of low carbon heat networks. Legal advice has been obtained on this and the proposals have been designed to ensure that this compliance is maintained.

5.2 These proposals have been developed in a manner which takes into account current and proposed regulations for the suppliers of heat. Consideration has been given to the impact of the Heat Networks (Scotland) Act 2021, Heat Networks Metering and Billing Regulation and Scottish Government Heat in Buildings Strategy, Local Heat and Energy Efficiency Strategy

5.3 There is no other relevant legislation, foreseen at present, that needs to be accounted for.

6. ENVIRONMENTAL IMPLICATIONS

6.1 Proposals have been prepared, which assist the reduction of the City's carbon emissions, and which assist the development of a Low Carbon regional economy.

6.2 Heat networks provide low carbon heating and hot water for domestic and non-domestic properties reducing the reliance on individual gas boilers and reduces building's operational carbon emissions. Heat networks in Aberdeen City are pathways towards net zero through decarbonisation of heat.

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	Potential for non-delivery of Heat Network project, which would negatively impact on the development of	Proposals have been prepared, which deliver on this strategic requirement.	L	Yes

	a Low Carbon regional economy			
Compliance	<p>Non-compliance with subsidy control obligations and legislation.</p> <p>Delay in securing legal rights to lay the Heat Network infrastructure over jointly owned property (including a right of access for operation and maintenance)</p> <p>Compliance with future Heat Network Regulations</p>	<p>External legal advice has been obtained and is to be followed.</p> <p>A significant programme allowance has been allowed against this risk, in this Report</p> <p>The specification and financial model allow for the additional costs that may arise from the legislation currently being considered by the Scottish Parliament</p>	<p>L</p> <p>M</p> <p>L</p>	Yes
Operational	An operator cannot be found to operate and maintain the district heating network.	Aberdeen Heat and Power (an Arms Length External Organisation of the Council) have been appointed to operate this network	L	Yes
Financial	The bids received for the Construction and installation of the network are in excess of the reported budget costs.	The scope of the current Phase 2 works contract is restricted, so as to remain within the currently approved budget. This report seek approval for this budget to be	L	Yes

	Revenue costs requiring further ACC funding	increased so as to allow the full extent of the works envisaged on 21 st September 2022 to be delivered. This network will generate income which will contribute towards its running and eventual replacement costs. Options for setting heat supply rates are reported within item 4.2.	L	
Reputational	Potential for non-delivery of Heat Network project Potential for cost of heat not to be lower than the alternatives	Proposals have been prepared, which deliver on this core requirement. Proposals have been prepared, which deliver on the core requirement of providing lower heating costs to the tenants of social housing. Options for setting heat supply rates are reported upon within item 4.2.	L L	Yes
Environment / Climate	Non-delivery of this project will have a significantly adverse impact on the City's carbon emissions.	Proposals have been prepared, which deliver on the core requirement of reducing the City's carbon emissions.	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>	This project will contribute towards: - maximising community benefit from major developments - the development of the non-oil and gas economic potential of the city.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Economy Stretch Outcomes	The construction programme for this heating project will support the local economy, employment and training during a period of relatively subdued construction activity.
Prosperous People Stretch Outcomes	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable heating contributes to this objective by providing choice and opportunities which would otherwise not be available
Prosperous Place Stretch Outcomes	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of low cost, low carbon heating contributes to this objective.
Regional and City Strategies	The proposals within this report support the desire for Aberdeen to be a sustainable and smart city which meets the needs of present and future generations

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Stage 1 Assessment has been completed.
Data Protection Impact Assessment	not required
Other	not applicable

10. BACKGROUND PAPERS

- 10.1 Special Council meeting on 24th October 2016, decisions
- 10.2 Communities, Housing and Infrastructure Committee on 24th January 2017, report
- 10.3 Communities, Housing and Infrastructure Committee on 24th May 2017, report
- 10.4 Council, 4th March 2019, report Joint Energy from Waste Project Contract Award
- 10.5 General Services Capital budget 2022, approved 7th March 2022.

The Heat Network budget is listed under “Fully Legally Committed Projects” on page 3.

- 10.6 Housing Revenue Account budget 2023-25, approved 1st March 2023.

The Torry Heat Network aspects fall under section 3.3 on page 81 of the (Public Document Pack) Approved Budgets.

- 10.7 City Growth and Resources on 28th October 2020, “Torry Heat Network – Third Progress Report”
- 10.8 City Growth and Resources on 21st September 2022, “Torry Heat Network – Fourth Progress Report”

11. APPENDICES

None

12. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	30 January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen City's Affordable Housing Delivery Programme
REPORT NUMBER	COM/24/020
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Mel Booth
TERMS OF REFERENCE	1.1.8

1. PURPOSE OF REPORT

- 1.1 To approve the allocation of Section 75 and Council Tax funds to the council's new build housing programme.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Approve the allocation of the £1,935,655 Section 75 and Council Tax monies, detailed at section 3.8 of the report, to the council house new build programme.

3. CURRENT SITUATION

Section 75 Agreements

- 3.1 Section 75 agreements are prepared through Section 75 of the Town and Country Planning (Scotland) Act 1997 (as amended) and are agreed through the planning process. Housing developers may, on occasion and where appropriate, be required to make a financial contribution towards affordable housing rather than delivering affordable housing on the specific site to which the planning permission applies.
- 3.2 Such agreements have provided a total income of £14,409,763 since commuted sums were first collected in 2003. In 2022/23, £244,199 in affordable housing developer obligations was received as detailed at section 3.3. Further S.75 agreements are in place which will provide additional affordable housing developer obligations, however, as these payments are linked to completions on site, it is difficult to accurately predict the total to be collected during 2023/24. In recent years the focus has been on entering agreements to provide onsite affordable housing to encourage sustainable mixed communities, thereby reducing the amount of agreements providing a financial contribution.

3.3	Section 75 Funding	£
	Total Received (as at 31.3.23)	14,409,763
	Grants previously paid to RSLs	3,613,801
	Grants previously paid to ACC new build	9,524,428
	Committed to ACC new build	1,027,335
	Uncommitted Available Balance (at 31.3.23)	244,199

3.4 Section 75 monies come with a requirement to be spent within five - seven years of receipt and must be held in an interest-bearing account. Aberdeen City Council has utilised all funds received up until March 2021. There is therefore no likelihood that any money would have to be repaid to developers in the short term, allowing Aberdeen City Council to disburse further monies up until June 2027.

Council Tax Discount on Second Homes and Long-term Empty Properties

3.5 The Council has used its powers to reduce the Council Tax discount for second homes and long-term empty properties since 2005/06. This income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including:

- Providing new build affordable housing through Registered Social Landlords (RSLs) or council house new build projects.
- Bringing empty properties back into use.
- Land acquisition for affordable housing development.
- Purchasing off-the-shelf houses from private developers for affordable housing use.

3.6 Income received and paid since 2005/6 to date is shown below.

	£
Income received	26,661,279
Paid to ACC	12,820,218
Paid to RSLs	2,947,784
Committed to ACC	8,991,639
Empty Homes (Staffing)	210,122
Uncommitted Available Balance (at 31.3.23)	1,691,456

3.7 The Council Tax income on second homes and long-term empty properties provided revenue of £1,750,970 in 2022/23. Based on current void rates in both the private and public sector, projected annual income is assumed to be around this figure, but this requires to be closely monitored every year and assumptions adjusted accordingly.

Allocation of Section 75 and Council Tax Funds

- 3.8 Based on the above, there is a total £1,935,655 (from the Section 75 and Council Tax Funds) which can be allocated for the delivery of affordable housing. It is recommended that the £1,935,655 be allocated to the council house new build programme. Paragraphs 3.3 and 3.6 shows how the funds have previously been disbursed.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report.
- 4.2 Failure to allocate developer obligations funds within the prescribed timescale may mean they need to be repaid to the developer. The Housing Strategy Team closely monitors the contributions made through developer obligations to ensure the funds are fully disbursed for affordable housing.
- 4.3 The allocation of Section 75 funds and Council Tax Second Homes monies allows the council to increase the provision of affordable housing across the city. Council Tax revenue received for long-term empty homes also allows for more empty homes to be brought back into use across the city by funding 2 x FTE Empty Homes Officers which was previously agreed by City Growth & Resource Committee on 28/10/20 and 21/09/22. Background papers can be found at paragraph 10.1.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the content of this report. Money received as a result of the Council entering into Section 75 agreements with developers must be utilised in accordance with the terms and conditions of the agreements. The proposal to allocate these funds to the council house new build programme is in line with the agreements.
- 5.2 The Local Government in Scotland Act 2003 as amended by the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 governs the Council's powers to reduce the Council Tax discount for second homes and long-term empty properties and ability to use any such income.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 All new affordable homes must meet the Energy Efficiency Standard for Social Housing (EESH) which was introduced in 2014. As a result, homes in the social rented sector are now some of the most energy efficient in Scotland which has a positive impact on the environment; the allocation of Council Tax and Developer Obligations monies contributes to this positive impact.

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	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Failure to deliver affordable housing.	L	Approval of the recommendations would prevent this from occurring.
Compliance	Provision of affordable housing ensures compliance with the council's duty to house certain households. Failure to deliver may result in there being insufficient housing to meet the demand.	L	Approval of the recommendations would prevent this from occurring.
Operational	Provision of affordable housing is a priority for residents of Aberdeen City Council. Failure to deliver may result in housing need and demand levels not being met.	L	Approval of the recommendations would prevent this from occurring.
Financial	Failure to allocate funds through developer obligations may result in funds being paid back.	L	Approval of the recommendations would prevent this from occurring.
Reputational	Failure to fully utilise funds may harm the council's reputation when affordable housing is much needed across the city.	L	Approval of the recommendations would prevent this from occurring.
Environment / Climate	Failure to provide affordable housing which is built to current building regulations and has a reduced carbon footprint may result in increased carbon emissions from housing.	L	Approval of the recommendations would prevent this from occurring.

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement Working in Partnership for Aberdeen	The proposals within this report support the delivery of the following aspects of the policy statement: We will work with partners to improve the stock and variety of Council and social housing across the city, ensuring it meets the varying needs of our citizens and provides more choice for our older citizens.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposal within this report supports the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The paper seeks approval for the allocation of funds which will help to deliver the LOIP Improvement Project Aim ‘to increase the number of people employed in growth sectors by 5% by 2021. The affordable housing programme represents significant investment in the city which contributes to a prosperous economy and relates to 1.1 of the LOIP.
Prosperous People Stretch Outcomes	The proposal within this report supports the delivery Stretch Outcomes 11 - Healthy life expectancy (time lived in good health) is five years longer by 2026. The paper seeks approval for the allocation of funds which will help achieve the LOIP Improvement Project Aim “Supporting vulnerable and disadvantaged people, families, and groups.”
Prosperous Place Stretch Outcomes	The proposals within this report support the delivery of LOIP Stretch 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. The paper seeks approval for the allocation of funds which will help to contribute to the delivery of new build housing which is energy efficient.
Regional and City Strategies	The proposals within this report support the City Region Deal, Aberdeen City Local Housing Strategy, and the Local Development Plan through the delivery of affordable housing.
UK and Scottish Legislative and Policy Programmes	The report sets detail in relation to affordable housing which fulfils the requirements placed upon the Council by the Housing (Scotland) Act 1987.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Stage 1 Assessment has been completed.
Data Protection Impact Assessment	Not required
Other	

10. BACKGROUND PAPERS

10.1 Previous committee reports in relation to this are detailed below:

CGR PLA/09/18 18 September 2018
CGR [PLA/19/318](#) 26 September 2019
CGR [COM 20/181](#) 28 October 2020
CGR [COM 21/169](#) 25 August 2021
CGR [COM 22/197](#) 21 September 2022

11. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance And Resources
DATE	30 January 2024
EXEMPT	No but Appendix 6 of this report is confidential and exempt as per paragraph 6 of The Local Government (Access to Information) 1973 Act Schedule 7A.
CONFIDENTIAL	No but Appendix 6 of this report is confidential as it contains personal or sensitive personal information about a particular person(s), disclosure of which is likely to breach the terms of the UKGDPR and exempt under paragraph 6 of The Local Government (Access to Information) 1973 Act Schedule 7A as information relating to the financial or business affairs of particular persons.'
REPORT TITLE	Unrecoverable Debt
REPORT NUMBER	CUS/24/028
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Lucy McKenzie
REPORT AUTHOR	Wayne Connell
TERMS OF REFERENCE	1.1.14

1. PURPOSE OF REPORT

- 1.1 To advise numbers and values of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, Penalty Charge Notices, Bus Lanes Enforcement Charge Notices, Service Income and Council House Rent debts made unrecoverable during 2022/23 as required in terms of the Council's Financial Regulations and approve Non-Domestic Rates write offs in excess of £25,000.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 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 & Organisational Development and Customer Experience to write them off.
- 2.2 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.

3. CURRENT SITUATION

- 3.1 The figures included within this report relate to those debts treated as unrecoverable during the financial year 2022/23. These figures include where write offs have been reinstated or adjusted.
- 3.2 It must be emphasised that prior to completing the list, full advice, where appropriate, has been received from the Council's Debt Recovery Agents (Sheriff Officers) in determining that debts are indeed unrecoverable.
- 3.3 Despite a debt being deemed unrecoverable, should the debt become collectable, e.g., debtor subsequently located, the debt will be reinstated and pursued. Where a debt has been previously written off e.g., sequestration and a dividend from the Accountant in Bankruptcy is received, the write off amount will be adjusted accordingly.
- 3.4 Apart from Sequestrations, debts are not deemed unrecoverable where there is on-going liability. The sums mostly relate to previous years where all approved recovery procedures have been followed. Full bad debt provision has been made in the accounts.

Council Tax

- 3.5 In total 8,963 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Organisational Development and Customer Experience with a value of £1,131,692.41. This is compared with the previous year where 4,073 debts were deemed unrecoverable with a net value of £690,304,.43. A breakdown over the years and reasons is shown in Appendix 1.

Housing Benefit Overpayments

- 3.6 In total 424 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Organisational Development and Customer Experience with a value of £159,224.10. This is compared with the previous year where 532 debts were deemed unrecoverable with a value of £142,924.19. A breakdown of the reasons is shown in Appendix 2.

Non-Domestic Rates

- 3.7 In total 20 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Organisational Development and Customer Experience with a value of £195,416.21. This is compared with the previous year where 199 debts were deemed unrecoverable with a value of £866,851.31. A breakdown of the reasons is shown in Appendix 3.
- 3.8 Appendix 6 shows 1 debt with values above £25,000 and reasons are shown. The Committee is asked to deem the value of £38,041.11 as unrecoverable (totals also included in Appendix 3).

Penalty Charge Notices and Bus Lanes Enforcement Charge Notices

- 3.9 In total 3,239 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Organisational Development and Customer Experience with a value of £209,760. This is compared with the previous year where 4,979 Penalty Charge Notices and Bus Lanes Enforcement Charge Notices with a value of £266,270 were deemed unrecoverable. A breakdown of the reasons is shown in Appendix 4.

Service Income

- 3.10 In total 89 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Organisational Development and Customer Experience with a value of £7,355.45. This is compared with the previous year where 7,839 debts with a value of £3,127,670.87 were deemed unrecoverable. The reduction is due to less prescribed debts requiring write off in 2022/23.

Council House Rents

- 3.11 The value of Council House Rent deemed by the Chief Officer – Early Intervention and Community Empowerment as unrecoverable during 2022/23 was £2,093,192.51. This is compared with the previous year where £4,455,865.56 was deemed unrecoverable. A breakdown of the reasons is shown in Appendix 5.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report as the sums deemed as unrecoverable are fully provided for in terms of bad debt provision.

- 4.2 To put the level of unrecoverable debt into context:

- Council Tax collected during 2022/23 (including water charges) was £171,358,632.77 (0.66% Write-Off).
- NDR collected during 2022/23 was £171,358,632.77 (0.09% Write Off)

The sums deemed unrecoverable cover a number of financial years.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			
Compliance	Non-Compliance with Council's Financial Regulations and non-compliance with legal obligation to manage its financial affairs.	By writing off debts that are no longer collectable and reporting to committee compliance is met.	L	Yes
Operational	No significant risks identified			
Financial	Loss of income to the Council	The sums deemed as unrecoverable are fully provided for in terms of bad debt provision and debts are only written off where absolutely necessary.	L	Yes
Reputational	There is the possibility of a negative perception of the decision to write off debt due.	Communication to advise debts are pursued vigorously but there is no option but to class some debts as unrecoverable when businesses fail and when individuals are sequestrated. This Council only writes-off debts in exceptional circumstances but reinstates amounts owed regularly when further information becomes available.	L	Yes
Environment / Climate	No significant risks identified			

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by Chief Officer People & Organisational Development and Customer Experience that no Integrated Impact Assessment is required.
Data Protection Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 Appendix 1 Council Tax Write Offs 2022/23

Appendix 2 Housing Benefit Overpayments Write Offs 2022/23

Appendix 3 Non Domestic Rates Write Offs 2022/23

Appendix 4 Penalty Charge Notices and Bus Lanes Enforcement Charge Notices 2022/23

Appendix 5 Council House Rents 2022/23

Appendix 6 Non Domestic Rates Write Offs over £25,000 2022/23

12. REPORT AUTHOR CONTACT DETAILS

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Council Tax Write Offs 2022/23

Appendix 1

<u>Reason</u>	<u>Bills</u>	<u>Prior Years</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Total</u>
Unable to Trace	87	-1,761.86	-164.54	354.87	-350.26	-415.96	-2,247.66	-4,585.41
Deceased	1,432	237,873.43	18,863.70	23,004.89	27,124.51	30,398.86	4,080.88	341,346.27
Insolvency, Receivership, Liquidation, Sequestration	1,934	279,248.32	67,808.79	106,014.13	152,245.03	161,486.30	48,829.85	815,632.42
Unrecoverable (Legally unable to pursue, no prospect of recovery)	923	3,063.25	-1,684.89	-1,494.85	1,033.87	-7,715.44	-17,801.69	-24,599.75
Uneconomical - Small Balance	4,587	451.47	115.27	255.74	1,215.91	2,856.67	-996.18	3,898.88
	8,963	518,874.61	84,938.33	128,134.78	181,269.06	186,610.43	31,865.20	1,131,692.41

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HOUSING BENEFIT OVERPAYMENT WRITE-OFFS 2022/23

Appendix 2

<u>Reason</u>		<u>Total</u>
Deceased	45	21,015.02
Insolvency, Receivership, Liquidation, Sequestration	108	109,088.60
Unrecoverable (Legally unable to pursue, no prospect of recovery)	271	29,120.48
		<u><u>159,224.10</u></u>

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Non-Domestic Rates Write Offs 2022/23

Appendix 3

<u>Reason</u>	<u>Cases</u>	<u>Prior Years</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Total</u>
Insolvency, Receivership, Liquidation, Sequestration	11	21,943.37	10,479.35	29,557.82	12,587.66	18,742.84	2,681.59	95,992.63
Ceased Trading	9	28,767.65	18,953.10	34,652.80	16,037.81	1,012.22		99,423.58
	20	50,711.02	29,432.45	64,210.62	28,625.47	19,755.06	2,681.59	195,416.21

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Penalty Charge Notice Write Offs 2022/23

<u>Reason</u>	<u>Cases</u>	<u>Value</u>
Unable to Trace	457	28,920.00
Deceased	2	120.00
Insolvency, Receivership, Liquidation, Sequestration	20	1,440.00
Unrecoverable (Legally unable to pursue, no prospect of recovery)	160	9,960.00
	639	40,440.00

Bus Lane Enforcement Charge Notice Write Offs 2022/23

<u>Reason</u>	<u>Cases</u>	<u>Value</u>
Unable to Trace	449	30,510.00
Deceased	1	60.00
Insolvency, Receivership, Liquidation, Sequestration	4	360.00
Unrecoverable (Legally unable to pursue, no prospect of recovery)	2146	138,390.00
	2600	169,320.00

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COUNCIL HOUSE RENT WRITE-OFFS 2022/23

<u>Reason</u>	<u>Total</u>
Unable to trace	
Insolvency, Receivership, Liquidation and Sequestration	400,294.98
Uneconomical - Small Balance	7,940.47
Unrecoverable (Legally unable to pursue, no prospect of recovery)	1,591,558.03
Deceased	119,199.27
Write Ons	-25,800.24
	<u><u>2,093,192.51</u></u>

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Complex Care Funding Profile Stoneywood
REPORT NUMBER	RES/24/032
DIRECTOR	Steve Whyte
CHIEF OFFICER	Sandra MacLeod
REPORT AUTHOR	Kay Diack
TERMS OF REFERENCE	1.1.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek amendment to the 2023-2025 Housing Capital Programme to include provision for the construction of Complex Care accommodation at Stoneywood.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Note the contents of this report;
- 2.2 Approve the amendment to the 2023-2025 Housing Capital Programme to include Stoneywood accordingly; and
- 2.3 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.

3. CURRENT SITUATION

What are the current accommodation requirements?

- 3.1 At present there is an insufficient number of services/placements locally for people with Complex Care needs. The built environment affects the way support models can be delivered, and if unsuitable, can lead to challenges in the management of need and communication, often resulting in challenging behaviour.
- 3.2 Given the aforementioned, a Full Business Case was developed and approved by this Committee on 22 November 2023 for a bespoke development at

Stoneywood, in order to help meet the accommodation needs for the growing number of people with Complex Care requirements.

- 3.3 Despite the best efforts of Officers and Members, it has not been possible to identify a full funding profile for this development. Given that the preferred tender is due to expire on 30 January 2024, there is a necessity to secure a funding profile as a matter of some urgency, which will prevent the tender exercise from requiring to be repeated.
- 3.4 To this end, it is now proposed that in order to proceed with this vital project, the necessary funding is secured via Aberdeen City Council, with Aberdeen Integration Joint Board covering the requisite costs for the lifecycle of the loan. In short, there is no additional cost to Aberdeen City Council.

4. FINANCIAL IMPLICATIONS

- 4.1 The indicative borrowing requirement is £3,013,367. It is anticipated that the Aberdeen Integration Joint Board will bear the cost of servicing the loan, and there is no additional cost to Aberdeen City Council.

5. LEGAL IMPLICATIONS

- 5.1 Completing this project will allow Aberdeen City Council to ensure they are meeting the duty as defined by the United Nations Committee on Economic, Social and Cultural Rights (1991) in terms of defined Accessible Housing for those who are “inadequately housed”. The 1991 Committee stated that “Special measures should be taken to ensure adequate housing for disabled people, older people, those living in areas vulnerable to natural disasters, and others who require them”. Approving provision of Complex Care accommodation will deliver this.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There will be environmental impacts in the development of local services/accommodation which are equivalent to existing general needs housing provision (scale dependant). The assessment of environmental implications are identified in the Full Business Case previously approved.

7. RISK

- 7.1 The assessment of risk is considered to be consistent with the Council’s Risk Appetite Statement. Key Risks are identified in the Full Business Case previously approved.

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
Impact of Report	
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <ul style="list-style-type: none"> • Via provision of affordable housing for people with Complex Care needs, supporting Homes for the Future and Caring for Each Other.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The proposals within this report support the building of new council housing. This will provide a much needed boost to the local economy, via provision of employment opportunities (including apprenticeships) and by supporting local businesses (e.g. cafes and takeaways) during the construction phase and beyond. This links well to LOIP Stretch Outcome 2, “400 unemployed Aberdeen City residents supported into Fair Work by 2026” and also LOIP Stretch Outcome 3, “500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026”.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>The proposals within this report support the delivery of LOIP 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 paper seeks approval to progress with specialist accommodation provision which will ensure sustainable housing for children and young people in the future.</p> <p>It also supports LOIP Stretch Outcome 11 “Healthy life expectancy (time lived in good health) is five years longer by 2026.” This paper will support health by providing high quality and sustainable housing solutions.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Completed.
Data Protection Impact Assessment	Not required.

Other	A Health Inequalities Impact Assessment is embedded within the Full Business Case previously approved.
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10. BACKGROUND PAPERS

- 10.1 Scottish Government and COSLA, Coming Home Implementation: report from the Working Group on Complex Care and Delayed Discharge, February 2022
- 10.2 Aberdeen City Council Finance & Resources Committee, 7 December 2022, Complex Care Strategic Business Case
- 10.3 Aberdeen City Council Finance & Resources Committee, 29 March 2023, Complex Care Outline Business Case
- 10.4 Aberdeen City Council Finance & Resources Committee, 22 November 2023, Complex Care Full Business Case

11. APPENDICES

None

12. REPORT AUTHOR CONTACT DETAILS

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COMMITTEE	Finance and Resources Committee
DATE	30 th January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Performance Management Framework Report – Commissioning and Resources
REPORT NUMBER	COM/24/027
DIRECTOR	Gale Beattie
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Alex Paterson
TERMS OF REFERENCE	2.1.3

1. PURPOSE OF REPORT

- 1.1 To present Committee with the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources Functions and People and Organisational Development Cluster.

2. RECOMMENDATION

- 2.1 That the Committee note the report and provide comments and observations on the performance information contained in the report Appendix.

3. CURRENT SITUATION

Report Purpose

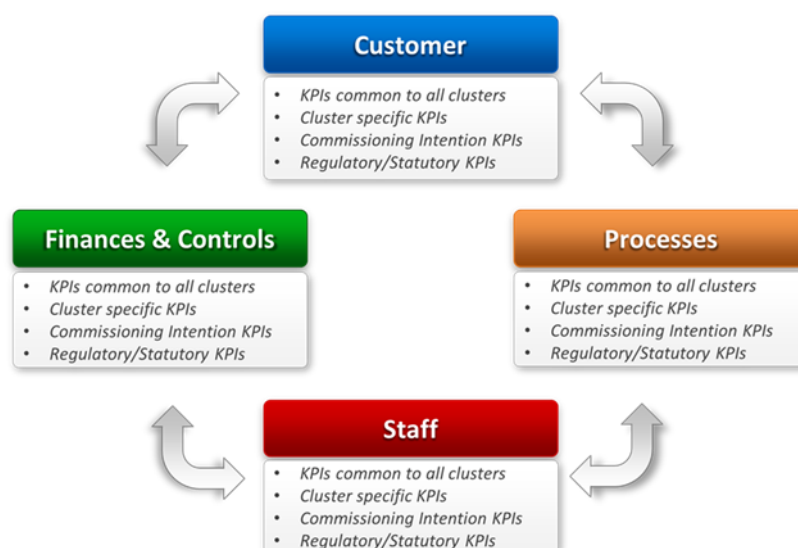
- 3.1 This report is to provide members with key performance measures in relation to the Commissioning and Resources functions as expressed within the 2023/24 Council Delivery Plan (the Plan)

Report Structure and Content

- 3.2 Performance Management Framework Reporting against in-house delivery directly contributing to, or enabling delivery against, the City’s Local Outcome Improvement Plan, (LOIP) has informed development of successive Council Delivery Plans, including the [2023-24.Council Delivery Plan](#) that was agreed by Council on the 1st March 2023.
- 3.3 Members are asked to note that the majority of measures reflected against in this report align with those Standards and measures outlined in the 2023/24 Council Delivery Plan and Commissioning Intentions outlined at the above meeting.
- 3.4 Initial Statutory Performance Indicator (SPI) metrics included in Appendix A retrospectively capture information linked to Service Standards outcomes from 2022/23. Reflection against the extended suite of service SPI within the remit of this Committee, along with those linked to the Scottish Local Government

Benchmarking Framework/SLAED indicator report releases will be captured in the Performance Management Framework report to the next cycle of this Committee.

- 3.5 The Council’s refreshed Performance Management Framework for 2023/24 was approved at the meeting of Council on 14th June 2023
- 3.6 Performance Management Framework Reporting against in-house delivery directly contributing to or enabling delivery against the City’s Local Outcome Improvement Plan,(LOIP) has informed development of successive Council Delivery Plans.
- 3.7 The Council's Performance Management Framework, supporting Member scrutiny against progress of the Council Delivery Plan, and its key measures, establishes a robust performance management and reporting system which encompasses single and multi-service inputs, outputs and outcomes.
- 3.8 Reporting of Service Standards against each function/cluster, associated with Council Delivery planning, offers continuous insight into the effectiveness, and accessibility of core service provision to the Council’s stakeholders and City communities.
- 3.9 Where appropriate, hard and soft data capture against these Standards is incorporated within the suite of measures contained within Appendix A and is reported against on either a quarterly or annual basis, as highlighted in the previous PMF report to this Committee.
- 3.10 The Performance Management Framework provides for a consistent approach within which performance will be reported to Committees. This presents performance data and analysis within four core perspectives, as shown below, which provides for uniformity of performance reporting across Committee.



- 3.11 This report, details performance up to the end of September 2023 or Quarter 2 2022/23, The Appendix to this report contains an overview of performance

across the functions within the remit of this Committee, with reference to trends and performance against target where appropriate.

3.12 Framework reporting to Committee also includes further analysis of performance measures which have been identified as of potential interest in terms of either performance implications, data trends or changes in these metrics.

3.13 Where relevant, Service Notes or Commentary are provided to inform Member scrutiny and/or to contextualise the metrics within the appendix.

3.14 Within the summary dashboard the following symbols are also used:

Performance Measures

3.15 Within the summary dashboard the following symbols are used

Traffic Light Icon



On target or within 5% of target/benchmarked outcome



Within 5% and 20% of target/benchmarked outcome and being monitored



Below 20% of target/benchmarked outcome and being actively pursued



Data only – target not appropriate/benchmarked outcome not available

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising out of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising out of this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising out of this report

7. RISK

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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?

Strategic	None	NA	NA	NA
Compliance	No significant legal risks.	Publication of service performance information in the public domain ensures that the Council is meeting its legal obligations in the context of Best value reporting.	L	Yes
Operational	No significant operational risks.	Oversight by Elected Members of core employee health and safety/attendance data supports the Council's obligations as an employer	L	Yes
Financial	No significant financial risks.	Overview data on specific limited aspects of the cluster's financial performance is provided within this report	L	Yes
Reputational	No significant reputational risks.	Reporting of service performance to Members and in the public domain serves to enhance the Council's reputation for transparency and accountability.	L	Yes
Environment / Climate	None	NA	NA	NA

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Partnership Agreement</p> <p>Improving Educational Choices</p>	<p>The provision of information on cluster performance will support scrutiny of progress against the delivery of the following Agreement Statements:</p> <ul style="list-style-type: none"> - Work with the city's universities, North East Scotland College and businesses to increase educational and training options and the number of care experienced young people and young people from deprived communities, going onto positive destinations, including further and higher education, vocational training and apprenticeships.

<p>Creating Better Learning Environments</p>	<ul style="list-style-type: none"> - Promote the number of apprenticeships on offer through the council. - Review and invest in our school estate, ensuring all of Aberdeen’s schools are fit for the educational needs and the challenges of the 21st century.
<p>City Centre and Beach</p>	<ul style="list-style-type: none"> - Refresh our tourism and cultural strategies for the city. - Revitalise our beachfront, working with partners including Aberdeen FC with an aim to deliver new sports facilities and a new stadium, not using public funds except where collaborative working is mutually beneficial. - Expand the Beach Masterplan, extending the footprint from the River Dee to the River Don. - Bring forward plans to improve active travel links between the Castlegate and the beach. - Continue to move the City Centre and Beach Masterplans forward, expanding it to include George Street and ensuring it remains current with annual reviews.
<p>The Arts Matter</p>	<p>Our city should become distinguished by the range and depth of active creative expression and artistic enjoyment experienced by those who live here and by visitors. By supporting and working with cultural partners, we will ensure there is richness and diversity of arts activities.</p> <ul style="list-style-type: none"> - Work with partners to explore opportunities to develop heritage, museum and online services with a special emphasis on local history and stories of stories of our heritage.
<p>Building a Greener and Sustainable City</p>	<ul style="list-style-type: none"> - Declare a climate emergency. - Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net-zero city by no later than 2037, and earlier if that is possible. - Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City. - Continue to reduce the carbon footprint of the council’s building estate and vehicle fleet and

<p>Greener Transport, Safer Streets, Real Choices</p>	<p>adopt an “environment first” approach to all new Council building projects, seeking to maximise the energy efficiency of, and minimise the carbon footprint of, new buildings</p> <ul style="list-style-type: none"> - Delivering a revised Local Transport Strategy. - Working with the Scottish Government and NESTRANS to improve the city’s bus network, including considering options for an Aberdeen Rapid Transit network, with the support of the Scottish Bus Fund, and consider options for council-run services in the city. - Improving cycle and active transport infrastructure, including by seeking to integrate safe, physically segregated cycle lanes in new road building projects and taking steps to ensure any proposal for resurfacing or other long-term investments consider options to improve cycle and active transport infrastructure.
<p>Homes for the Future</p>	<ul style="list-style-type: none"> - Work with partners to produce a ten-year plan to increase the stock and variety of Council and social housing to meet the needs of Aberdeen’s citizens and continue to deliver Council and social housing projects to tackle the Council house waiting lists and do everything in our power to end homelessness.
<p>A Prosperous City</p>	<ul style="list-style-type: none"> - Develop our economy in a genuine partnership with the private sector, third sector and residents. - Campaign for Aberdeen to be the home of a new Green Freeport and ensure that fair work conditions and Net Zero ambitions are central to any bid. - Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry. - Seek to buy goods, services and food locally whenever possible, subject to complying with the law and public tendering requirements.
<p>Empowering Aberdeen’s Communities</p>	<ul style="list-style-type: none"> - Work with communities to establish trusts, community enterprises, charities or other entities that support community empowerment and community wealth building.

	<p>- Support people to engage with Community Asset Transfers throughout the process.</p>
<p><u>Aberdeen City Local Outcome Improvement Plan</u></p>	
<p>Prosperous Economy</p> <p>1.No one will suffer due to poverty by 2026</p> <p>2. 400 unemployed Aberdeen City residents supported into Fair Work by 2026</p> <p>3. 500 Aberdeen City residents upskilled/reskilled to enable them to move into, and within economic opportunities as they arise by 2026</p>	<p>The activities reflected within this report support the delivery of LOIP Stretch Outcomes 1 and 2 through the following Aims.</p> <p>Outcome 1 Improvement Aims:</p> <p>Reduce by 50% the number of homes with an EPC rating of F or G by 2026</p> <p>Increase support for those who have been most disadvantaged through the pandemic by 2023</p> <p>Outcome 2 Improvement Aims:</p> <p>Supporting fifty people to start a business in Aberdeen, migrating from or reducing reliance on benefits by 2023 and 100 by 2026</p> <p>Increase employer sign up to the Real Living Wage by 5% year on year to 2023 to achieve Real Living Wage City Status by 2026</p> <p>Support fifteen care experienced young people to progress to employment through public sector funded employability programmes by 2023.</p> <p>Support fifty people into sustainable, good quality employment by 2023 and 100 by 2026 (priority neighbourhoods and over 50s)</p> <p>Outcome 3 Improvement Aims</p> <p>Improve the overall impact of partnership wide community benefits through raising the number of community co-designed activities from 0 to 5 by 2023.</p> <p>By December 2022, increase by 10% the number of people who have digital access, and are comfortable using digital tools</p>
<p>Prosperous People</p> <p>6. As corporate parents we will ensure that 95% of care experienced children and young people will have the same levels of attainment in education, health and emotional wellbeing,</p>	<p>The delivery of services referred to within this report supports each of the Children & Young People Stretch Outcomes 6,7 and 8 in the LOIP.</p> <p>This includes the following Improvement Aims:</p> <p>Outcome 6 Improvement Aim</p>

<p>and positive destinations as their peers by 2026</p> <p>7. 95% of children living in our priority neighbourhoods will sustain a positive destination on leaving school by 2026</p> <p>8. Child Friendly City where all decisions which impact on children are informed by them by 2026.</p>	<p>Increase the number of care experienced young people accessing a positive and sustained destination by 25% by 2022.</p> <p>Outcome 7 Improvement Aim</p> <p>Increase the number of accredited courses directly associated with growth areas by 7% by 2023.</p> <p>Outcome 8 Improvement Aims</p> <p>Increase by 50% the number of communications which are accessible to children and young people by 2023.</p> <p>Increase to 100% the proportion of staff, working directly or indirectly with children, who have received Child Friendly City training</p>
<p>Prosperous Place Stretch Outcomes</p> <p>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.</p> <p>14. 38% of people walking and 5% of people cycling as main mode of travel by 2026.</p> <p>15 Addressing the nature crisis by protecting/managing 26% of Aberdeen's area for nature by 2026.</p>	<p>The report reflects on activity which contributes to Stretch Outcomes 13,14 and 15:</p> <p>Outcome 13 Improvement Aims</p> <p>Reduce public sector carbon emissions by at least 7% by 2023.</p> <p>Reduce the generation of waste in Aberdeen by 8% by 2023.</p> <p>Community led resilience plans in place for areas most vulnerable to flooding by 2023, leading to plans for all areas of Aberdeen by 2026.</p> <p>Outcome 14 Improvement Aims</p> <p>Increase % of people who walk as one mode of travel to 10% by 2023.</p> <p>Increase % of people who cycle as one mode of travel by 2% by 2023.</p> <p>Outcome 15 Improvement Aims</p> <p>Increase by a minimum of eight the number of community run green spaces that are self-managed for people and nature by 2023</p> <p>Number of organisations across Aberdeen pledging to manage at least 10% of their land for nature by 2023, and 26% by 2026</p>
<p>Regional and City Strategies</p>	<p>The report reflects outcomes aligned to the Regional Economic Strategy, Local and Regional Transport Strategies and Regional Skills Strategy,</p>

	along with Local and Strategic Development Plans
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9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by Chief Officer, Martin Murchie, that no Integrated Impact Assessment is required for this report
Data Protection Impact Assessment	A Data Protection Impact Assessment is not required for this report.
Other	No additional impact assessments have been completed for this report.

10. BACKGROUND PAPERS

Council Delivery Plan 2023/24
Performance Management Framework 2023/24

11. APPENDICES

Appendix A – Finance and Resources Performance Summary Dashboard

12. REPORT AUTHOR CONTACT DETAILS

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Appendix A - Performance Management Framework Report, January 2024 – Commissioning, Resources Functions and People and Organisational Development Cluster

COMMISSIONING FUNCTION

CITY GROWTH CLUSTER

1. Customer

Cluster Level Measures – 2023/24 Service Standards

Performance Measure	2023/24 Target
We will maintain and update Accreditation standards for Museums and Gallery and apply for Accredited status for Archives.	100%
We will improve Visit Scotland sector-assessed star ratings for visitor venues to attain the highest ratings achievable at Maritime Museum, Art Gallery and Provost Skene’s House (based on current criteria and building limitations)	Improve

Service Commentary








Accreditation

Full Accreditation status was achieved for Aberdeen Art Gallery and Provost Skene's House in 2023. Accreditation renewals were submitted in November 2023 for Full Accreditation for the Maritime Museum and requesting a change in status for the Tolbooth Museum to "Provisional" due to closure to the public for essential repairs. The Accreditation submission against the Archives service has been held due to re-configuration of the national Accreditation process. This may be further impacted by the requirement to vacate the site at Old Aberdeen House and seek new accommodation. The Aberdeen Treasure Hub is a WorldHost accredited venue which falls out with the Museums and Galleries Scotland accreditation scheme.




Visitor Ratings

A Visit Scotland Inspection was conducted in April 2023 which resulted in maintenance of the existing ratings at the main museum/gallery sites. Additional improvements to visitor services within venues have been made since, including accessibility developments at the Maritime Museum, which may positively influence future ratings from inspections. The intention is to invite an inspection from Visit Scotland in the course of the next fiscal year. Currently, Aberdeen Art Gallery & Museum is four star rated, the Maritime Museum holds a three-star rating.

Corporate Measures – Cluster Level

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – City Growth	0	3	2	0			
% of complaints resolved within timescale stage 1 and 2) – City Growth	N/A	100%	100%	N/A		75%	
% of complaints with at least one point upheld (stage 1 and 2) – City Growth	N/A	33.3%	0%	N/A			
Total No. of lessons learnt identified (stage 1 and 2) – City Growth	N/A	1	0	N/A			

2. Processes**Service Level Measures – Museums and Galleries**

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Long Trend - Quarterly
	Value	Value	Value	Value	
Number of total visits/attendances at museums and galleries *	319,983	337,162	330,788	371,887	
Number of virtual visits/attendances at museums and galleries	253,340	256,358	252,017	264,184	
Number of visits at museums and galleries that were in person	65,188	78,720	77,264	107,212	

* Includes outreach/enquiries and events-based visits not captured separately in the above table,

Service Commentary

The long trend for each of the quarterly measures continues on a sustained upwards direction with the Quarter 2 outcomes being the highest to date on a like-for like basis. Visits in person was the largest contributor to this increase, with those to Aberdeen Art Gallery and Museum being the most considerable influence, although visits to the Maritime Museum showed the greater proportional rise in visits, to the highest quarterly outcome for the venue over the ten-year extent of this measure.

An element of seasonality is reflected in the quarterly direction of travel of visits with a consistent pattern of greater numbers of visits in person during quarters 1 and 2 and some slowing of visits over the course of Autumn and Winter which may be reflected in future data covering these periods. The pattern of exhibition programmes is a supplementary influence in the growth of 'foundational level' visits which is presently being experienced across the venues.

National Benchmark Measure – Interim Snapshot, Participation of 16-19 Year Olds

Table 1. Participation of 16–19-year-olds

Geography	December Snapshot	% Participating	% Not Participating	% Unconfirmed
Aberdeen	2023	90.1%	4.9%	5.0%
	2022	88.1%	5.0%	6.9%
	2021	87.9%	5.6%	6.4%
Scotland	2023	92.2%	4.3%	3.5%
	2022	90.5%	4.7%	4.8%
	2021	89.3%	5.0%	5.7%

Table 2: Participation of 16–17-year-olds

Geography	December Snapshot	% Participating	% Not Participating	% Unconfirmed
Aberdeen	2023	94.1%	2.9%	3.0%
	2022	93.8%	3.0%	3.2%
	2021	94.9%	2.5%	2.6%
Scotland	2023	95.9%	2.4%	1.6%

	2022	95.7%	2.6%	1.7%
	2021	95.4%	2.5%	2.1%

Service Commentary

Overall, the data as at December 2023 shows an improving picture with a greater proportion of both 16–19-year-olds and 16–17-year-olds in a positive participation destination than in December 2022, with the outcome for the former group showing more statistically significant growth. Although there are still marginal gaps between the outcomes of City residents in both age groups to the Scotland level outcomes, the 2023 data shows a closing of these distances, which had extended during the pandemic and the immediate post-COVID periods.

Continuation in education (school staying on, Higher and Further Education) is the most prevalent positive participation destination for 16–19-year-olds at 69.2% of this age group, which is higher than the national figure of 66.6%, whilst Employment has seen a material increase to 18.4% (+4.5 p.p). This latter outcome is the highest level recorded at the December snapshot for this city level measure. Although improving at a rate beyond the national trend year-on-year and three-year trend, this still falls short of the Scotland level of 23.7%, (albeit with a material closing to the national figure) and is the greatest single statistical influence on the differential between City and Scotland participation outcomes.

A degree of caution requires to be exercised around direct comparisons with national figures due to the proportional variability of Unconfirmed Status young people data. This category tends to be slightly higher for the City than at Scotland level, and from previous analysis, has a potential deflationary consequence on the proportion of young people in a participating category.

At a local level ABZ Works, in concert with a variety of internal and external partners, is now moving towards a level of maturity, and impact on post statutory school destinations which is being evidenced across both the 16–19-year-old age group and amongst those who have traditionally been assessed as being at greatest risk of falling into the Not Participating categories. e.g. Care Experienced Young People. At the recent Scottish Regeneration Forum (SURF) awards, **ABZWorks Employability Support** (Aberdeen) was the category winner against the Removing Barriers to Employability category through its provision of an employability support service for care experienced young people.

Additional detail around the outcomes facilitated by ABZ Works in 2023/24 will be available to the relevant committees within a series of future reports linked to the children and families, and poverty themes

Source: Skills Development Scotland publication 19th December 2023 [Local Authority Interactive Report](#)

Cluster Level 2022/23 Annual Measure (Statutory Performance Indicator)

Aberdeen City Region Deal – Narrative based Indicator

Service Commentary

The Aberdeen City Region Deal is the 10-year agreement between the UK Government and the Scottish Government with Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE) as one delivery mechanism for the Region's economic vision which focuses on transformational investment supporting the evolution of the region's key sectors, sustainable business growth and creating green jobs for the future.

Seven years into the Deal Programme and we continue making excellent progress in delivering a £1bn programme in partnership with public and private sector partners. Between 2022 and 2023 the Deal has welcomed the launch of the National Subsea Centre established to provide advanced research to accelerate the transition to net zero and the launch of the Net Zero Technology Services and anticipate its continued growth beyond the Aberdeen City Region Deal. In addition, we have welcomed the news of the completion of the construction of the BioHub and the launch of this new-build industry innovation hub. The project SeedPod, a food and drink industry investment to create an innovation hub for manufacturing and production, have announced the construction contract award and is opening in Aberdeen next year.

The benefits of safe and efficient port services and generous quayside space from operational Aberdeen South Harbour are already being realised. The next stage of the External Transportation Links to Aberdeen South Harbour project is underway to deliver the most appropriate road, public transport and active travel measures to improve wider linkages to the Aberdeen South Harbour Development and support the Energy Transition Zone.

Our Digital programme has been delivered across Aberdeen City and Aberdeenshire. The most recently completed Full Fibre project has provided gigabit capacity infrastructure across the region. The outcome of the digital infrastructure gap analysis produced three new projects to deliver 5G networks within the region. Supporting data from the most recent national statistics release noted that in 2022/23, the proportion of receiving superfast broadband had risen to 97.8%, the highest level to date, and in advance of the Scotland figure of 95.5%

The achievements of the Aberdeen City Region Deal projects are admirable and are testament to the strong partnership commitment, collaborative working model, and the diverse skillset available which gives confidence in the future of our projects and beyond.

3. Staff**Corporate Measures – Cluster Level**

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – City Growth	0	0	0	0		
H&S Employee Non-Reportable by Cluster – City Growth	2	2	0	1		

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – City Growth	0.9	1	1.2	1.6		8.5	
Establishment actual FTE – City Growth	165.9	174.1	154.3	148.0			

4. Finance & Controls

Corporate Measures – Cluster Level

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Value	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – City Growth	88.6%		99.7%		35.1%		68.5%	

Service Commentary

The City Growth Cluster employs a substantial number of staff, particularly in Employability, Business Support and Economic Recovery teams, who are project funded from the Scottish Government and other external funding sources, where the costs involved are claimed retrospectively on a quarterly or annual basis, so timing of these claims (and reimbursement timescales) heavily influences Year-to-Date outcomes.








As at financial period 6, 32.9FTE posts were encompassed within the description above which equated to just over 20% of the total Cluster employee profile. These services, and Cluster management, keep in close contact with Finance colleagues around this issue to ensure that the budgets remain on track for the projected year-end out-turns.

Taking these posts into account, the system generated status of this measure, against ACC budgeted establishment posts, would be set at green rather than amber.

STRATEGIC PLACE PLANNING CLUSTER

5. Customer

Corporate Measures – Cluster Level





Performance Indicator	Quarter 3 20122/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Strategic Place Planning	3	1	3	4			
% of complaints resolved within timescale stage 1 and 2) – Strategic Place Planning	66.7%	100%	66.7%	75%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Strategic Place Planning	0	0	66.7%	25%			
Total No. of lessons learnt identified (stage 1 and 2) – Strategic Place Planning	2	0	0	1			

Cluster Level 2023/24 Service Standards Measures (Development Planning) – Quarterly Measures

Service Commentary



Validated metrics supporting the status of Development Planning Standards and measures is updated twice yearly on publication of data relating to the national Planning Performance Framework. The next of these publications, covering quarters 1 and 2 2023/24 is due to be published in February 2024.

Cluster Level 2023/24 Service Standard Measures (Building Standards) – Quarterly Measures

Activity Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	Long Trend- Quarterly
	Value	Value	Value	Value		
% of building standards applications responded to within 20 working days	96%	95.5%	97%	97%		
% of building warrant approvals responded to within 10 working days	81%	79%	80%	85%		

6.Processes

Service Level Activity Indicator – Planning Development Management and Building Standards Applications

Activity Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Long Trend- Quarterly
	Value	Value	Value	Value	
Number of Development Management Applications received	293	331	329	329	
Number of Building Standards Applications received	341	354	381	347	

Service Commentary

Development Management Applications

There were continued signs of a recovery in the level of demand activity around Development Management applications in Quarter 2 with the year-to-date monthly numbers processed generally being above those 2022/23. At the same time, the longer trend in applications, is still showing levels of activity that are below that of the each of the years prior to 2022/23, and that of the pre-COVID period, both on a quarterly and YTD cumulative basis,

Building Standards Applications

Application levels are displaying a similar pattern to Management applications in both the short and long term but with the Quarter 2 figure being similar to the majority of prior years, although the cumulative YTD picture shows a decline in activity in comparison with three of the four prior years, only exceeding the figures recorded against 2020/21, at the peak of the pandemic.

7. Staff

Corporate Measures – Cluster Level

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Strategic Place Planning	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Strategic Place Planning	0	0	1	0		

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Strategic Place Planning	1.1	1.1	1.2	1.4		8.5	
Establishment actual FTE – Strategic Place Planning	94.7	93.86	92.3	94.1			

8. Finance & Controls

Corporate Measures – Cluster Level

Performance Measure	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Value
Staff Expenditure – Spend to full year budget profile – Strategic Place Planning *	71.5%		101%		23.9%		47.9%	

Service Level Activity Indicator

Activity Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status
	Value	Value	Value	Value	
% of budgeted income received from Planning Application fees YTD *	48.1%	81.6%	25.0%	55.9%	
% of budgeted income received from Building Warrant fees YTD	60.4%	93.8%	17.3%	37.8%	

*Excludes fees generated from Pre-Application and Conditions processing activity. As at 30th September 2023, the value of this activity was £29,500 from 113 applications.

Service Commentary

Seasonality and the scale of applications received are significant demand related influences around the fees received from planning and building standards applications. As noted above, there are signs that the level of applications activity is recovering but is still falling short of that experienced pre-pandemic with a large degree of variability in both quarterly and annual outcomes across the post-pandemic period, linked to the economic circumstances affecting the construction industries.

GOVERNANCE CLUSTER

Corporate Measures -Service Level

9. Customer

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Governance	3	1	2	3			

% of complaints resolved within timescale stage 1 and 2) – Governance	66.7%	100%	50%	100%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Governance	0%	0%	0%	0%			
Total No. of lessons learnt identified (stage 1 and 2) – Governance	0	0	1	0			

10. Processes

Cluster Level 2023/24 Service Standards – Quarterly Measures

Performance Measure	Current Status	2023/24 Target
% of requests for review acknowledged within 14 days (Local Review Body)		100%
% of Civic licensing complaints acknowledged within 24 hours.		100%
% of Civic licensing complaints investigated within 10 days		90%
School Placing and Exclusion requests – hearings heard within 28 days of request		100%
% of Civic Licence Applications determined within 9 months of a valid application		100%
% of Hearings to determine a Premises Licence application or Variation application within 119 days of the last date for representations.		100%
% of Decision Letters for alcohol applications issued within 7 days of Board meeting		100%
Personal Licence issued within 28 days of date of grant		100%

11. Staff

Corporate Measures - Service Level

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
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	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Governance	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Governance	0	0	0	0		

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 1	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost to absence per FTE (12 month rolling figure) – Governance	0.3	0.8	1.7	2.4		8.5	
Establishment actual FTE – Governance	60.2	59.5	59.1	59.9			

Service Commentary

An element of caution requires to be applied around interpretation of the trend data relating to absence in that, with a small FTE complement in Governance a minimal number of medium to long term absences can materially affect the average working days lost at Cluster/Service levels

Please also see the comment around corporate absence management workstreams at the conclusion of this Appendix

12. Finance and Controls

Corporate Measures – Service Level

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/23	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Governance	71.4%		95.8%		24.6%		49.2%	

COMMERCIAL AND PROCUREMENT CLUSTER

13. Customer


Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – C&P	0	0	0	0			
% of complaints resolved within timescale stage 1 and 2) – C&P	NA	NA	NA	NA	NA	75%	
% of complaints with at least one point upheld (stage 1 and 2) – C&P	NA	NA	NA	NA			
Total No. of lessons learnt identified (stage 1 and 2) – C&P	NA	NA	NA	NA			

14. Processes

Cluster Level Measures – 2023/24 Service Standards

Performance Measure	Current Status	2023/24 Target
We will ensure demand management is embedded for all revenue contracts above £50K contracts at strategy stage and throughout life of contract to ensure that the quantity and specification of goods and services match, but do not exceed, the actual needs of the Council.		100%
We will enable access to all internal procedural procurement information online.		100%
We will publish annual contract pipelines for each fiscal year online after the Council Budget is set.		100%
We will ensure that all contracts above £50K in value can be tracked to show community, local economic and environmental benefits.		100%





We will ensure that all contracts above £50K have standard clauses to require providers to demonstrate commitments towards carbon reduction and efficiency.




	100%
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<p>Service Commentary</p> <p>Carbon Reduction in Procurement</p> <p>Specific evaluation criteria have been built into procurement templates for use by all procurers and would be used to evaluate commitment and proposed outcomes for Carbon Reduction and Efficiency, which would then be incorporated into contracts. A pilot commenced March 2023 for a period of 12 months, with a system for gathering data across selected procurement activity to offer enhanced evidence-based reporting against this Standard.</p> <p>The status of this measure reflects on-going development around (a) the monitoring of providers demonstrative evidence subsequent to the inclusion of these standard clauses in all contracts above £50k which is now universally applied and (b) on-going validation of the data produced from the initial two quarterly periods of monitoring.</p>
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15, Staff

Corporate Measures - Service Level

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – C&P	0	0	0	0		
H&S Employee Non-Reportable by Cluster – C&P	0	0	0	0		

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – C&P	0.5	0.5	0.8	1.5		8.5	
Establishment actual FTE – C&P	45.1	44.35	45.1	44.15			

16. Finance and Controls

Corporate Measures – Service Level

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – C&P	72.4%		96.6%		32.2%		58.9%	

Service Commentary

Reported data does not take account of subsequent re-charges into and out of the Staff Expenditure budget line which may result in revisions to the projected trajectory to year-end financial forecasts as each periodic re-charge exercise is concluded

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DATA AND INSIGHTS CLUSTER

17. Customer

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – D&I	0	0	0	0			
% of complaints resolved within timescale stage 1 and 2) – D&I	NA	NA	NA	NA	NA	75%	
% of complaints with at least one point upheld (stage 1 and 2) – D&I	NA	NA	NA	NA			
Total No. of lessons learnt identified (stage 1 and 2) – D&I	NA	NA	NA	NA			

18. Processes

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
% Reported Data Protection incidents receiving an initial response within 24 business hours	100%	100%	100%	100%		

19. Staff








Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – D&I	0	0	0	0		
H&S Employee Non-Reportable by Cluster – D&I	0	0	0	0		

Performance Measure	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – D&I	1.4	1.4	1.7	1.7		8.5	
Establishment actual FTE – D&I	34.81	33	32.49	32.49			



20. Finance and Controls

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status		
Staff Costs - % Spend to Full Year Budget Profile	73.2%		97.6%		23.7%		44.6%	

RESOURCES FUNCTION**FINANCE CLUSTER****21. Customer****Corporate Measures – Cluster Level**

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Finance	0	2	3	5			
% of complaints resolved within timescale stage 1 and 2) – Finance	NA	100%	66.7%	100%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Finance	NA	50%	0%	0%			
Total No. of lessons learnt identified (stage 1 and 2) – Finance	NA	1	1	2			





22. Processes**Cluster Level 2023/24 Service Standards – Quarterly Measures**




Performance Measures	Current Status	2023/24 Target
% of care income assessments processed within 28 days from receipt of all Care Management information		90%
% of sampled creditor invoices paid within 30 days of receipt		90%

% of budget holder meetings provided in accordance with the risk schedule.		90%
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23. Staff





Corporate Measures – Cluster Level

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Finance	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Finance	0	0	0	0		

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Finance	0.3	0.3	0.3	0.4		8.5	
Establishment actual FTE – Finance	88.2	92.16	93.75	93.86			

24. Finance & Controls








Corporate Measures – Cluster Level

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Finance	74.5%		99.1%		23.8%		47.7%	

CAPITAL CLUSTER

25.Customer

Corporate Measures – Service Level

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Capital	0	2	1	9			
% of complaints resolved within timescale stage 1 and 2) – Capital	NA	100%	0%	66.67%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Capital	NA	0%	100%	33.3%			
Total No. of lessons learnt identified (stage 1 and 2) – Capital	NA	0	0	3			

26.Processes

Service Commentary

Performance and progress related to delivery against Capital projects is directly captured within a separate report within the remit of this Committee.

27.Staff

Corporate Measures – Cluster Level

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Capital	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Capital	0	0	0	0		

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Monthly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Capital	2.1	3.0	3.8	3.0		8.5	
Establishment actual FTE – Capital	67.6	66.4	64.84	64.67			

28. Finance & Controls








Corporate Measures - Service Level

Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Capital	56.8%		80.3%		18.6%		34.8%	

CORPORATE LANDLORD CLUSTER

29.Customer

Corporate Measures - Service Level


Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – Corporate Landlord	27	7	12	6			
% of complaints resolved within timescale stage 1 and 2) – Corporate Landlord	48.1%	28.6%	33.3%	16.7%		75%	
% of complaints with at least one point upheld (stage 1 and 2) – Corporate Landlord	44.4%	14.3%	33.3%	33.3%			
Total No. of lessons learnt identified (stage 1 and 2) – Corporate Landlord	3	0	1	0			



Service Commentary

A number of 'complex' queries, requiring the contributions of a number of services, and external providers, were received in Quarter 2 which had materially affected the % of complaints resolved within timescale

30.Processes

Cluster Level 2022/23 Annual Measures (Statutory Performance Indicators)

Performance Measure	2020/21	2021/22	2022/23	Status	2022/23Target
	Value	Value	Value		
Percentage of council buildings in which all public areas are suitable for and accessible to disabled people	81.9%	81.8%	81.6%		82%

Percentage of internal floor area of operational accommodation that is in a satisfactory condition	96.4%	96.7%	91.9%		97%
The proportion of operational accommodation that is suitable for its current use.	75.1%	75.9%	77.4%		75%

Service Commentary

These data are aligned with the Service Standards set out for the Cluster in 2022/23 and relate to the Asset Management measures contained in the Scottish Local Government Benchmarking Framework Report which is due to be published in Spring 2024.

Accessibility

The minor decrease in accessible buildings is due primarily to the closing of accessible buildings. The buildings that are not accessible are predominantly historic or listed buildings that can't be easily upgraded due to budget or statutory constraints. Any improvement works undertaken to improve access audits will also reflect Net Zero aspirations where possible.

The total number of buildings assessed for accessibility reduced by 7 from 132 to 125 this year. 8 accessible and 1 non-accessible buildings were excluded from this year's figures. Dyce Pavilion and Northfield Swimming Pool opened, both of which are accessible. The percentage of accessible buildings remain consistent which is in line with the target. There is limited benchmarking data available but what there is suggests the Council performs reasonably well. The portfolio will continue to change as the Property & Estates Strategy is implemented which could have both positive and negative impact on this SPI. At this stage it is not possible to determine what that impact will be. As such the target for 2023/24 remains at 82%.

Any works to the external fabric of the building to improve accessibility, predominantly the replacement of access doors will also improve the thermal performance of the building, contributing to our Net Zero aspirations.


Condition

Two buildings with a large gross internal floor area, Beach Leisure Centre and Hazlewood School, both rated B for Condition and Suitability, were removed this year. The removal of these assets negatively affected overall figures. Notable A rated assets added this year include the new Counteswells School, the Former French School at Aberdeen Grammar School, and Northfield Swimming Pool. Significantly, Hazlehead Academy's condition rating dropped from a B to a C. This accounts for a large volume of floor area dropping from satisfactory to unsatisfactory and affected the overall percentage.

The asset portfolio will continue to change, making predictions difficult. However, the Property & Estates Strategy identifies a likely decline. Taking all of this into account, the target set for condition in 2023/24 is 91%

Suitability

The removal of three C rated libraries, coupled with the addition of five other satisfactory assets this year improved the overall suitability figure. The asset portfolio will continue to change, making predictions difficult. However, the Property & Estates Strategy identifies a likely decline. Taking all of this into account, the target set for suitability 2023/24 is 76%.

Performance Measure	2020/21	2021/22	2022/23	Status	2022/23 Target (Adjusted)
	Value	Value	Value		
Emissions from Building and Street Lighting energy use (Tonnes CO2e)	21,704	21,698	21,793		21,605

Service Commentary





There has been a 1% increase in electricity consumption compared to 2021/22. This is due to the addition of Union Terrace, new ELCs and Schools and increases in the use of EV charge points.

There has been a decrease of 4% in gas usage compared to 2021/22. This is in line with a 4% reduction in degree days compared to 2021-22 meaning the gas usage has adjusted to match the temperature. Water consumption is back to pre-Covid levels and any further in line with guidance around Climate Change reporting, carbon emissions from the City's District Heat Network have been added for the first time. This latter inclusion had contributed 1,497 tCO2e to the total in 2022/23

The carbon emissions in 2022/23 marginally surpass the target reduction from the 2019/20 baseline (when the emissions total was 26,961) as a result of the above inflationary influences, but there has been a reduction of 18.5% over this timeline.

31. Staff

Corporate Measures – Service Level

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – Corporate Landlord	0	0	0	0		
H&S Employee Non-Reportable by Cluster – Corporate Landlord	0	0	1	0		

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – Corporate Landlord	0.6	0.9	1.1	1.0		8.5	
Establishment actual FTE – Corporate Landlord	62.6	61.8	60.3	59.2			

32. Finance & Controls

Corporate Measure - Service Level

Performance Indicator	Quarter 3 2021/22		Quarter 4 2021/22		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – Corporate Landlord	64.2%		82.9%		20.7%		37.5%	

Cluster Level 2022/23 Annual Measures (Statutory Performance Indicators)

Performance Indicator	2020/21	2021/22	2022/23	Status	2022/23 Target
	Value	Value	Value		
The required maintenance cost of operational assets per square metre	£90.74	£93.77	£132.67		£93.00

Service Commentary

Expenditure connected with required maintenance had increased by £20,628,048 in 2022/23. As a dynamic measure, the overall floor area decreasing significantly by 5,504sqm, primarily due to the closure of leisure facilities, was also a contributor to the increase in costs per square metre.

The continued decline in the condition of many properties had been identified during the condition survey programme. This was notable at Hazlehead Academy, Kittybrewster depot and a number of multi-storey car parks, where significant increases in required maintenance have been recorded. These combined factors had led to an increase in the overall SPI figure.

Construction costs continued to rise, with the impact of that inflation being a partial influence in the required maintenance figures. In addition, there are not comprehensive surveys available of key electrical and mechanical plant within the portfolio. It is therefore highly likely that the required maintenance figure does not fully capture the extent of investment required.

The Condition and Suitability Programme will continue to allow for targeted capital spend. This will result in improvements to specific buildings, but those not included in the programme will decline. Recently completed projects within the capital programme, such as Greyhope Primary School, will positively contribute to limiting the inflationary impacts beyond those outlined above over the next 12 months.







Taking account of these influences, a target expenditure of £130 per sqm has been set for 2023/24.

CUSTOMER FUNCTION

PEOPLE AND ORGANISATIONAL DEVELOPMENT CLUSTER





Corporate Measures – Cluster Level

33.Customer

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Quarterly Status	2023/24 Target	Long Trend - Quarterly
	Value	Value	Value	Value			
Total No. complaints received (stage 1 and 2) – People and Organisation	0	0	0	0			
% of complaints resolved within timescale stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A	N/A	75%	
% of complaints with at least one point upheld (stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A			
Total No. of lessons learnt identified (stage 1 and 2) – People and Organisation	N/A	N/A	N/A	N/A			





34.Processes



Cluster Level 2023/24 Service Standards – Quarterly Measures


Performance Measure	Current Status	2023/24 Target
We will complete job evaluation panels upon receipt of all completed and verified documentation – within 10 working days for each individual job		80%
We will allocate an Investigation Officer, when required, within three working days.		90%
We will allocate a People and Organisation advisor to formal casework within three working days.		80%
We will make initial contact with redeployees within three working days of redeployment confirmation.		90%

35,Staff

Corporate Measures – Cluster Level





Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Long Trend - Quarterly
	Value	Value	Value	Value		
H&S Employee Reportable by Cluster – People and Organisation	0	0	0	0		
H&S Employee Non-Reportable by Cluster – People and Organisation	0	0	0	0		

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Average number of total working days lost per FTE (12 month rolling figure) – People and Organisation	0.5	0.7	0.7	0.8		8.5	

Performance Indicator	Quarter 3 2022/23	Quarter 4 2022/23	Quarter 1 2023/24	Quarter 2 2023/24	Status	Corporate Figure Quarter 2	Long Trend - Quarterly
	Value	Value	Value	Value			
Establishment actual FTE – People and Organisation	30.8	31.3	30.8	31.18			

36.Finance & Controls

Corporate Measures – Service Level








Performance Indicator	Quarter 3 2022/23		Quarter 4 2022/23		Quarter 1 2023/24		Quarter 2 2023/24	
	Value	Status	Value	Status	Value	Status	Value	Status
Staff Expenditure – % spend to full year budget profile – People and Organisation	61.2%		86.1%		18.2%		38.5%	

Appendix Data Notes

- Complaints: Complaints data should be viewed in the round across each of the four measures in terms of the performance of individual Clusters. Targets are set in line with Ombudsman guidance as reportable annualised measures for the Council as a whole without adjustment for seasonal operational, and external influences, and some natural variation between quarterly outcomes can arise as a result of this.
- Absence Management: As reflected in the report to the [Staff Governance Committee](#) in November 2023, there are currently two distinct corporate improvement streams that are designed to gain a better understanding of the influences behind rising levels of local government absence which mirror the experience at a national level. It is anticipated that these workstreams will enable some reduction in absence levels in the medium term where the influences are within the control of the Council's policies.
- Staff Costs: Staffing costs referred to throughout this Appendix exclude adjustments for the corporate vacancy factor.
- Long Term Trends are based on the average of 12 monthly, 8 quarterly periods and 4 annual periods respectively

PI Status

Long Term Trends

	Alert – more than 20% out with target/ national figure		Improving/Increasing
	Warning – more than 5% out with target/ national figure		No or Limited Change
	OK – within limits of target/national figure		Getting Worse/Decreasing
	Data Only		

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources Committee
DATE	30 January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	International Travel 2024/25
REPORT NUMBER	COM/24/029
DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie Wood
REPORT AUTHOR	Jen Lawie
TERMS OF REFERENCE	General Delegation (5); 2.1.1 & 3.4

1. PURPOSE OF REPORT

- 1.1 To seek approval for a visit to Stavanger in March 2024; and approval of proposed international travel by officers and elected members in order to support relevant City Growth activities in 2024/25.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Approves the Lord Provost/one Elected Member plus one officer to attend High Wind 2024 in Stavanger, Norway between 11-12 March 2024;
- 2.2 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;
 - (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;
- 2.3 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:
- (a) Two officers to attend the Tall Ships Host Port Seminar (European location TBC), in July 2024;
 - (b) Three officers to attend Sail Training International and Tall Ships Conference (European location TBC), in November 2024;

- (c) Two officers to attend a Tall Ships Site Visit in Dunkirk, France, in Spring 2025;
- 2.4 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
- 2.5 Agrees that the outcomes of overseas activity proposed for 2024/25 will be provided to this Committee by way of an annual Service Update.

3. CURRENT SITUATION

International Trade Activity

- 3.1 The Council supports international activity through a series of Memoranda of Understanding (MoU). We currently have six active MoUs with Barranquilla, Columbia; Kobe, Japan; Muroran City, Japan; Hammerfest, Norway; Pemba, Mozambique and Macaé, Brazil. MoU progress meetings with partners take place virtually.
- 3.2 The Council is a founding member of the World Energy Cities Partnership (WECP) which connects 19 global energy capitals. This network enables the Council and regional partners to engage and collaborate with fellow member cities to deliver the energy transition. The WECP bylaws state that “those persons serving as the head of the municipal or provincial government of each Member City participate in the Board of Directors”.
- 3.3 Currently, the Mayor of Esbjerg serves as WECP President and during this term objectives have been set to facilitate and increase business to business links between member cities and university collaboration to enable student exchange and work placement opportunities. Officers are engaging with Education Esbjerg, University of Aberdeen, Robert Gordon University and member cities on this activity.
- 3.4 The WECP meets formally twice a year, once for a working Board meeting alongside CERA Week and once for its AGM. The CERA Week schedule reflects WECP presence with specific WECP-hosted panels and information sessions, a Mayors’ Reception and a Leadership Dinner to raise the profile of the network and its cities’ activities and projects in renewables. The WECP AGM is hosted by a different member city each year following a competitive bidding process and will take place in Stavanger, Norway between 22 – 25th August 2024.
- 3.5 Additionally, officers liaise with Scottish Development International (SDI), the Department for Business and Trade (DBT) and city stakeholders (Opportunity North East, Net Zero Technology Centre, Energy Transition Zone Ltd and Invest Aberdeen) to support inward delegations to the city and presence at overseas events. This creates opportunities for local businesses to expand business to business links; local stakeholders and clusters to connect with

international agencies with similar missions; and ensures alignment of city activity to national trade and investment priorities.

- 3.6 The Council and Kobe City Government in Japan continue to work together as 'H2 Twin Cities', an initiative supported by UK government's Department for Energy Security & Net Zero and the Ministry of Economy, Trade and Industry in Japan. Through Programme Year 1 additional public and private stakeholders have been engaged; online quarterly meetings have supported knowledge-sharing; and webinars for businesses in both cities are being hosted in January 2024. This initiative is an example of our existing MoU serving as a springboard for additional economic opportunity and attracting external financial support.
- 3.7 Led by the Scottish Government's Nordic Office, Aberdeen, Esbjerg and Stavanger, as the three European cities of the WECP, have embarked on a 'North Sea Partnership'. Initial meetings through 2023 have defined project activity to focus on the facilitation of an interconnected North Sea workforce, the development of hydrogen supply chains and academic/innovation opportunities in each city. This Partnership will expand to include Groningen in the Netherlands, following their admission to the WECP at the AGM in November 2023.
- 3.8 To build on national hydrogen-focused MoU activity between Scotland and Hamburg, and the UK and Germany, and several inward delegations from German regions through 2022 and 2023, the Council is working with the Scottish Government to establish connections and realise opportunities to support hydrogen export potential.
- 3.9 The Council alongside Port of Aberdeen and Aberdeen Inspired will host the Tall Ships Races 2025. The Tall Ships Races rights holder, Sail Trailing International, organise seminars and conferences for Host Ports. As Host Port 2025, Aberdeen is required to send representatives to these events to gain insight, advice and create connections which will support successful delivery of the event. The events comprise seminars and talks which run concurrently and are related to different areas of the Tall Ships Races. Officers attend those related to their areas of responsibility and the contractual obligations of the Council, including operational delivery, trainee, volunteer and ship recruitment, event site planning, sustainability, cultural programme, and commercialisation and these streams mean that there is a need for 3 council officers to attend. In addition, our partners Port of Aberdeen and Aberdeen Inspired, using their own funds, will send additional representatives to these events to cover their programme obligations, including event marketing, maritime operations, ship technical requirements, and face-to-face meetings with ship operators as well as being present on Aberdeen's host port stand.
- 3.10 International travel and spend linked to the Council's current hydrogen projects is accounted for within the approved project budgets. The approvals also include delegation of authority to the Chief Officer – City Growth to agree related trips specified in project contracts.

International Travel 24/25

- 3.11 To appraise the benefits of international engagement and activities, including the overseas travel and conference attendance proposed to support these activities, the following criteria is considered:
1. Engagement aligns with and reflects relevant aspects of the Regional Economic Strategy. This may be through the opportunity to promote regional strengths (energy, skills, entrepreneurship and innovation); to address regional challenges (economy diversification, skills and labour supply, city centre redevelopment); to support delivery of objectives; or to progress growth and internationalisation of key and nascent North East industries (energy, food and drink, finance and business services, tourism, creative, digital and life sciences).
 2. Engagement creates opportunities to attract inward investment to Aberdeen, again in line with the Regional Economic Strategy.
 3. Where appropriate, overseas travel is supported by SDI, DBT, Scottish or Aberdeen and Grampian Chambers of Commerce, and/or city stakeholders (e.g. Opportunity North East, Net Zero Technology Centre, Energy Transition Zone Ltd).
 4. WECP attendance at AGM and Board meetings.
 5. Activity with MoU partners where attendance by Elected Members is requested and has been discussed with Co-leaders.
- 3.12 Based on these criteria, the overseas travel proposed in 2.1 and 2.2 in support of City Development activity, aligns as below:
1. Under criteria 1 and 2: High Wind 2024 in Stavanger, March 2024;
 2. Under criteria 1 and 2: World Energy Council Congress in Rotterdam, April 2024;
 3. Under criteria 1, 2 and 4: WECP AGM in Stavanger, August 2024;
 4. Under criteria 1, 2 and 3: Hydrogen Dialogue Summit and Expo in Nuremberg, December 2024; and
 5. Under criteria 1, 2, 3 and 4: WECP Board meeting at CERA Week, Houston in March 2025.
- 3.13 Similarly, the overseas travel proposed in 2.3 relating to hosting Tall Ships 2025 aligns under criteria 1, as well as supporting the project's advancement and success. All activity with Sail Training International where officer attendance is requested will be discussed with the Chair of the Tall Ships 2025 Organising Committee and Co-leaders.
- 3.14 Where additional or alternative overseas travel by Elected Members of officers is requested beyond that referred in 2.1 and 2.2, but within approved budget, officers will appraise the request against the criteria in 3.11 and discuss with Co-leaders and Convenor of the Finance and Resources Committee for support.
- 3.15 The Council will continue to support inward delegations from MoU and WECP partner regions and facilitate involvement in these itineraries by appropriate Aberdeen businesses and stakeholders.

4. FINANCIAL IMPLICATIONS

4.1 Committee approval is required in relation to the proposed travel to Stavanger in paragraph 2.1 which is estimated at £2,000. This cost will be met via the approved City Growth budget for International Travel for 2023/24.

4.2 Similarly, approval is required in relation to the proposed travel at 2.2, with estimated costs totalled below. These costs will be met via the City Growth budgets for 2024/25, subject to budget setting in March 2024.

Destination	Attendance	Dates	Estimated Costs
World Energy Council Congress, Rotterdam	Lord Provost + one officer	22 - 25 Apr 2024	£2,500
World Energy Cities Partnership AGM, Stavanger	Lord Provost + one officer	22 – 25 Aug 2024	£2,500
Hydrogen Dialogue Summit and Expo, Nuremberg	Elected Member + one officer	4 - 5 Dec 2024	£1,800
WECP Board Meeting at CERA Week, Houston	LordProvost/Elected Member + one officer	Mar 2025, (exact dates TBC)	£7,000
TOTAL			£13,800

4.3 Finally, committee approval is also required in relation to the proposed travel at 2.3, with estimated costs totalled below. These costs will be met via the Council's Coastal Communities funding for 2024/25.

Destination	Attendance	Dates	Estimated Costs
Tall Ships Host Port Seminar, (European location TBC)	Two officers	July 2024 (exact dates TBC)	£2,400
International Sail Training and Tall Ships Conference, (European location TBC)	Three officers	Nov 2024 (exact dates TBC)	£3,000
Tall Ships Site Visit, Dunkirk	Two officers	Spring 2025	£1,200
TOTAL			£6,600

5. LEGAL IMPLICATIONS

5.1 Scottish Government guidance details that travel and subsistence expenses may be claimed by Elected Members for approved duties, including “the carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees of sub-committees.”

5.2 Local authorities have a statutory duty to secure best value as per section 1 of the Local Government in Scotland Act 2003. The Council has travel policies for both members and officers. All travel should be booked in accordance with these policies to ensure cost-effective travel arrangements.

6. ENVIRONMENTAL IMPLICATIONS

6.1 The report recommendations have a negative environmental impact, namely an increase in carbon emissions due to air travel. To minimise this, all meetings to fulfil MoU commitments take place virtually, and where travel is proposed as necessary, the itinerary will be full and valuable. Consideration could also be given to minimising the carbon footprint when booking travel i.e. booking a train rather than flight for any in-country connections where possible and the itinerary allows or booking 'green' airfares only.

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 foster and maintain our international relationships may negatively impact economic growth, through reduced connections and opportunities for trade, export and investment for local businesses.	Aligning international activity with Scottish and UK government priority international markets for trade and exports. Aligning international activity with the Partnership's Priorities and the Council's ongoing projects in energy transition. Continued monitoring and market scanning of global advancements, particularly in relation to energy transition and net zero, to ensure we have fruitful connections	M	Yes
Compliance	Travel and accommodation	All travel and accommodation	L	Yes

	bookings, and subsistence arrangements, not in line with Council policies.	arrangements will be made via the Travel Team to ensure accordance with the Council's travel policies for members and officers.		
Operational	Safety and security risks of travel to certain locations.	<p>FCDO travel advice and any entry requirements remaining or introduced, associated with Covid-19 will be followed.</p> <p>A thorough risk assessment exercise is completed prior to any travel outside of the UK. This forms part of the pre-travel briefing.</p> <p>The Council has sufficient travel insurance in place.</p>	M	Yes
Financial	Actual costs exceed those estimated in this report.	<p>A recent costing exercise has been undertaken to inform those costs estimated in this report.</p> <p>No travel will be booked if it exceeds the total approved budget.</p>	L	Yes
Reputational	Reputational risks if the city does not actively maintain and participate in international relationships and the city's global profile as leading in energy transition will be diminished.	<p>Fulfilling the Council's obligation in terms of WECP membership to ensure continued international profile.</p> <p>Close working relationships with SDI, DBT and city stakeholders to ensure benefits maximised from all incoming and</p>	M	Yes

		outgoing international activity.		
Environment / Climate	Carbon footprint of air travel.	Travel plan has been streamlined to only include priority and necessary overseas trips.	M	Yes

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 proposed travel/conference attendance, and rationale of establishing and maintaining international connections and networks (particularly those focused on the energy transition) for the benefit of city businesses, support the delivery of:</p> <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> • Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net zero city by no later than 2037, and earlier if that is possible • Support Aberdeen’s continued pioneering of Hydrogen technologies <p>A Prosperous City</p> <ul style="list-style-type: none"> • Develop our economy in a genuine partnership with the private sector, third sector and residents • Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry <p>The proposed travel related to hosting Tall Ships 2025, will support the delivery of:</p> <p>The Arts Matter</p> <ul style="list-style-type: none"> • Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>The proposals within this report will contribute to Economy Stretch Outcomes 2 and 3: international relationships which increase investment and trade opportunities for local industries and businesses will</p>

	in turn, create training, reskilling and new employment opportunities.
Prosperous Place Stretch Outcomes	The proposals within this report will contribute to Place Stretch Outcome 13: knowledge and best practice sharing with our international partner cities who hold similar energy transition agendas and roadmaps will enable us to achieve Aberdeen's carbon emission goals.
Regional and City Strategies	The proposals within this report conform with the objectives of the Regional Economic Strategy, the Net Zero Routemap and the H2 Aberdeen Strategy.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Stage 1 Assessment has been completed.
Data Protection Impact Assessment	Not required.
Other	Not required.

10. BACKGROUND PAPERS

- 10.1 COM/23/24 International Travel 2023/24 – 29 March 2023
- 10.2 COM/23/223 International Travel (Tall Ships) 2023/24 – 5 July 2023
- 10.3 COM/22/251 Urgent Business Committee - 21 October 2022

11. REPORT AUTHOR CONTACT DETAILS

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 th January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	UK Shared Prosperity Fund
REPORT NUMBER	COM/24/030
DIRECTOR	Gale Beattie
CHIEF OFFICER	Julie Richards-Wood
REPORT AUTHOR	Laura Paterson
TERMS OF REFERENCE	1.1.8, 1.1.11 & 3.4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval for the proposed allocation of grant funding of the UK Shared Prosperity Fund (UKSPF).

2. RECOMMENDATION(S)

That the Committee:-

UKSPF Communities & Place

- 2.1 Notes that Committee have previously approved a Challenge Fund approach to delivering the Communities & Place strand which enables external organisations and Aberdeen City Council services to apply for funds which meet the criteria of the programme;
- 2.2 Notes that £3.8m was made available for the Communities & 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;
- 2.3 Notes that if the below recommendations are approved there is £1m to be allocated within the Communities and Place strand by March 31st 2025;
- 2.4 Instructs officers to report back to Finance & Resources Committee March 13th 2024 with recommendations on prioritising allocation of remaining funds;
- 2.5 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;
- 2.6 Awards up to £14,988.22 to Citymoves Dance Agency for the Strive project;

- 2.7 Awards up to £129,259 to Flexible Childcare Services Scotland for the Flexible Childcare & Family Support hubs in Tillydrone and Cummings Park;
- 2.8 Awards up to £67,080 to Visit Aberdeenshire for a Cruise Volunteer Programme;
- 2.9 Awards up to £106,110 to Greyhope Bay for co-creating sustainable solution for energy transition at Greyhope Bay;
- 2.10 Awards up to £15,000 to Aberdeen Inspired for the Aberdeen Union Street Upper Floors Feasibility Study;
- 2.11 Awards up to £30,000 to Oldmachar Church of Scotland for an upgraded heating system to enable net zero aspirations; and
- 2.12 Awards up to £275,000 to Aberdeen City Council to deliver a programme of events for Spectra, Scotland's Festival of Light 2025.

3. CURRENT SITUATION

- 3.1 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 £7,156,832 for an initial three-year period covering 2022/23, 2023/24 and 2024/25. This is made up of £1,235,919 for "Multiply" and £5,920,913 for the core UK Shared Prosperity Fund. The "Multiply" element of funding is ringfenced for activity to enhance adult numeracy skills provision.
- 3.2 The core UKSPF element can be used across three priority areas: Community and Place; Supporting Local business; and People and Skills.
- 3.3 In order to access the funding, Aberdeen City Council developed and submitted an Investment Plan to the UK Government in August 2022. The Investment Plan outlined the key priority areas for investment. It was approved in December 2022 and is available on the Council's UKSPF Website [UK Shared Prosperity Fund | Aberdeen City Council](#).
- 3.4 As approved within the Investment Plan, there are three routes to allocate the funding: 'Challenge Funds'; 'Procurement'; or 'in-house'. The proposed expenditure requires Committee approval.
- 3.5 Applications are being sought under the Communities and Place priority through a 'challenge fund route'. ten complete applications are presented to Committee for consideration, outlined in Table 1 and summarised within Appendix 1. Where applications have been returned, the applicant has been provided with detailed feedback around the additional information required and offered a meeting with officers to discuss the feedback further.

**Table 1: UK Shared Prosperity Fund
Communities and Place - Applications for consideration**

Project	Beneficiary	Total Project Cost	Total UKSPF ask for Round 7	Officer Review Outcome and Proposed Award
First fully inclusive outdoor sensory adventure playground (Camphill School Aberdeen)	Children and young people with complex needs	£644,593.00	£250,976.00	Approve £250,976. Detailed application. Strong links to LOIP and UKSPF objectives.
Strive (Citymoves Dance Agency)	Young people in priority localities	£14,988.22	£14,988.22	Approve £14,988.22. Strong application. High benefit realisation compared to costs.
Flexible Childcare & Family Support Hubs (Flexible Childcare Services Scotland)	Families and those seeking to return to work in priority localities	£240,459.00	£129,259.00	Approve £129,259. Beneficial services to local families in priority locality areas.
Cruise Volunteer Programme (Visit Aberdeenshire)	City businesses, tourism destinations and local people	£67,080.00	£67,080.00	Approve £67,080. Promotes increased footfall to city centre and increases volunteer capacity
Co-creating sustainable solutions for energy transition (Greyhope Bay)	Capacity building and net zero solutions for local charity	£106,110.00	£106,110.00	Approve £106,110. Project strongly aligns with enhancing physical, cultural and societal ties.
Aberdeen Union Street Upper Floors Feasibility Study (Aberdeen Inspired)	City centre communities and economy	£15,000.00	£15,000.00	Approve £15,000. Potential for significant impact to City Centre Regeneration
Heating system upgrade to Net Zero (Oldmachar Church of Scotland)	Net zero solution for local charity	£110,000.00	£30,000.00	Approve £30,000. Accelerates net zero transition for community facility.
Spectra, Scotland's Festival of Light 2025 (Aberdeen City Council)	City centre businesses, local artists and people	£495,000	£275,000	Approve £275,000. Supports cultural events and increased footfall to city centre.
TOTAL		£1,693,230.22	£888,413.22	

4. FINANCIAL IMPLICATIONS

- 4.1 The UK Government allocated £7,156,831 to the Council to support projects until 31st March 2025 through UKSPF. A full list of approved applications to date are summarised in Appendix 2 and available to view on the Aberdeen City Council webpage.
- 4.2 The total amount of funding allocated for this round is £888,413.22 Of this funding: £613,413.22 is being awarded to external organisations; and £275,000 is awarded to Aberdeen City Council to support a free public arts festival in the city centre.
- 4.3 Table 3: Allocated spend to date

Priority	Allocated Budget	Project spend allocated to date	Total recommended in this report	Total remaining – pending report approval
Communities & Place	£3,809,693.00	£1,898,822.60	£888,413.22	£1,022,457.18

- 4.4 The eligible costs for which the grant can be used are capital or revenue costs incurred by the local authority or third parties which are in line with the main objectives of the fund. Officers assess all bids in line with the published criteria and guidance on the Council's website. Applications which are incomplete or require further information will be returned to the applicant with feedback on the areas which require attention before being resubmitted.
- 4.5 It is essential that the projects comply with the set requirements to avoid issues around eligibility and potential repayment of grant to the UK Government if conditions are not complied with.
- 4.6 The UK Government announced a threshold approach to carrying forward any unallocated funds to 24/25 in November 2023. As it currently stands, the Council have an underspend of 46.8% over the whole programme. Under this threshold-based approach, the Council can access all of the Year 3 allocation. An initial payment for Year 3 will be determined by previous spend over the first two years of the Fund. Subsequently, the Council will be paid 50% of Year 3 allocation at the beginning of financial year 24/25 with the remainder paid at the end of financial year 24/25. The Council will be expected to repay any underspend remaining as of March 31st 2025.

5. LEGAL IMPLICATIONS

- 5.1 Grant Agreements will require to be put in place between Aberdeen City Council and those organisations which are awarded grant funding.
- 5.2 Officers will undertake Subsidy Control risk assessments for all external applications.

5.3 To ensure compliance with the Subsidy Control Act 2022, officers established a subsidy control scheme for the UK Shared Prosperity Fund Communities and Place programme. Upon establishment of this scheme, all awards will then be uploaded to the UK Government's Subsidy control database and where required the transparency register.

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risk	Primary Controls/Control Actions to achieve Target Risk level	Target Risks Level Low (L) Medium (M) High (H)	Does target Risk Level Match Appetite Set?
Strategic Risk	No risks identified	None	L	Yes
Compliance	Non-compliance with grant conditions will require return of grant	External Funding team are familiar with the compliance requirements and will advise and monitor projects as required to ensure compliance.	L	Yes
	Subsidy Control	To ensure all external grants awarded are compliant	L	Yes
Operational	No risks identified	None	L	Yes
Financial	Any unspent, or unallocated funds will require to be returned to UK Government	Close project monitoring will take place throughout to ensure these timescales will be met.	L	Yes
Reputational	Risk of reputational damage if funds are not spent in accordance with the grant conditions	Officers will work with projects to ensure proposals and applications meet the conditions of grant	L	Yes
Environment / Climate	No risks identified	None	L	Yes

8. OUTCOMES

COUNCIL DELIVERY PLAN	
	Impact of Report
Aberdeen City Council Policy Statement	All applicants were requested to detail the contribution of their project to Aberdeen City Council policy and strategies, and these were assessed by officers to ensure clear links.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous People Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.
Prosperous Place Stretch Outcomes	All applicants were requested to detail the contribution of their project to the LOIP as part of the application process.

9. IMPACT ASSESSMENTS

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

10. BACKGROUND PAPERS

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

11. APPENDICES

- 11.1 Appendix 1 – UK Shared Prosperity Fund – Summary of applications received

11.2 Appendix 2 –UK shared Prosperity Fund – Funds awarded to date

12. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 - UK Shared Prosperity Fund – Application Summary

*These are extracts from the applications to provide additional information to Committee.

Communities and Place

Camphill School Aberdeen – First Fully Inclusive Outdoor Sensory Adventure Playground in Aberdeen City for Children and Young People with Additional Support Needs - £250,976 requested

“Every child has an equal right to play” - UN Convention on the Rights of the Child. Our consultation process highlighted significant barriers for many children with sensory processing disorders (such as autism and learning disabilities) accessing public playgrounds, with parents reporting the experience as “stressful” and “unable to access due to my child’s needs”. It also highlighted strong support for a new community facility that will enhance existing play park provision and level up opportunities for children with sensory impairments and additional support needs (ASN).

Camphill School Aberdeen, an accredited and sector leading specialist in additional support needs and sensory disorders, plans to “level up”, creating the first fully inclusive outdoor Sensory Adventure playground in Aberdeen co-designed by young people with sensory issues and disabilities led by an award-winning playground design company, Blue Forest, who specialise in spaces for people with sensory issues – recommended by the National Autistic Society. This playground will be 3,000m² (1,000m² per zone) and located on Camphill School grounds (Milltimber), free of charge, open all-year-round and fully accessible to all children and families in the wider community in Aberdeen who would benefit from accessing relaxed play sessions, including specialised additional support needs (ASN) school bases, other ASN charities/groups and Camphill School Aberdeen pupils. It has been designed to reduce sensory overload and engage sensory experiences such as touch, sight and smell and includes a diverse range of colours, natural textures, sounds and interactive features that encourage exploration and play, fostering a holistic approach to child development.

The park will be accessed through an online booking system to ensure group sizes remain small enough to enable the children to have the space they need to have positive experiences and reduce sensory overload. We will create an environment that is free from judgement, and a place that is safe, creates meaningful opportunities to enhance learning and active citizenship. This will be truly unique in Aberdeen through its design and operations.

The three co-designed zones are: “Sensory and Creativity”, “Community and Team Building”, and “Adventure and Confidence”. It will cater to the developmental needs of different age groups and abilities, ensuring young adults can also access the same benefits without judgement, as they often experience in public parks.

Citymoves Dance Agency – Strive - £14,988.22 requested

Strive is a dance project that provides alternative engagement for hard-to-reach young people and those living in areas of deprivation.

Strive aims to reduce the risk of young people becoming involved in antisocial behaviour as well as improve health and wellbeing, both physically and mentally.

Strive provides creative activity and positive opportunities for young people aged 10-25 who live in areas of high deprivation as well as those who may be attending alternative education settings.

Dance is used as a vehicle to engage with young people to develop transferable life skills through provision of free classes. Through dance related tasks and performance platforms, skills such as teamwork, communication, coordination, problem solving, creativity, leadership qualities, self-esteem and confidence building, awareness of fitness and self-physicality, decision making and positive behaviour will be developed.

Strive classes are currently running at 3 Aberdeen city locations - Rosemount Community Centre, Middlefield Community Project (The Hub) and Tillydrone Community Campus. The classes are taught by a team, consisting of a Lead tutor and an Assistant tutor. The team approach is to ensure there is enough support in the room due to working with potentially vulnerable young people.

Tillydrone Community Campus has recently self-funded the Strive classes for their venue, therefore the tutor fees for this class are not reflected in the budget. Citymoves seeks support from the UKSP Fund to continuing our current offering as well as expand into a further 2 locations Torry and either Cummings Park, Seaton, Mastrick or Kincorth. A class would be provided where there is greatest demand.

Outcomes from previous years of the project have provided Citymoves with confidence and evidence that there is a significant requirement for alternative, artistic activities to be provided in areas of deprivation.

The Strive groups that have been running across three Aberdeen City locations recently performed at multiple platforms in 2023 – Citymoves Spring Show, Survival X (The Hip Hop School Scotland) and Light The Blue (Aberdeen Performing Art's Youth Festival).

A performance experience can leave participants with a new-found self-confidence and their self-esteem can increase leaving them more inspired and empowered. Strive has shown that through engaging with dance and our tutors, young people can develop the skills to make positive life changes that can encourage effective contribution to their communities, fostering a sense of belonging and enhances cultural awareness and promotes improved physical health. It is for these reasons that Strive would be an ideal match for the UKSP Fund where young people can 'level up' through community dance.

Flexible Childcare Services Scotland – Flexible Childcare & Family Support Hubs (Cummings Park and Tillydrone) – £129,259 requested

FCSS was created to challenge the inflexibility of current childcare provision across the country and to meet employer needs around a more flexible workforce. Affordable, accessible, high quality childcare is a game changer for families, enabling parents to enter employment, education, or training, increase family income, raise prospects for themselves and their children, create citizenship and develop a work ethic within their family.

We opened Cummings Park and Tillydrone nurseries in 2022 and have been working to grow our services in these locations. Our flexible model allows families to book and pay for only the hours of childcare they need, those eligible for funded early learning and childcare hours are also able to use these hours flexibly. Our model saves money for parents/carers and removes the barrier to working of being unable to source childcare.

Parents tell us our model works, 84% of parents using our service work – either full or part-time. This points to the key role our work plays in supporting parents to remain in employment and contribute to/provide the household income.

Parents tell us they are better off financially, have improved wellbeing, and are able to better manage other family and caring responsibilities.

Parents main reasons for booking flexibly are to:

- work more: 68%
- save money on childcare: 50%
- spend more time on myself, improves my mental health: 36%
- increase caring responsibilities: 9%

In a recent survey:

- 48% of parents told us they were better off by up to £2,000.
- 12% told us they were better off by £2000 to £5000.
- 21% said they were over £5000 better off thanks to being able to access flexible, affordable childcare.

Parents tell us they like our services because we keep costs as low as possible, we allow parents to create booking patterns that fit with work/shifts, and personal needs.

We have a fill-the-gap approach and are careful not to duplicate existing services. We step into locations where commercial operators will not set up services, and we provide services for families who often have no alternative provision.

We also want to extend our work to include wrap around holistic family support, including employability support, food redistribution, winter coat exchange and other support/advice services.

Our work will:

- Enable parents/carers to make genuine and unrestricted choices about work, education, or training, empowering them to build better lives for themselves and their family.
- In partnership with relevant agencies, we will develop and pilot a test model of a combined flexible working and flexible childcare package. This will further empower parents to make employment work for them and their family.

This proposal is a good fit for S9 re capacity building, resilience, and infrastructure support. It provides flexible childcare places, supporting parents to enter/or remain in employment, education and/or training. It contributes to a thriving and resilient community as families with more income spend money locally and the infrastructure grows. Families will be better off financially, have improved wellbeing, and be better able to spend quality time together, all of which makes them, and subsequently the wider community, stronger and more resilient.

VisitAberdeenshire – Cruise Volunteer Programme – £67,080 requested

The Welcome to Aberdeenshire volunteer scheme was created to meet and help to orientate visitors in those first few moments while they decide how best to spend their time in our destination. The main focus for the volunteers is to welcome to cruise passengers arriving in Aberdeen and provide them with information on things to see and do during their free time in Aberdeen city while the cruise ship is in port.

The key objectives of the Volunteer programme are:

- To provide a positive first impression of the region. It's essential to impress, if visitors are to come back and experience the area again.
- To create fulfilling volunteering opportunities that could upskill, engage and demonstrate knowledge about the region and give back to the community. Generate civic pride by creating regional ambassadors, who could talk up the destination and the local businesses within it.
- Change the narrative of the region's story. The volunteers would have an opportunity to highlight the destination's credentials as a tourism destination.

Project

The funding is being sourced to increase the volunteer pool to 30 volunteers and provide training for current and new recruits to improve their knowledge and promotion of the city. Currently the volunteers have no base quayside, and the welcome service is subject to weather – it cannot run in inclement weather. The purchase of a branded information trailer would provide the volunteers an area to base and provide a service in all weathers while also displaying more information to cruise visitors on things to see and do in the region.

Benefits

- Economy. Our plan would drive more footfall and expenditure into Aberdeen city businesses during the summer cruise season. This will help to extend the tourist season for providers of attractions and experiences in Aberdeen. By extending the season, more small businesses and associated jobs will be supported in the tourism and hospitality sector.
- People. Engaging local residents to join the welcome volunteer programme and provide opportunities for them to socialise with visitors and fellow volunteers and give them a sense of purpose and belonging to the local area. Volunteering provides people opportunities to interact with others and reduce feelings of loneliness and isolation and give people a sense of purpose.
- Place. Civic pride breeds respect for the community, and greater respect for the life of the city's natural and built assets. Promoting the local area through our volunteer group can enrich the lives of local volunteers, the life of our local environment as well as the livelihoods of local businesses.

Delivery

This would be achieved through VisitAberdeenshire leading the recruitment and training of a group of engaged volunteers who will welcome cruise visitors arriving in Aberdeen. A Cruise Volunteer Co-Ordinator would be appointed to manage the operational requirements of the volunteer programme liaising with relevant stakeholders to ensure adequate cover for cruise call days.

Greyhope Bay – Co-creating sustainable solutions for energy transition at Greyhope Bay – £106,110 requested

Greyhope Bay (GHB) is a charitable organisation that exists to connect people to place and co-create with them the change, experiences and stories that empower and reimagine our relationship with the coast, environment and heritage.

We have successfully built a cafe and community facility from scratch, respecting the environment and the historical value of the site. The Greyhope Bay Centre is now a place where people gather to share local knowledge, resources, and ideas on how to better improve our connection with the coast whilst watching dolphins and enjoying a coffee.

Our latest project is about expanding our facilities, capacity and programmes (PHASE 2) and creating a model in which communities can actively participate and co-design with us the future we want to build together.

We are in the first stage of feasibility work for PHASE 2 funded by the UKSPF which will produce:

- Concept design
- Estimated costings
- Engaged stakeholders and identified partners
- GHB Model for co-creation and active participation
-

Through this work we have already begun to implement a powerful co-creation process that is helping us to deliver a participation methodology at GHB that empowers people to bring solutions to our shared challenges. We now understand the opportunity to build on this process as part of the required next steps to the development of PHASE 2.

The big question within our PHASE 2 plans and participatory events is one that has ignited energy and creative ideas amongst our key corporate sponsors and core community - "how do we commit to green power and sustainability as we grow?". Our concept design will likely not fully answer this big question, however given that our unique tech and off-grid operations has been a key engagement tool and unifier for corporates, communities, schools and universities, we believe that the answer exists within an expansion of our co-creative model.

To take meaningful steps forward with PHASE 2 we are making a second application to the UKSPF to enable interdependent pieces of work:

1. Pre-planning consultation and site assessment studies on the design concept
2. A large-scale campaign and co-creation festival event that will focus on the question of sustainable solutions for energy transition at GHB. The festival of events will be hosted with our community including local businesses, supporters, schools and universities and the proposed solutions will then be incorporated into the pre-planning consultation process with Aberdeen City Council and Historic Environment Scotland
3. A book produced from the events will give share our co-creative process and provide a tool on how to empower people to co-design energy solutions and co-create projects for their communities.

This work will result in:

- Planning Application Submitted
- Empowered community designing energy transition solutions and a replicable process for other organisations and communities
- Wide visibility in the green tech required for PHASE 2 and a co-designed energy solution balancing this challenge within a sensitive historic environment.
- A catalyst for vested partners to participate in the work that we do at GHB, supporting growth and our impact in Aberdeen.

Aberdeen Inspired – Aberdeen Union Street, Upper Floors Feasibility Study - £15,000 requested

In September 2022 Aberdeen Inspired, the city centre business improvement district, commissioned the Vacant Shops Academy project, delivered by Iain Nicholson MIPM, to carry out phase 1 audit and feasibility report of empty retail premises on Union Street. Following this, the report contributed

towards the Union Street Empty Shops Action Plan and contributed towards the impetus for a Union Street Summit that was held at the Douglas Hotel in November 2022 and ultimately led to the establishment of the Our Union Street taskforce which has the sole purpose of reversing this downward trend and reversing the negativity towards Union Street.

Bringing un- and under-used high street upper floors back into play is a topical placemaking issue. There are a range of potential benefits including bringing additional footfall to a location, the opportunity to attract a range of different use types, the financial benefits to landlords, business rates receipts (as on Union Street the buildings are listed so that, when empty they are subject to reliefs and exemptions), and the positive 'look' impacts of having those parts of a building improved.

The collaborative feasibility study will set out a snapshot of the scale of un- and under-used space on Union Street, gather insights, and sample-test potential uses, establish in more detail what the barriers are to re-use and describe a strategy for tackling this issue for the wider benefit of Union Street, its businesses and the city centre as a whole.

This is based on the potential for there to be a strategic approach to this issue rather than the mix of no action and ad hoc activity that characterises the current situation. This does not duplicate any work being done by Our Union Street, ACC or any other partner. It does align perfectly with the Union Street Empty Shops Action Plan and Our Union Street have intimated that the future use of upper floor spaces on Union Street does not form part of their 5 objectives.

Uses to be explored will include office, residential, arts & crafts, creative, cultural, community, leisure, education and health & wellbeing as well as the, likely more limited, interest from retail, hospitality and services. This will depend on a range of other factors such as existing or potential separate access to the uppers, cost of conversion and opportunities for supportive funding, and issues around waste, lighting etc.

Oldmachar Church of Scotland – Gas heating system changes to Carbon Zero – £30,000 requested

We are a small church in Bridge of Don in a building which has a 25-year-old gas fired heating system. Our building is used by many groups during the week including baby and toddler groups, a community café open to all, a café for people with dementia and their carers (Living Well Café). Our youth club for S1-S4 also runs weekly. NESS also meet in one of our rooms. We also hire out our facilities to Scouts, and Brownies, and other community groups including dance and drama. We support the local primary and secondary schools too for assemblies and concerts. We have facilities which are suitable for other community events and have been used as a polling place, and community consultation events. We opened our doors last winter as a WARM space. This year our building is host to the Better Bridge of Don Event. We are a registered charity, and all our groups are run as not for profit. Our external lets have reduced rates for children and community groups, just to cover our utility bills. In addition, we hire out our halls to exercise classes and martial arts groups and birthday parties too. We are a LGBTI+ inclusive space and are pursuing registration under the rainbow mark to reflect this.

The consultants Eco Congregation Scotland, who are advising us on the Scottish Government Community and Renewable Energy Scheme (CARES), advised that the current funding model of £80k grant to £100k project cost would be sufficient to install a system capable of heating roughly one half of our building being the multi-purpose sanctuary/meeting room which is used for community groups, exercise groups in addition to worship purposes together with a smaller meeting room and office. The

remaining part, comprising a hall, creche, toilets, kitchen and entrance would continue to be heated by our existing gas boilers. They then recommended we conduct outstanding repairs to one boiler which is currently out of action, repair of pipework and flushing out the system in preparation for the installation of the air source heat pumps. In addition, they recommended installation of improved heating controllers, draught proofing of doors and windows and upgrading lighting to LED. Nothing in this has changed since our application.

Last week we had our heating contractors investigate an intermittent issue with our number 2 boiler which prevents it from firing. While our third boiler functions, it is insufficient on its own to heat the building to an acceptable temperature. They have advised this as the same fault as the existing out of action boiler and, given the age of the boilers, could in time affect our third boiler. The repairs to the two boilers will be in the region of £4k. If we proceed with the repairs, we will at best have three boilers which are 25 years old, inefficient, prone to further faults and parts are becoming difficult to source. While our application is unchanged with regard to end goal, we would wish to amend removing the repairs to the boiler and pipework and instead install a new boiler for which we have been quoted £12k to supply and install. This new boiler would be a condensing boiler and we are advised to expect minimum 15% efficiency gain. On installation of the air source pumps a condensing boiler would be more flexible and economical, providing heat and hot water to the remaining part of the building. Fortunately, some of the other improvements are coming in under our initially budgeted figures so we do not require to amend the total application amount. We believe upgrading to a more efficient new boiler now, with the benefit of a 7-year guarantee, is better than making continuing repairs to old inefficient boilers.

Aberdeen City Council – Spectra, Scotland’s Festival of Light - £275,000 request

Spectra, Scotland’s Festival of Light, will be held for the 11th time in February 2025 and is a vital part of Aberdeen’s events calendar, directly contributing to the post-pandemic recovery of the city centre and shining a light on Aberdeen at a time when the evenings are cold and dark. The festival sees Aberdeen city centre filled with large scale light installations and projections onto some of the key landmarks, drawing thousands of visitors from around Scotland and dramatically increasing footfall for local businesses in the area.

The festival has grown from a small pilot to become Scotland’s largest urban light festival and a key part of the regions Event365 plan. It won Outstanding Cultural Event or Festival at the north-east Scotland Thistle Awards 2023 (Visit Scotland national tourism and event industry awards), then being nominated for the national award that same year. However, Spectra has an immediate funding requirement to enable delivery of the event in 2025 as councils face increasing pressure on budgets for non-statutory services.

The 2023 festival saw record numbers returning to Aberdeen city centre building on the 2022 edition which was the first major event following the pandemic lockdowns. Spectra is an ideal candidate for Shared Prosperity funding due to its status as a signature event, the catalyst impact it can have on city centre businesses, local communities and the cultural life of Aberdeen and the region as a whole.

Based on audience survey results Spectra 2023 resulted in £1,266,834 spend to the local economy from visitors with an average visitor spend of £21.38.

Additional impacts were measured in the post-event survey completed by 891 respondents:

95% of attendees stated SPECTRA lit up the city, bringing it to life (up 6%)

83% of attendees stated SPECTRA had a positive impact on their perception of Aberdeen (up 4% on 2022)

68% of attendees stated SPECTRA had a positive impact on their wellbeing

85% of attendees came to Aberdeen city centre for SPECTRA

From the business survey:

89% would support Spectra returning in 2024

89% agreed Spectra boosted the city centre

Spectra 2023 saw Aberdeen Art Gallery increase the café turnover by 69% on a comparable non-Spectra weekend.

Appendix 2: UK Shared Prosperity Communities and Place Fund allocations to date

The Communities and Place allocation is £3,809,693 of which £1,898,822.6 has been allocated so far. The table below highlights the successful projects awarded funds to date by Committee.

Applicant	Project	Total Project Cost	UKSFP Grant awarded 2022/23	UKSPF Grant awarded 2023/24	UKSPF Grant awarded 2024/25
Aberdeen City Council	Community Buildings Feasibility Study	£70,000	£0	£70,000	£0
Aberdeen City Council	ClimateOS software	£101,000	£101,000	£0	£0
Aberdeen City Council	SPECTRA Scotland's Festival of Light	£155,000	£70,000	£85,000	£85,000
Aberdeen City Council	Tolbooth Museum Improvements and Structural Repairs	£700,000	£0	£355,025	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Reimaging The Cowdray Hall - Feasibility Study	£40,000	£0	£33,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Aberdeen Archives Centre - Feasibility Study	£90,000	£0	£90,000	£0
Aberdeen City Council - Aberdeen Archives, Gallery and Museums	Audience Evaluation & Acquisition Feasibility Study	£150,000	£0	£0	£150,000
Aberdeen City Council	Denis Law Trail	£44,110	£0	£25,000	£0
Police Scotland	Better life chances for our young people	£20,332	£0	£11,832	£0
Absafe	Safety Training for Schools	£103,191.60	£0	£68,794.40	£34,397.20
Greyhope Bay	Phase 2 Feasibility	£79,506	£0	£79,506	£0
Aberdeen Science Centre	Community Engagement Project	£236,800	£0	£42,000	£62,000

Visit Aberdeenshire	Make a day of it	£124,800	£0	£62,400	£62,400
Home Start Aberdeen	Support Vulnerable Families	£82,468	£0	£40,000	£42,468
Belmont Community Cinema	Community Engagement and refurbishment project	£141,067	£0	£40,000	£0
Crow House Project	Film Accelerator programme	£44,000	£0	£20,000	£20,000
Aberdeen City Council	Danestone Community Centre upgrade feasibility study	£5,000	£0	£5,000	£0
Aberdeen City Council	SPECTRA festival accessibility improvements	£25,000	£0	£25,000	£0
Sport Aberdeen	Northfield Outdoor Sports Centre refresh	£367,000	£0	£0	£216,000
Total		£2,579,275	£171,000	£1,052,557.4	£675,265.2

UK Shared Prosperity People and Skills allocations to date

The People and Skills allocation is £1,228,650. £883,647 has been allocated so far. The table below highlights the successful projects awarded funds to date by Committee.

Applicant	Project	Total Project Cost	UKSFP Grant awarded 2022/23	UKSPF Grant awarded 2023/24	UKSPF Grant awarded 2024/25
Aberdeen City Council	ABZ Works – keyworkers	£275,000	£0	£79,561	£195,439
Aberdeen City Council	Additional courses for economically inactive people, Green Skills courses and development of grass-roots projects	£355,000	£0	£177,500	£177,500
Aberdeen City Council	HMP Grampian Construction Courses	£15,000	£0	£2,000	£13,000

Aberdeen City Council	Admin Apprentice	£38,022	£0	£7,604	£30,418
Aberdeen City Council	English for Speakers of Other Languages	£70,000	£0	£10,000	£60,000
Aberdeen City Council	Pilot Projects for People with Long-Term Health Issues or Disabilities	£70,625	£0	£14,124	£56,501
Aberdeen City Council	Skills Audit	£60,000	£0	£22,500	£37,500
Total					
		£883,647	£0	£313,289	£570,358

UK Shared Prosperity Local Business Support allocations to date

The Local Business Support allocation is £1,256,220. £189,850 has been allocated so far. The table below highlights the successful projects awarded funds to date by Committee.

Applicant	Project	Total Project Cost	UKSFP Grant awarded 2022/23	UKSPF Grant awarded 2023/24	UKSPF Grant awarded 2024/25
Aberdeen City Council	City Centre Regeneration	£64,500	£0	£12,900	£51,600
Aberdeen City Council	Digital Business Support Programme	£125,359	£0	£25,070	£100,280
Total					
		£189,859	£0	£37,970	£151,880

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 January 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Capital Projects - Queen Elizabeth II Tribute
REPORT NUMBER	RES/24/035
DIRECTOR	Resources
CHIEF OFFICER	Corporate Landlord
REPORT AUTHOR	Stephen Booth
TERMS OF REFERENCE	4.1

1. PURPOSE OF REPORT

- 1.1 The Communities Housing and Public Protection Committee on 1 November 2022 agreed to instruct the Chief Officer – Corporate Landlord to bring back a report to the relevant committee on the ongoing and future planned Council Capital projects which could be named in tribute to Queen Elizabeth II.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Consider the option for capital projects that could be named after Queen Elizabeth II;
- 2.2 Note the process for naming a Capital Project after Queen Elizabeth II; and
- 2.3 Agree (1) which project to be named after Queen Elizabeth II and to instruct the Chief Executive to approach the Protocol and Honours Office with the decision of this Committee and report the outcome to a future Committee meeting; or (2) to take no further action.

3. CURRENT SITUATION

- 3.1 The Communities Housing and Public Protection Committee on 1 November 2022 agreed to instruct the Chief Officer – Corporate Landlord to bring back a report to the relevant committee on the ongoing and future planned Council Capital projects which could be named in tribute to Queen Elizabeth II.
- 3.2 Consideration has since been given to Capital Projects which are upcoming and could be relevant. A list of all projects within the Capital Plan are attached as appendix 1.
- 3.3 Within this list officers would draw particular attention to the following projects for consideration:-

- a. The Replacement Hazlehead Academy.
- b. The new Playpark at Hazlehead Park.
- c. Proposed new Primary at Newhills Expansion
- d. New Urban Park at Beach.
- e. New Riverbank Primary school

3.4 Should the committee be of a mind to name one of the above or another projects after Queen Elizabeth II, officers have been investigating the process for this.

The formal Guidance is provided at the following web address;

[Royal Names Memorialisation Public Guidance.pdf](#)

3.5 to summarise officers have also spoken to the Protocol and Honours office about the process. They suggest that the senior officer of the Council should formally approach them with a proposal. This should include

- Reason(s) why the name is being sought
- A history of the organisation/body
- Details of any Royal connections or associations (where applicable)
- Any other information that is considered appropriate

The protocols and honours office would then review the against their "memorialisation criteria"

3.6 The Committee are advised that the current Hazlehead Academy was opened by Queen Elizabeth II on 7th October 1970.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct funding implications for any of the named projects as it is expected that the cost will be accommodated within existing budgets.

4.2 It may be anticipated that there would be a naming event and formal opening of the project which would have to be considered within the overall project budget.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	None		L	Yes
Compliance	None		L	Yes
Operational	None		L	Yes
Financial	None		L	Yes
Reputational	None		L	Yes
Environment / Climate	None		L	Yes

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	<i>Stage 1 Assessment has been completed. No further action is considered necessary by the Chief Officer.</i>
Data Protection Impact Assessment	<i>Not Required</i>
Other	<i>Not Required</i>

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 List of Capital Plan Projects

12. REPORT AUTHOR CONTACT DETAILS

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Updated General Fund Capital Programme

Amended profiles

NHCP No.

Projects Due for Completion in 2023/24

807	A96 Park & Choose / Dyce Drive Link Road
848	JIVE (Hydrogen Buses Phase 2)
871	Low Emissions Zone
886	Bus Prioritisation Fund
888	Nature Restoration Fund
889	CO2 Monitors

Rolling Programmes

294	Corporate Property Condition & Suitability
551	Cycling Walking Safer Streets
765G	Nestrans Capital Grant
779	Private Sector Housing Grant (PSHG)
784	Fleet Replacement Programme
789	Planned Renewal & Replacement of Roads Infrastructure
789E	Street Lighting
861	Additional Investment in Roads
875	Investment in Digital Transformation
877	Northfield Swimming Pool

City Region Deal

825	City Deal
845	City Deal: Strategic Transport Appraisal
847	City Deal: Digital Infrastructure
852	City Deal: City Duct Network
854	City Deal: Transportation Links to Bay of Nigg
862	City Deal: Digital Lead
909	City Deal: Wellington Road

Fully Legally Committed Projects

587	Access from the North / 3rd Don Crossing
627	Aberdeen Western Peripheral Route
799B	Art Gallery Redevelopment - Main Contract (HLF)
809	New Milltimber Primary
810K	Energy from Waste (EfW) Construction
810K	Torry Heat Network
819	Tillydrone Community Hub
821	New Aberdeen Exhibition & Conference Centre
824	City Centre Regeneration
824	Provost Skene House
824	Union Terrace Gardens
828	Greenbrae Primary Extension and Internal Works

- 831 Stonewood Primary
- 840 Tillydrone Primary School
- 841 Greyhope School and Hub
- 855 Early Learning & Childcare
- 859 ICT: Human Capital Management System
- 865 Countesswells Primary
- 873 Queen Street Redevelopment (including Mortuary)
- 878 St Peters RC Primary Relocation (Design Development)
- 885 Place Based Investment Fund
- 890 Dyce Library Relocation
- 893 RFID Communal Bin Tag System
- 894 Joint Integrated Mortuary
- 896 Bucksburn Academy Extension (temporary solution)
- 898 King's Gate & Forest Road Pedestrian Crossings
- 899 Lighting in St Nicholas Kirkyard
- 901 Upgrade of Paths in Newburgh Estate
- 903 Investment in Chapel Street Car Park
- 905 Gaist Footway Survey
- 906 Waste : Sclattie Segregation Bays

Partially Legally Committed Projects

- 791 Strategic Land Acquisition
- 806A South College Street (Phase 1)
- 806B CATI - Berryden Corridor (Combined Stages 1, 2 & 3)
- 808B New Academy to the South - Infrastructure Improvements
- 810J Bridge of Don Household Waste Recycling Centre (HWRC)
- 820 Investment in Tenanted Non-Residential Property Portfolio
- 836 Flood Prevention Measures: Flood Guards Grant Scheme
- 844 Sustrans Active Travel Infrastructure Fund
- 868 Car Parking Infrastructure
- 869 Safety and Security Measures (including CCTV)
- 872 Smart City
- 874 B999 Shielhill Road Junction Improvements
- 881 Aberdeen Hydrogen Hub
- 883 City Centre and Beach Masterplans
- 884 Torry Development Trust - Former Victoria Road School
- 887 Play Park Renewal Programme
- 891 Aberdeen Hydrogen Hub (Joint Venture)
- 892 Defibrillators
- 904 Photovoltaic Systems
- 907 School Estate Plan - Fesibility Studies

- 908 Expansion of Free School Meals

Projects with indicative budgets

- 838 Flood Prevention Measures: Millside & Paddock Peterculter
- 895 St Peters RC Primary Relocation
- 999 Contingency

New Projects - School Estate

- 911 A5 - Review signage in all schools
- 912 AG1 - Aberdeen Grammar School increasing roll
- 913 B1 - Bucksburn Academy Extension
- 914 B2 - Bucksburn / Newhills additional primary school
- 915 CA1 - Victorian School Buildings
- 916 H1 - Rubislaw & Harlaw Rd Sportsfields review
- 917 H2 School Estate Plan and Improvements
- 918 H3 - Ferryhill School Suitability Improvements
- 919 HH1 Countesswells 2nd new Primary School
- 920 HH2 - Hazlehead / Countesswells Secondary Provision
- 921 L1 - Loirston Loch additional primary provision

- 922 N2 - Northfield ASG Primary School Excess Capacity
- NA1 - Grandhome / Oldmachar / Bridge of Don secondary provision
- 923
- 924 O1 - Grandhome additional primary schools
- 925 O3 - Oldmachar ASG Primary School Excess Capacity
- 926 RC2 - Denominational Primary Schools Feasibility
- 927 S3 - St Machar Academy outdoor space improvements
- 928 NA2 - Bucksburn & Dyce secondary provision
- 929 N1 - Westpark & Heathryburn Schools increasing rolls

New Projects - Roads Investment

- 930 Road Safety Fund
- 931 New Cycle Lockers
- 932 Expansion of mandatory 20mph limits in residential areas
- 806D Berryden Corridor - Ashgrove Connects
- 933 Installation of New Bus Shelters
- 934 Options for New River Dee foot and cycle bridge

- 935 Electric Vehicle Charging Network

New Projects - Other

- 936 Kittybrewster Feasibility and Condition Suitability

- 937 Extend Aberdeen's district heating network - Market Street Link
- 938 Play Park Maintenance and Investment
- 939 Investment in Education ICT
- 940 Bairns Hoose Business Case
- 946 Net Zero Adaptations - Public Buildings - Feasibilities
- 910 Inchgarth Community Centre
- 941 Burial Grounds
- 942 Webcasting of Committee Meetings
- 948 CCMP Phase 3: Schoolhill and Upperkirkgate

- tbc CCMP Phase 4: Union Street East, Justice Street & Castlegate
- tbc CCMP Phase 5: Union Street West and West End
- tbc CCMP Phase 6: Market Street to Guild Street Phases 2 & 3

tbc	Beach MasterPlan Phases B & C up to end of RIBA 4
943	Union Street Empty Shop Units
944	Asset Rationalisation - Site Preparation & Clearance
945	Great Western Community Trust - Holburn West Church Grant
947A	Council Climate Plan Local Heat and Energy Efficiency Strategy
947B	Council Climate Plan Feasibility studies for net zero
947C	Council Climate Plan Increase natural grassland and wildflowers
947D	Council Climate Plan Community run greenspaces
947E	Council Climate Plan Increase food growing
947F	Council Climate Plan Redesign Car Club
947G	Council Climate Plan Climate Data Tool
949	Tillydrone Cruyff Court
950	School Aged Childcare
951	Denburn Restoration
952	Coastal Change Adaption Grant
953	Community Bus Fund

Totals

General Fund Capital Programme - Funding

NHCP No.

294	Corporate Property Condition & Suitability
551	Cycling Walking Safer Streets
587	Access from the North / 3rd Don Crossing
809	New Milltimber Primary
810K	Energy from Waste (EfW) Construction & Torry Heat Network
828	Greenbrae Primary Extension and Internal Works
831	Stoneywood Primary
836	Flood Prevention Measures: Flood Guards Grant Scheme
838	Flood Prevention Measures - Peterculter
852	City Deal: City Duct Network
854	City Deal: Transportation Links to Bay of Nigg
862	City Deal: Digital Lead
865	Countesswells Primary
871	Low Emission Zone
874	B999 Shielhill Road Junction
877	Northfield Swimming Pool
881	Aberdeen Hydrogen Hub
883	City Centre and Beach Masterplans
884	Torry Development Trust - Former Victoria Road School
885	Place Based Investment Fund
886	Bus Prioritisation Fund
890	Dyce Library Relocation

893	RFID Communal Bin Tag System
894	Joint Integrated Mortuary
903	Investment in Chapel Street Car Park
906	Waste : Sc lattie Segregation Bays
909	City Deal: Wellington Road
913	B1 - Bucksburn Academy Extension - OBC
914	B2 - Bucksburn / Newhills additional primary provision - OBC
920	HH2 - Hazlehead / Countesswells Secondary Provision - OBC
921	L1 - Loirston Loch additional primary provision - OBC
	NA1 - Grandhome / Oldmachar / Bridge of Don secondary provision - OBC
923	provision - OBC
919	HH1 Countesswells 2nd new Primary School
924	O1 - Grandhome primary schools
910	Inchgarth Community Centre
806D	Berryden Corridor - Ashgrove Connects
931	New Cycle Lockers
932	Expansion of mandatory 20mph limits in residential areas
935	Electric Vehicle Charging Network
940	Bairns Hoose Business Case
950	School Aged Childcare

1. Programme Funding Streams Sub-Total

2. Capital Grant

3. Borrowing

Sub-total

Net Position

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ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	30 January 2024
EXEMPT	This report is not exempt, but Appendices 2 to 7 are (paragraph 8)
CONFIDENTIAL	No
REPORT TITLE	Work Plan & Business Cases
REPORT NUMBER	COM/24/025
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	1.1.5 & 1.1.6

1. PURPOSE OF REPORT

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

2. RECOMMENDATIONS

That the Committee: -

- 2.1 reviews the workplan as detailed in the Appendices for the Children’s and Family Services, Customer and Resources Functions; and
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contract.

3. CURRENT SITUATION

- 3.1 The ACC Procurement Regulations 2023 require that authority to incur expenditure must be sought prior to any invitation to tender or contract entered into. Contracts above £50,000 (supplies/services) or £250,000 (works) to be listed on a workplan with an associated Procurement Business Case and submitted by the relevant Chief Officer to the Finance and Resources Committee, committee approval is required prior to the procurement being undertaken.
- 3.2 Committee is asked to review the Children’s and Family Services, Customer and Resources Functions work plans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

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

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Contract expectations not being monitored or managed.	Contract Management consideration in business cases, guidance and training available for officers	M	Yes
Compliance	Failure to comply with internal procurement regulations and procurement legislation	Robust process for review of individual business cases and proposed approach to procurement.	L	Yes

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

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.

Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits, Fair Work and Climate requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase.
Regional and City Strategies	Details of anticipated outcomes and how they support key strategies are contained within the business case attached.
UK and Scottish Legislative and Policy Programmes	Details of the legislative and policy programmes to be complied with is contained within the business case attached.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	N/A - IIA screening and assessment will be conducted where required for individual business cases.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Public

Appendix 1- Final Revenue Work Plans- PUBLIC_FR_300124

Private

Appendix 2 - Final Revenue Work Plans PRIVATE_FR_300124

Appendix 3 - Business Case_Vehicle Purchase_Residential Homes for Children_F&R_300124_PRIVATE

Appendix 4_Business Case_Additional Support Needs Advisory Project_F&R_300124_PRIVATE

Appendix 5_Business Case_Childminding Support Service_F&R_300124_PRIVATE

Appendix 6_Business_Case_ServiceNow_F&R_300124_PRIVATE

Appendix 7_Business Case_Bin Procurement_F&R_300124_PRIVATE

11. REPORT AUTHOR CONTACT DETAILS

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Children's and Family Services Work Plan	Committee: Finance & Resources	Date of Committee: 30 January 2024
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
TBC	Children's and Family Services	Children's Social Work	Cars for Residential Homes for Children	Capital	01/02/2024	31/03/2024	0	31/03/2024	Purchase of three vehicles for the local residential homes for children to replace the current cars when vehicle leasing arrangements end.
000-LXNM4863	Children's and Family Services	Early Years	Additional Supports Needs Advisory Project (ASNAP)	Revenue	01/04/2024	31/03/2026	12	31/03/2027	Aberdeen City Council requires the provision of the Additional Support Needs Advisory Project (ASNAP) to support local Funded Early Learning and Childcare providers and Out of School Care services to facilitate the inclusion of children with additional support needs, in Early Learning and Childcare settings and in Out of School Care settings throughout Aberdeen.
000-VKAG4293	Children's and Family Services	Early Years	Provision of Childminding Support Service in Aberdeen City	Revenue	01/04/2024	31/03/2026	12	31/03/2027	The provision of a Childminding Support Service in the city including: 1. Development Officer and Training – Supporting recruitment and retention of childminders, from planning and recruiting to training, development and ongoing support. 2. Manage quality assurance of ELC funded provider childminders through ensuring compliance of the National Standards and ongoing support to ensure high quality provision. 3. Community Childminding Service – to provide early intervention support for families at times of identified need and, as a result, reduce potential future need for more expensive crisis intervention. 4. Start-Up Grants – for recruitment of new childminders from priority regeneration areas, where numbers of childminders are lower than average.

Customer Work Plan	Committee: Finance & Resources	Date of Committee: 30 January 2024
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
TBC	Customer	Digital & Technology	ServiceNow IT Service Management Suite	Revenue	12/02/2024	11/02/2027	24	11/02/2029	The ServiceNow application provides critical service management to Digital & Technology services across the council. The application enables efficient and effective use of the services resources to manage and monitor service requests and demand. Typically, there are 50 - 100 service requests and incidents each day to triage, manage and communicate resolution/fulfilment.

Resources Work Plan	Committee: Finance & Resources	Date of Committee: 30 January 2024
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-CJXU7128	Resources	Operations & Protective Services	Supply and Delivery of Recycle & Refuse Containers	Revenue	01/04/2024	31/03/2027	0	31/03/2027	The undertaking of procurement process for the supply of waste and recycling bins and equipment via mini competition/direct award under the Scotland Excel Recycle and Refuse containers framework, as required during financial years 2024 to 2027. To replace damaged bins, supply to new build properties or new contracts and to purchase bins on behalf of internal services for service improvement projects.

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