

## GOVERNANCE

### DECISION SHEET

#### FINANCE AND RESOURCES COMMITTEE - TUESDAY, 5 NOVEMBER 2024

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

	Item Title	Committee Decision	Cluster Required to take action	Officer to Action
1.1	<u>Urgent Business</u>	<b>The Committee resolved:</b> there was no Urgent Business.		
2.1	<u>Determination of Exempt Business</u>	<b>The Committee resolved:</b> in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 14.1 (Transfer of Officer Role via Tupe to Aberdeen City Council Staff), item 14.2 (Former Victoria Road School, Torry), item 15.2 (Asset Transfer Request for the Torry Youth and Leisure Centre – Exempt Appendix) and item 15.3 (Work Plan and Business Cases – Exempt Appendices).		
3.1	<u>Declarations of Interest and Transparency Statements</u>	<b>The Committee resolved:</b> Councillor Greig advised that he had a connection in relation to agenda item 8.1 (Annual Performance Reports - 2023/2024 for all Tier 1 ALEOs: Aberdeen Performing Arts; Aberdeen Sports Village; Bon Accord Care; Sport Aberdeen) by virtue of him being		

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		a Council appointed member of the Aberdeen Performing Arts Board. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.		
4.1	<u>Deputations</u> <ul style="list-style-type: none"> <li>Alasdair Ross in relation to item 8.2</li> </ul>	<b>The Committee resolved:</b> The deputation by Alasdair Ross in relation to item 8.2 (Medium Term Financial Strategy for the Council's General Fund, 2024) was noted.		
5.1	<u>Minute of Previous Meeting of 12 September 2024</u>	<b>The Committee resolved:</b> to approve the minute.		
6.1	<u>Committee Planner</u>	<b>The Committee resolved:</b> (i) to note the reasons for deferral in relation to item 7 (School Estate Plan: Bucksburn and Dyce Secondary School Provision – Outline Business Case) and item 9 (Visitor Levy Scheme); (ii) to remove item 6 (Commercial Property Auctions Annual Report), item 47 (Newhills Additional Primary School), item 48 (Outline Business Case: Oldmachar Primary Schools Excess Capacity), item 49 (School Estate Plan: Loirston Loch Primary School Provision - Outline Business Case), item 50 (School Estate Plan: Grandhome/Oldmachar/Bridge of Don Secondary School Provision – Outline Business Case) for the reason outlined within the planner; and		

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		(iii) to otherwise note the Committee Planner.		
7.1	<b><u>Notices of Motion</u></b>	<b><u>The Committee resolved:</u></b> there were no Notices of Motion.		
8.1	<b><u>Annual Performance Reports - 2023/2024 for all Tier 1 ALEOs: Aberdeen Performing Arts; Aberdeen Sports Village; Bon Accord Care; Sport Aberdeen - CORS/24/285 - Council of 11 October 2024</u></b>	<b><u>The Committee resolved:</u></b> to note the Annual Performance Reports for each of the Tier one ALEOs.		
8.2	<b><u>Medium Term Financial Strategy for the Council's General Fund, 2024 - CORS/24/283 - Council of 11 October 2024</u></b>	<b><u>The Committee resolved:</u></b> (a) approve the Medium Term Financial Strategy for the General Fund, 2024; (b) note that the Scottish Government, in light of the July 2024 General Election and limited information provided by the UK Government in advance of the Autumn Budget Statement at the end of October 2024, has not yet published a revised Medium Term Financial Strategy (MTFS) for 2024. The Scottish Budget for 2025/26 has been announced as being presented to the Scottish Parliament on 4 December 2024; (c) note that the Scottish Government published its latest Programme for Government in September 2024, alongside announcements of several emergency spending controls and savings measures for 2024/25. This,		

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		<p>in addition to the outcome of the Local Government Settlement for 2024/25 and information included in the previous MTFS from Scottish Government means the Central Scenario maintains a flat cash position for grant funding from the Scottish Government for future financial years. The MTFS model also includes previously approved savings of £9.155 million for 2025/26, and will be updated for the Council's Budget meeting in March 2025 with details of the actual financial settlement for 2025/26;</p> <p>(d) note that the Strategy relies on delivering its intentions contained in the TOM1.2 report [Council, August 2022, CUS/22/171 and Council, February 2024, CUS/24/043] which describes the approach the Council intends to take through transformation and multi-agency working to contribute towards closing the gap between income and expenditure forecast;</p> <p>(e) note that although inflation has fallen back to Bank of England target levels, the 2024/25 pay awards for Scottish local government have still to be agreed, and this may have an impact on the future funding gap;</p> <p>(f) note that the report Capital Programme Delivery: Projects Update – CR&amp;E/25/273 was presented to the</p>		

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		<p>Finance and Resources Committee on 12 September 2024;</p> <p>(g) note that the Capital Programme, as included in the Council Financial Performance Quarter 1, 2024/25 report (CORS/24/223), is the basis for capital financing costs and debt levels referred to in the MTFS and following the regular review of the Loans Fund Repayment Policy, approve the policy for 2025/26 and beyond as described in Table 5 of the MTFS;</p> <p>(h) note the 2025/26 Budget will be discussed and set by the Council in March 2025 following an extensive public engagement exercise as required by the Scheme of Governance and Budget Protocol, and that details of the Phase 1 consultation exercise are contained in Appendix 4. For Phase 2 consultation, while the central scenario will be key, it will be prudent to identify the impact of options that address the Downside scenario shown in the MTFS 2024 and the results of the engagement will be reported to Council in December 2024;</p> <p>(i) note that the Council's Financial Resilience Framework shows that the General Fund has underlying resilience of £12m (uncommitted reserves) which is a falling percentage of the net General Fund budget. The Council should consider if, in the</p>		

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		<p>current financial climate, that is sufficient and decide during the 2025/26 budget setting process whether to budget for this to increase;</p> <p>(j) note that the strength of the Council Balance Sheet as at 31 March 2024 (net worth is £1.35bn) is reduced from to the year before. Key changes are in unusable reserves relating to the capital accounting and asset valuation changes;</p> <p>(k) note that the Resilience Framework identifies that the total value, and cost of servicing, debt is rising. Careful consideration will have to be given to each and every capital project to ensure it fits with the Council's Strategic priorities, ensures it delivers Best Value, as well as being affordable, sustainable, and prudent in compliance with the Prudential Code;</p> <p>(l) note that the options available to the Council for managing rising debt levels include reducing the scale and scope of the General Fund Capital Programme or extending the programme of projects over a much longer period. With the costs rising, these capital financing costs are forecast to become a larger proportion of the Council's net income. The Council approved a cap on the cost of capital financing of 12% of Net Revenue Expenditure and this will require difficult decisions if Revenue</p>		

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		<p>Funding from Scottish Government and Council Tax income does not increase in future years;</p> <p>(m) note that the Chief Officer – Finance has an instruction to review the Council’s Long term Financial Strategy and this will be reported to Council later this financial year; and</p> <p>(n) note that the Chief Officer – Finance will continue to develop the Financial Resilience Framework with a view to embedding it across the councils financial planning, financial monitoring, and financial year end reporting arrangements.</p>		
9.1	<p><b><u>Council Financial Performance - Quarter 2, 2024/25 - CORS/24/307</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <p>(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;</p> <p>(b) note the Common Good financial performance to the end of Quarter 2 as detailed in Appendix 3;</p> <p>(c) note that the General Fund full year forecast position remains on track to achieve a full year outturn of ‘on budget’ although there are a range of financial risks that exist for the financial year. Continuing action and controls, as outlined in Appendix 2 will remain in place for the remainder of the financial year;</p> <p>(d) note that the Council maintains financial resilience with the resources available on the Council Balance</p>		

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		<p>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;</p> <p>(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 2024/25;</p> <p>(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. However, there remains a high risk that if there is an overspend at the end of the financial year the Council may have to fund a portion of that deficit; and</p> <p>(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 forecast to be on budget for 2024/25.</p>		
9.2	<u>Funding External Bodies and Following the Public Pound Policy Update - CORS/24/304</u>	<p><b>The Committee resolved:</b> approve the updated Following the Public Pound guidance as appended to this report as Appendix 1.</p>		



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9.3	<b><u>Fleet Replacement Programme - CR&amp;E/24/306</u></b>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) note the refreshed Fleet Asset Management Plan and approves the use of the Plan to identify future replacement requests;</p> <p>(b) approve the Phase 5 Fleet Replacement Programme for 2024/25 (as detailed in Appendix B); and</p> <p>(c) delegate authority to the Chief Officer – Operations, following consultation with the Chief Officer - Commercial and Procurement Services and Chief Officer – Finance:-</p> <p>(1) to consider and approve any additional procurement business cases for vehicles and plant for the purposes of Procurement Regulation 4.1.1.2;</p> <p>(2) then consult with the Convener and Vice Convener, Finance and Resources Committee and thereafter to procure appropriate works, supplies and services, and</p> <p>(3) to enter into any contracts necessary for the vehicles and plant without the need for further approval from any other Committee of the Council, within the current Capital budget.</p>		
10.1	<b><u>Committee Annual Effectiveness Report - CORS/24/302</u></b>	<p><b><u>The Committee resolved:</u></b></p> <p>note the annual report of the Finance and Resources Committee.</p>		

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10.2	<b><u>Grant Review - CR&amp;E/24/303</u></b>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) note the findings outlined in this report from the peer-led Grant Review of grants administered in Financial Year 2023-24;</p> <p>(b) note the recent introduction of the Scottish Government's Fair Work First policy, and the Subsidy Control Act 2022 (UK-wide legislation), and the impact that both have on the awarding of grant funding;</p> <p>(c) note the activity which is taking place to address the said policy and legislation and the findings from the peer-led Grant Review; and</p> <p>(d) note that the Chief Officer – City Development and Regeneration, the Chief Officer – Commercial and Procurement Services and the Chief Officer - Governance would provide clarity in relation to subsidy control and circulate the information to the members of the Committee.</p>		
11.1	<b><u>International Travel 2024/25 - Revision - CR&amp;E/24/347</u></b>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) approve international travel and overseas conference attendance to support City Development and Regeneration activity as detailed below, and subject to the maximum expenditure set out in paragraph 4.1:</p> <p>(1) One Elected Member plus one officer to attend European Hydrogen Week in Brussels,</p>		

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		<p>Belgium between 17 – 22 November 2024; and</p> <p>(2) One officer to attend JIVE/REVIVE Demand Aggregation Workshop in Groningen, Netherlands between 3 – 4 December 2024;</p> <p>(b) delegate authority to the Chief Officer – City Development and Regeneration to authorise necessary and appropriate travel documentation and associated expenditure for the travel noted in (a) above, provided costs do not exceed the budget referred to in paragraph 4.1 of this report and that all arrangements are made in line with current Council travel policies; and</p> <p>(c) agree that the outcomes of the overseas activity proposed in (a) will be provided to this Committee by way of the planned annual Service Update in March 2025.</p>		
12.1	<p><b><u>Asset Transfer Request for the Torry Youth &amp; Leisure Centre - F&amp;C/24/308</u></b></p> <p>There is an exempt appendix in the Exempt Appendices Section below.</p>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) accept the recommendation as outlined in Appendix 1;</p> <p>(b) instruct the Chief Officer – Corporate Landlord to issue a decision letter informing the community group of the outcome of the evaluation process, with the recommended terms and conditions included; and</p> <p>(c) instruct Chief Officer – Governance to conclude missives for the transfer of the Torry Youth &amp; Leisure Centre incorporating various qualifications as</p>		

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		are necessary to protect the Councils interests.		
13.1	<p><b><u>Work Plan and Business Cases - CORS/24/296</u></b></p> <p>There are exempt appendices in the Exempt Appendices Section below.</p>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) review the workplan as detailed in the Appendices for the Corporate Services, City Regeneration &amp; Environment and Families and Communities Functions;</p> <p>(b) approve the procurement business cases, including the total estimated expenditure for the proposed contract;</p> <p>(c) note the content of Appendix 3 – 3.10 Memo Approvals; and</p> <p>(d) note the content of Appendix 4 – 4.1.3 Technical Exemption Approvals.</p>		
14.1	<p><b><u>Transfer of Officer role via TUPE to Aberdeen City Council Staff - F&amp;C/24/298</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <p>instruct the Chief Officer - People and Citizen Services to progress the TUPE transfer of the <i>{exempt information as described in paragraph(s) 1 of Schedule 7A of the Local Government (Scotland) Act 1973}</i> officer posts to enable them to become Aberdeen City Council employees and continue the important work in supporting these two school communities.</p>		
14.2	<p><b><u>Former Victoria Road School, Torry - F&amp;C/24/333</u></b></p>	<p><b><u>The Committee resolved:</u></b></p> <p>(a) instruct the Chief Officer – Corporate Landlord to advise Grampian Housing Association (GHA) that the Council do not wish to enter into discussions to exercise the option to buy-back the site of the former Victoria Road School site;</p> <p>(b) note the challenges with development</p>		

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		<p>variability on the site and the holding costs which are having to be met by GHA at this time; and</p> <p>(c) note the situation with the Regeneration Capital Grant Fund.</p>		
15.1	<b><u>Asset Transfer Request for the Torry Youth &amp; Leisure Centre - Exempt Appendix</u></b>	<b><u>The Committee resolved:</u></b> to note the information contained within the exempt appendix.		
15.2	<b><u>Work Plan and Business Cases - Exempt Appendices</u></b>	<b><u>The Committee resolved:</u></b> to note the information contained within the exempt appendices.		

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