

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 7 August 2024. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Brooks, Cooke, Farquhar, Greig, Radley (as substitute for Councillor Allard) 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.

URGENT BUSINESS

1. The Convener advised that in terms of Standing Order 12.9, he had accepted an urgent Notice of Motion onto the agenda.

The Committee resolved:-

to note that the urgent Notice of Motion would be considered at agenda item 7.3. (Article 8 of this minute refers)

DETERMINATION OF EXEMPT BUSINESS

2. The Convener proposed that the Committee consider item 14.1 (Disposal of Former Milltimber School – Options Appraisal), item 15.1 (UK Shared Prosperity Fund – Exempt Appendix), item 15.2 (Tall Ships Aberdeen 2025 – Exempt Appendices) and item 15.3 (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 24 (paragraph 9), article 25 (paragraph 6) and articles 26 and 27 (paragraph 8).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

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

(1) Councillor Brooks advised that he had a connection in relation to agenda item 7.3 (Urgent Notice of Motion by the Convener) by virtue of him being a technical authority in an oil and gas discipline, and a company member of OEUK (Offshore Energy UK), 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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- (2) Councillor Radley advised that she had a connection in relation to agenda item 9.2 (UK Shared Prosperity Fund) by virtue of her being a Council appointed member of VisitAberdeenshire however having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.

MINUTE OF PREVIOUS MEETING OF 8 MAY 2024

4. The Committee had before it the minute of meeting of the Finance and Resources Committee of 8 May 2024.

The Committee resolved:-

to approve the minute.

COMMITTEE PLANNER

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

The Committee resolved:-

- (i) to remove item 9 (School Estate Plan: Sunnybank School Relocation of Additional Services - Outline Business Case), item 13 (Disposal of Former Offices at 1 Queens Gardens) and item 44 (Developer Obligations - Asset Plans) from the planner, for the reasons outlined therein; and
- (ii) to note the reason for deferral in relation to item 12 (Fair Tax Mark).

NOTICE OF MOTION BY COUNCILLOR KUSZNIR

6. The Committee were advised that in terms of Standing Order 12.12, this item would be placed on the agenda for consideration at the next meeting of the Committee.

NOTICE OF MOTION BY COUNCILLOR KUSZNIR

7. The Committee were advised that in terms of Standing Order 12.12, this item would be placed on the agenda for consideration at the next meeting of the Committee.

URGENT NOTICE OF MOTION BY THE CONVENER

8. The Committee had before it an urgent Notice of Motion by the Convener, in the following terms:-
that that Committee -

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UK Government Engagement - GB Energy

- (1) agree that, as the energy capital of Europe, Aberdeen is best placed in Scotland to be home to the UK Government's GB Energy headquarters;
- (2) note the Co-leaders have already written to the Prime Minister, Sir Keir Starmer MP, and the UK Government's new Energy Secretary, Ed Miliband MP, making the case to locate the GB Energy headquarters in Aberdeen;
- (3) instruct the Chief Executive to write to the UK Government's Energy Secretary, Ed Miliband MP, reinforcing that it is the view of Aberdeen City Council that GB Energy should be headquartered in Aberdeen;

UK Government Engagement – Energy Profits Levy Increase

- (4) note the statement from the Chancellor of the Exchequer, Rachel Reeves MP, on 29 July 2024, regarding the increase to the Energy Profits Levy;
- (5) note Aberdeen & Grampian Chamber of Commerce (the Times, 29/07/2024) described the decision of the UK Government to increase the Energy Profits Levy as “reckless, wrong and economically ruinous”;
- (6) note Offshore Energies UK (Energy Voice, 29/07/2024) said the UK Government's announcement to increase the Energy Profits Levy “jeopardises jobs in communities across the UK”;
- (7) acknowledge the UK Labour Party's manifesto commitment to managing the North Sea “in a way that does not jeopardise jobs”; and therefore
- (8) agree with industry experts that the announcement by the UK Labour Government to increase the Energy Profits Levy to a headline tax rate of 78% will have an impact on the economy of Aberdeen and the wider north east Scotland economy, and puts 100,000 jobs at risk, as well as risking a just transition;

Co-Leaders Engagement with Government

- (9) note an Aberdeen City Council Co-leader and the Scottish Government's former First Minister, Humza Yousaf MSP, met on 16 November 2023;
- (10) note Aberdeen City Council's Co-leaders and the UK Government's new Labour Secretary of State for Scotland, Ian Murray MP, met on 23 July 2024, to ensure a positive working relationship between Scotland's third city and the new UK Government;
- (11) agree Co-leaders should write to Scotland's new First Minister, John Swinney MSP, to seek a meeting at the earliest opportunity to ensure a continuation of the good working relationship between Scotland's third city and the Scottish Government; and
- (12) agree Co-leaders should write to the UK Government's new Chancellor, Rachel Reeves MP, and Energy Secretary, Ed Miliband MP, outlining the impact of their plans to hike the Energy Profits Levy and inviting them to a roundtable meeting including, but not limited to, Co-leaders, partners, industry and trade union representatives.

The Committee resolved:-

to adopt the motion.

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COUNCIL FINANCIAL PERFORMANCE - QUARTER 1, 2024/25 - CORS/24/223

9. The Committee had before it a report by the Director of Corporate Services, which provided details of the financial position of the Council as at Quarter 1 (30 June 2024) and the full year forecast position for the financial year 2024/25, 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 1 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 1 as detailed in Appendix 3;
- (c) note that the General Fund full year forecast position remains on track to achieve a full year outturn of 'on budget'. Continuing action, as outlined in Appendix 2 will remain in place for the financial year;
- (d) 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 2024 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 forecasting a deficit of £3.1m at this time and continues to face challenging cost pressures as outlined in Appendix 2 and the HRA Budget Report 24/25;
- (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, the Chief Officer – Finance has received assurance that the IJB does not expect to require additional funding from the Council for 2024/25; and
- (g) note that the forecast for General Fund Capital budget has been updated to include agreed adjustments and carry forwards from 2023/24. Housing Capital expenditure is currently forecasting on budget for 2024/25.

The Committee resolved:-

to approve the recommendations.

UK SHARED PROSPERITY FUND - CR&E/24/216

10. With reference to article 7 of the minute of the previous meeting of 8 May 2024, the Committee had before it a report by the Director of City Regeneration and Development which sought approval for the proposed allocation of grant funding for the

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Local Business Support priority of the UK Shared Prosperity Fund (UKSPF) and provided an update on all UKSPF projects funded to date.

The report recommended:-

that the Committee –

UKSPF Local Business Support

- (a) note that Committee have previously approved an in-house or procured delivery model for the Local Business Support strand, as outlined in 3.3, and subsequently;
- (b) award up to £137,592 to Aberdeen City Council for delivering the Energy Pilot Project in partnership with SCARF;
- (c) award up to £40,000 to Aberdeen City Council for the Learning Journey Support for SMEs in Tourism, Digital Tech and Food and Drink project;
- (d) award up to £48,740 to Aberdeen City Council for AI Upskilling for SMEs project;
- (e) award up to £55,000 to Aberdeen City Council for the Tall Ships Creative Makers Programme;
- (f) award up to £100,000 to Aberdeen City Council to deliver the Vibrant & Sustainable City Centre Pilot; and
- (g) approve that any underspend from projects be reallocated to any other previously approved project supported by the UK Shared Prosperity Fund within the same priority, which may require additional resources, following consultation with the Convener and Vice Convener of the Finance & Resources Committee;

UK Shared Prosperity Fund Update

- (h) note that should the recommendations above be approved the full amount of £7.15m from the UK Shared Prosperity Fund is now fully allocated; and
- (i) note an update on all approved UK Shared Prosperity Fund projects to date.

The Committee resolved:-

to approve the recommendations.

TALL SHIPS ABERDEEN 2025 - CR&E/24/227

11. With reference to article 4 of the minute of meeting of the Urgent Business Committee of 21 October 2022, the Committee had before it a report by the Director of City Regeneration and Environment which provided an update on progress regarding the Tall Ships Races, Aberdeen 2025, which include opportunities and benefits for business and communities, the costs of the Core Contractual Programme, the income generating Commercial Entertainment Programme and a Culture and Education Programme which was mostly subject to external funding.

The report recommended:-

that the Committee –

- (a) note the City-wide opportunities for the Tall Ships Races, Aberdeen 2025, the progress made and the expected economic benefits;
- (b) note that the outline budget included in the Event Proposal agreed at the Urgent Business Committee on 21 October 2022 (COM/22/251, section 4) has been

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- updated to reflect 2024 costs and is referred to as the Core Contractual Programme, and notes the two additional programmes Commercial Entertainment Programme and Culture and Education Programme;
- (c) note the Tall Ships Partners objective to raise income from sponsorships, grants, patron support and commercial activities, including the optional development and implementation of the Commercial Entertainment Programme at the event site;
 - (d) recognise the considerable time and effort already given by volunteers sitting on project working groups, as well as the support of staff from external agencies and organisations which has already contributed to the success of the Festival of the Sea 2024 as part of the wider Tall Ships programme, Appendix E;
 - (e) note the sponsorship packages in Appendix A with which officers, elected members, individuals, community groups and businesses can support fundraising;
 - (f) approve the revised budget for the Tall Ships Races Aberdeen 2025 Core Contractual Programme;
 - (g) approve the budget for the Commercial Entertainment Programme;
 - (h) approve the Culture and Education Programme option to underwrite a high-quality Tall Ships Souvenir Programme from the Extended Programme Option set out in Table 4; and
 - (i) instruct the Chief Officer – City Development and Regeneration to implement other Culture and Education Programme options, subject to direct funding support from individuals, grants and sponsors.

The Committee resolved:-

to approve the recommendations.

PERFORMANCE MANAGEMENT FRAMEWORK REPORT - CORS/24/214

12. The Committee had before it a report by the Director of Corporate Services which provided details of the status of key performance measures and activity indicators relating to those Functions and Clusters within the remit of the Finance and Resources Committee at conclusion of the 2023/24 financial year.

The report recommended:-

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

The Committee resolved:-

to note the performance information contained in the report Appendix.

CLUSTER RISK REGISTERS AND ASSURANCE MAPS - CORS/24/224

13. The Committee had before it a report by the Director of Corporate Services which presented the Cluster Risk Registers and Assurance Maps to provide assurance that risks were being managed effectively within each Cluster.

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The report recommended:-

that the Committee note the Cluster Risk Registers and Assurance Maps set out in Appendices A to N.

the Committee resolved:-

to approve the recommendation.

CONTRIBUTING TO YOUR CARE AND SUPPORT – ADULT SOCIAL CARE (NON-RESIDENTIAL) CHARGING POLICY - ACHSCP/24/220

14. The Committee had before it a report by the Chief Officer – Aberdeen City Health and Social Care Partnership which sought approval of the Contributing to Your Care and Support – Adult Social Care (Non- Residential) Charging Policy.

The report recommended:-

that the Committee approve the Contributing to Your Care and Support – Adult Social Care (Non-Residential) Charging Policy and agree that it should be implemented as of 8 August 2024.

The Committee resolved:-

to approve the recommendation.

CULTURAL INVESTMENT FRAMEWORK - CR&E/24/214

15. With reference to the minute of meeting of the Council of 3 July 2024, the Committee had before it a report by the Director of City Regeneration and Environment which presented the new Culture Investment Framework for approval, replacing the Council's existing grant giving processes for externally delivered cultural activity from 2025 onwards.

The report recommended:-

that the Committee –

- (a) note the process of developing the Culture Investment Framework, including stakeholder engagement and public consultation;
- (b) approve the new Culture Investment Framework, its principles, priorities and criteria;
- (c) note the current levels of funding allocation to external cultural delivery sourced through the Common Good Fund; and
- (d) agree with respect to the Common Good Fund, that future proposals for noncapital creative projects and cultural funding support are directed through the Culture Investment Programme.

The Committee resolved:-

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to approve the recommendations.

HERITAGE AND PLACE PROGRAMME - GOVERNANCE - CR&E/24/208

16. With reference to article 14 of the minute of meeting of 29 March 2023, the Committee had before it a report by the Director of City Regeneration and Environment, which sought approval of the proposed governance structure for the Heritage and Place Programme; the Heritage and Place Programme Area Partnership Board Terms of Reference and approvals process for grants and awards; and the Heritage and Place Programme Area Partnership Advisory Group Terms of Reference.

The report recommended:-

that the Committee –

- (a) note the projected end date of the current Union Street Conservation Area Regeneration Scheme (CARS) project in September 2024 (with final reporting to HES up to one quarter after the project end date) and note the disestablishment of the Conservation Area Regeneration Scheme (CARS) Board at the completion of the project; and
- (b) approve the proposed Heritage and Place Programme Area Partnership Board Terms of Reference and approvals process for grants and awards (as detailed in Appendix 1), the Heritage and Place Programme Area Partnership Advisory Group Terms of Reference (as detailed in Appendix 2), and the Heritage and Place Programme governance structure (as detailed in Appendix 3), and instruct the Chief Officer – Strategic Place Planning to submit the Heritage and Place Programme governance structure and Terms of Reference as part of the second round (Delivery Phase) applications to Historic Environment Scotland (HES) and the National Lottery Heritage Fund (NLHF) in February 2025.

The Committee resolved:-

to approve the recommendations.

DEVELOPMENT PLAN SCHEME 2024 - CR&E/24/213

17. The Committee had before it a report by the Director of City Regeneration and Environment which sought approval of the first annual update to the Development Plan Scheme for the Aberdeen Local Development Plan 2028.

The report recommended:-

That the Committee approve the content of the Development Plan Scheme 2024 (Appendix 1) and instruct the Chief Officer – Strategic Place Planning to, subject to any minor drafting changes, publish it in accordance with relevant legislation.

The Committee resolved:-

to approve the recommendation.

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VISITOR LEVY - CR&E/24/225

18. The Committee had before it a report by the Director of City Regeneration and Environment which provided an overview of the recently passed Visitor Levy Bill that allowed Local Authorities in Scotland to charge a fee or tax on overnight stays, described the various activities that Aberdeen City Council would have to carry out to introduce a visitor levy and outlined the costs and benefits of doing so.

The report recommended:-

that the Committee –

- (a) note the Visitor Levy Bill has become law as the Visitor Levy (Scotland) Act 2024 having received Royal Assent on 5 July 2024;
- (b) note the various stages including the outline proposal, consultation, and public report that local authorities are required to engage in prior to a decision on whether to proceed;
- (c) note the absolute earliest a VL scheme can come into effect is Spring 2026, with a proposed timeline that Aberdeen could introduce a visitor levy in paragraph 3.9 (of the report);
- (d) note the estimated costs and revenues of implementing a Visitor Levy scheme in Aberdeen and the benefits for both city residents and tourists; and
- (e) instruct the Chief Officer - City Development and Regeneration to develop the Visitor Levy scheme proposal with key stakeholders and report back to Finance and Resource Committee in Autumn 2024 with plans for wider consultation.

The Committee resolved:-

to approve the recommendations.

ABERDEEN CITY COUNCIL HISTORIC BUILDING DOWNTAKING POLICY - CR&E/24/210

19. The Committee had before it a report by the Director of City Regeneration and Environment which sought approval of the “Aberdeen City Council Historic Building Downtaking Policy” as a new Aberdeen City Council policy.

The report recommended:-

that the Committee –

- (a) approve “Aberdeen City Council Historic Building Downtaking Policy” as a new Aberdeen City Council policy; and
- (b) note that responsibility for the approval of the sale of any historic building downtakings above the value of £10,000 would be with the Finance and Resources Committee.

The Committee resolved:-

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to approve the recommendations.

QUEEN STREET UPDATE - CR&E/24/217

20. With reference to article 3 of the minute of meeting of the Council of 11 September 2023, the Committee had before it a report by the Director of City Regeneration and Environment which provided a progress update on the City Centre Masterplan's Queen Street project.

The report recommended:-

that the Committee –

- (a) note the progress made to advance the design concept for an urban park, as part of the wider City Centre Masterplan Queen Street project;
- (b) instruct the Chief Officer – Capital to develop the detailed and technical design for the Urban Park and, following consultation with the Chief Officer – Commercial & Procurement Services, to proceed with the negotiation and execution of contracts for delivery of the construction programme in line with the previously approved total project budget as detailed in paragraph 4.1, reporting progress through the Chief Officer – Capital's regular capital programme monitoring reports; and
- (c) note progress regarding the internal strip-out programme elsewhere on the Queen Street site, and instruct the Chief Officer– Capital to fully scope and cost the demolition of the former Police headquarters, reporting progress through the Chief Officer – Capital's regular capital programme monitoring reports.

The Committee resolved:-

to approve the recommendations.

CASTLEGATE PUBLIC REALM UPDATE - CR&E/24/219

21. With reference to article 3 of the minute of the meeting of the Council of 8 February 2024, the Committee had before it a report by the Director of City Regeneration and Environment which provided an update on the programme for redeveloping the public realm in the Castlegate.

The report recommended:-

That the Committee instruct the Chief Officer - Capital to develop the detailed and technical design for the Castlegate element of the City Centre Masterplan Streetscape programme and, following consultation with the Chief Officer – Commercial & Procurement Services, proceed with the negotiation and execution of contracts for delivery of the construction programme in line with the previously approved total project budget as detailed in paragraph 4.1, reporting progress through the Chief Officer – Capital's regular capital programme monitoring reports.

The Committee resolved:-

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to approve the recommendation.

SITE 16 LANG STRACHT - INSTRUCTION TO DISPOSE - F&C/24/222

22. With reference to article 21 of the minute of meeting of the City Growth and Resources Committee of 21 June 2022, the Committee had before it a report by the Director of Families and Communities which sought approval to start a process to dispose of Common Good land property at Lang Stracht and upon its completion, to seek instruction to advertise the Site for sale.

The report recommended:-

that the Committee –

- (a) instruct the Chief Officer - Corporate Landlord to undertake the consultation process as required under the terms of the Community Empowerment (Scotland) Act 2015 for this Common Good site; and
- (b) instruct the Chief Officer - Corporate Landlord on completion of the above, providing he considers it to be appropriate in the circumstances, to advertise the property seeking offers to purchase or enter into a long lease and to report the outcome of the process to a future meeting of the Finance and Resources Committee.

The Committee resolved:-

to approve the recommendations.

WORK PLAN AND BUSINESS CASES - CORS/24/218

23. The Committee had before it a report by the Director of Corporate Services which presented procurement work plans where expenditure was included for the City Regeneration & Environment and Families and Communities Functions to Committee for review and sought approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

The Procurement Business Cases were for the following:-

- Temporary Homeless Accommodation;
- Firework Display Services;
- ELC Funded Provider Extension;
- Residential and Aftercare - Clifton Road;
- Residential Care – Linksfield;
- Denis Law Mural;
- NEC Licences; and
- Skip Hire Extension.

The report recommended:-

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that the Committee –

- (a) review the workplan as detailed in the Appendices for the City Regeneration & Environment and Families and Communities Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract; and
- (c) note the content of Appendix 3 – 3.10 Memo Approvals and Appendix 4 – Technical Exemption Approvals.

The Committee resolved:-

to approve the recommendations.

In accordance with the decision taken at Article 2 of this minute, the following items were considered with the press and public excluded.

DISPOSAL OF THE FORMER MILLTIMBER SCHOOL - OPTIONS APPRAISAL - F&C/24/221

24. With reference to article 4 of the minute of meeting of the Capital Programme Committee of 1 December 2021, the Committee had before it a report by the Director of City Regeneration and Environment which provided details of the options appraisal instructed for the former Milltimber Primary School site on Monearn Gardens and sought instruction to progress the disposal of the site.

The report recommended:-

that the Committee instruct the Chief Officer – Corporate Landlord to advertise the property for residential use seeking offers to purchase, and report the outcome of the process to a future meeting of the Finance and Resources Committee.

The Committee resolved:-

to approve the recommendation.

UK SHARED PROSPERITY FUND - EXEMPT APPENDIX

25. The Committee had before it for consideration an exempt appendix relating to the UK Shared Prosperity Fund report. (Article 10 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendix.

TALL SHIPS ABERDEEN 2025 - EXEMPT APPENDICES

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26. The Committee had before it for consideration, exempt appendices relating to the Tall Ships Aberdeen 2025 report. (Article 11 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES

27. The Committee had before it for consideration, exempt appendices relating to the Work Plan and Business Cases report. (Article 23 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

- **COUNCILLOR ALEX MCLELLAN, Convener**