

# Public Document Pack



To: All Members of the Council

Town House,  
ABERDEEN, 4 December 2024

## **COUNCIL**

The Members of the **COUNCIL** are requested to meet in Council Chamber - Town House on **WEDNESDAY, 11 DECEMBER 2024 at 10.30am.** This is a hybrid meeting, therefore Members may also attend remotely.

ALAN THOMSON  
INTERIM CHIEF OFFICER - GOVERNANCE

## **BUSINESS**

### **ADMISSION OF BURGESSES**

1.1 Admission of Burgesses

### **NOTIFICATION OF URGENT BUSINESS**

2.1 No urgent business at this stage

### **DETERMINATION OF EXEMPT BUSINESS**

3.1 No exempt business at this stage

### **DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS**

4.1 Members are requested to declare any interests or connections

## **DEPUTATIONS**

- 5.1 Deputation Requests

## **MINUTES OF PREVIOUS MEETINGS OF COUNCIL**

- 6.1 Minute of Meeting of Aberdeen City Council of 2 October 2024 - for approval (Pages 7 - 18)
- 6.2 Minute of Special Meeting of Aberdeen City Council of 2 October 2024 - for approval (Pages 19 - 20)
- 6.3 Minute of Reconvened Meeting of Aberdeen City Council of 11 October 2024 - for approval (Pages 21 - 34)

## **REFERRALS FROM COMMITTEES**

- 7.1 Establishment of Working Group - Communities, Housing and Public Protection Committee of 21 November 2024 (Pages 35 - 36)

## **BUSINESS PLANNER**

- 8.1 Council Business Planner (Pages 37 - 42)

## **GENERAL BUSINESS**

- 9.1 Council Delivery Plan. Annual Review Report 2023-24 - CORS/24/281 (Pages 43 - 76)

**Carried forward from October Council meeting**

- 9.2 North East Population Health Alliance: End of Year One Progress Report - CORS/24/280 (Pages 77 - 90)

**Carried forward from October Council meeting**

- 9.3 Budget Protocol: Phase 2 Consultation & Budget Update - CORS/24/357 (Pages 91 - 118)

- 9.4 Housing Revenue Account Budget 2025/26 - CORS/24/356 (Pages 119 - 162)

- 9.5 North East Scotland Investment Zone - CR&E/24/355 (Pages 163 - 234)

- 9.6 Committee Places - CORS/24/353 (Pages 235 - 240)
- 9.7 Governance Review of Trusts - 2024 Update - CORS/24/350 (Pages 241 - 272)
- 9.8 Annual Procurement Report 2023-24 - CORS/24/354 (Pages 273 - 314)
- 9.9 Treasury Management Strategy - Mid-Year Review - CORS/24/323 (Pages 315 - 328)
- 9.10 Council Annual Effectiveness Report - CORS/24/349 (Pages 329 - 350)

## **NOTICES OF MOTION**

### 10.1 Notice of Motion by Councillor Kuszniir

“That the Council:

- (1) Notes the Aberdeen Friends of Ukraine dinner on 14 September 2024 which brought together the Ukrainian community, supporters and elected members, from myriad political parties, to recognise the local efforts of support and assistance since the illegal invasion of Ukraine by Russia;
- (2) Recognises the ongoing support from both the Council to the Ukrainian community and that from ordinary Aberdonians who support the Ukrainian school at Rosemount Community Centre; and
- (3) Reaffirms the Council’s commitment to continuing support for the Ukrainian community in the face of continuing Russian aggression.”

### 10.2 Notice of Motion by Councillor Kuszniir

“That the Council:

- (1) Notes with regret that new British citizens are not able to bring along guests to group citizenship ceremonies held by Aberdeen City Council;
- (2) Understands that group ceremonies are held approximately every 3 weeks in the Grant Room at Marischal College to meet demand, yet individuals’ guests cannot routinely attend and need to wait outside due to capacity in the Grant Room, unless they book a private ceremony;
- (3) Is aware from Officers that refreshments are no longer provided due to concerns over cost and waste, yet notes the cost is £3.50 per head for tea, coffee and biscuits plus £50 delivery fee per event, and considers this is a small cost as part of welcoming new citizens in Aberdeen;
- (4) Considers not allowing guests at group ceremonies nor providing refreshments is a penny-pinching attitude, which fails to properly respect and promote the effort to become a British citizen and presents an unnecessarily unwelcoming attitude to new citizens;
- (5) Recognises the contribution of naturalised Brits and believes the small expenditure on recognising their citizenship represents value for money for the City of Aberdeen;
- (6) Therefore, directs the Chief Officer - People and Citizen Service from 2025/26 to:
  - (a) reinstate refreshments of tea, coffee, water and biscuits and provision for any other dietary requirements to ensure inclusion.
  - (b) allow citizenship applicants to invite two guests to group citizenship ceremonies.
  - (c) change the room as required to meet the required increased capacity.
- (7) Confirms that any expenditure (estimated by Officers to be in the region of £5,000 per annum) and loss of income (estimated by Officers to be in the region of up to £20,000 per annum) associated with this change will be referred to the 2025/26 Budget process.”

### 10.3 Notice of Motion by Councillor Boulton

“That the Council agrees to:

- (1) Instruct the Chief Officer - Operations to refer details of the funding required to develop further detailed studies for a flooding solution as described by the WSP consultants to provide protection for The Paddock, Peterculter to the budget process;
- (2) Instruct the Chief Officer - Operations to refer details of the funding required to develop further detailed studies for a flooding solution as described by the WSP consultants to provide protection for Millside and Culter Den, Peterculter for a 1 in 200 and a 1 in 30 flooding event to the budget process; and
- (3) Instruct the Chief Officer - Operations to continue engagement with local residents, Culter Community Council and the Community Resilience Group on the progress in relation to these flood prevention schemes, subject to funding being awarded to support future activity, and to report these outcomes to a future meeting of the Net Zero, Environment and Transport Committee.”

### 10.4 Notice of Motion by Councillor Malik

“That the Council:-

- (1) Notes the Planning Development Management Committee’s decision on 7 November 2024 to approve planning permission conditionally, subject to referral to the Scottish Ministers due to SEPA’s objection, over Land at Coast Road, St Fittick’s Park/ Gregness Headland/Doonies Farm, Aberdeen, following an application by ETZ Ltd who, at the time of the application, had no meaningful legal interest in the Land;
- (2) Notes Govan Law Centre has lodged a reclaiming motion (appeal) to the Inner House of the Court of Session in the environmental justice judicial review of McLean v. Aberdeen City Council. The appeal concerns a decision by Aberdeen City Council (ACC) to possibly industrialise St. Fittick’s Park as part of its Energy Transition Zone (ETZ) plan for the city;
- (3) Notes the decision of Council regarding Land Options Within the Energy Transition Zone 11.09.2023 “*to recommend to the Planning Development Management Committee that any future reports of the ETZ Masterplan be reported to the earliest appropriate meeting of Full Council*” and seeks clarification as to why the matter was raised at Planning Development Management Committee and not Full Council as agreed by Elected Members;
- (4) Instructs the Chief Officer - Corporate Landlord to bring forward to Full Council, within two cycles, a plan as to how the Council intends to market the land owned by the Council which forms part of the Land noted above for the Council to obtain best value, rather than allow ETZ Ltd the opportunity to take over this land without competitive tenders; and
- (5) Agrees that Aberdeen City Council as landowner should remove St Fittick’s Park from any proposed redevelopment.”



## 10.5 Notice of Motion by Councillor Bonsell

“That the Council:

- (1) Notes with concern that the “A” Listed Building Aberdeen Royal Infirmary, latterly known as Woolmanhill Hospital, has fallen into a state of disuse; and
- (2) Instructs the Chief Officer - Strategic Place Planning to:-
  - (a) identify the current owners;
  - (b) contact the owners to seek assurances in respect of making the buildings safe, secure, and watertight in the first instance;
  - (c) ascertain what are the owners’ plans and timescales for the redevelopment of the site in a manner compatible with its “A” listed status;
  - (d) identify the enforcement powers available to the Council should the owners fail to co-operate;
  - (e) seek the support and advice of Historic Environment Scotland, the Scottish Government and the King’s Trust in relation to the restoration of what is a building of national importance; and
  - (f) report to the relevant committee(s) in relation to the instructions within no more than two meeting cycles.”

### **EXEMPT / CONFIDENTIAL BUSINESS**

## 11.1 No exempt/confidential business at this stage

Website Address: [www.aberdeencity.gov.uk](http://www.aberdeencity.gov.uk)

IIAs related to reports on this agenda can be viewed [here](#)

Should you require any further information about this agenda, please contact Martyn Orchard, tel 01224 067598 or [morchard@aberdeencity.gov.uk](mailto:morchard@aberdeencity.gov.uk)

This page is intentionally left blank

## ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 2 October 2024

### MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost David Cameron, Chairperson;  
Depute Provost Steve Delaney; and

#### COUNCILLORS

GILLIAN AL-SAMARAI  
NURUL HOQUE ALI  
CHRISTIAN ALLARD  
ALISON ALPHONSE  
KATE BLAKE  
JENNIFER BONSELL  
MARIE BOULTON  
DESMOND BOUSE  
RICHARD BROOKS  
HAZEL CAMERON  
DONNA CLARK  
JOHN COOKE  
NEIL COPLAND  
WILLIAM CORMIE  
BARNEY CROCKETT  
SARAH CROSS  
DEREK DAVIDSON  
LEE FAIRFULL  
GORDON GRAHAM  
ROSS GRANT  
MARTIN GREIG  
DELL HENRICKSON

RYAN HOUGHTON  
MICHAEL HUTCHISON  
MICHAEL KUSZNIR  
GRAEME LAWRENCE  
SANDRA MACDONALD  
NEIL MacGREGOR  
ALEXANDER McLELLAN  
KEN McLEOD  
CIARAN McRAE  
M. TAUQEER MALIK  
DUNCAN MASSEY  
JESSICA MENNIE  
ALEX NICOLL  
MIRANDA RADLEY  
MRS JENNIFER STEWART  
KAIRIN VAN SWEEDEN  
LYNN THOMSON  
DEENA TISSERA  
SIMON WATSON  
and  
IAN YUILL

Lord Provost David Cameron, in the Chair.

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.

Council Meeting, Wednesday, 2 October 2024

## **ADMISSION OF BURGESSES**

1. (A) The persons undermentioned were admitted into the presence of the Council and passed as Burgesses of Guild in respect of their respective Acts of Admission in the Guild Burgess Book:-

Professor Mervyn John Bain, University Professor, Aberdeen  
Colin Lawson, Company Director, Aberdeen

(B) The persons undermentioned were admitted into the presence of the Council and passed as a Burgess of the Burgh of Aberdeen of their own craft only:-

Robert Bain, Shoemaker, Aberdeen  
Katie Elder, Shoemaker, Aberdeen  
Graham Gray, Flesher, Aberdeen  
Lynne Hocking, Weaver, Aberdeen  
Nick Sangster, Wright & Cooper, Aberdeen

## **DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS**

2. Councillor Kuszniir advised that he had a connection in relation to item 7.2 (Denominational Primary Schools) by reason of his employment by a law firm which did a lot of work for catholic organisations , however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Yuill advised that he had connections in relation to item 9.4 (City Centre Transport Measures) as a member of Cycling UK and as a member of the AA (Automobile Association), however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting. Councillor Yuill further advised that he had a connection in relation to item 9.7 (North East Population Health Alliance: End of Year One Progress Report) as the Council's appointed member of the Board of NHS Grampian, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillors Greig, Mrs Stewart, Henrickson and Fairfull advised that they had a connection in relation to item 9.8 (Annual Performance Reports - 2023/2024 for all Tier 1 ALEOs) as Council appointed Directors to the Board of Aberdeen Performing Arts, however having applied the objective test they did not consider that they had an interest and would not be withdrawing from the meeting.

Cllr McLellan advised that he had a connection in relation to item 9.4 as a Council appointed observer to the Board of Our Union Street, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Brooks advised that he had a connection in relation to item 7.2 as a member and elder at a non-denominational church in Aberdeen, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Council Meeting, Wednesday, 2 October 2024

Councillor Cooke advised that he had a connection in relation to item 9.8 as a Council appointed observer to the Board of Sport Aberdeen, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Blake and the Lord Provost advised that they had a connection in relation to item 9.8 as Council appointed Directors to the Board of Aberdeen Sports Village, however having applied the objective test they did not consider that they had an interest and would not be withdrawing from the meeting.

Councillor Ali advised that he had a connection in relation to item 7.2 as a trustee and active member at Aberdeen Mosque and Islamic Centre, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

Councillor Grant declared an interest in relation to item 9.4 by reason of his employment by Aberdeen Inspired and advised that he would leave the meeting for the duration of that item. Councillor Grant advised that he had a connection in relation to item 9.6 (Council Delivery Plan, Annual Review Report 2023-24) by reason of his employment by Aberdeen Inspired, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.

## **DEPUTATIONS**

3. (A) The Council received a deputation from John Murray in relation to agenda item 7.2 - Denominational Primary Schools.

Mr Murray thanked the Lord Provost and the Council for agreeing to hear him in relation to such an important matter. He explained that when he spoke at the Education and Children's Services Committee on 17 September, he made the point that Catholic education in the city could only be successful if it was a joint enterprise based on mutual trust and respect between the Council and the Catholic Church, and he had moved an amendment on that basis in an attempt to work together to plan Catholic education for the benefit of all of the people of Aberdeen.

Mr Murray highlighted his positive experiences as an external member on the Education Committee for the past seven years, and acknowledged the expertise of officers and the great support he had received during that time. He therefore found it surprising and disappointing in terms of how this matter had been handled and responded to. He emphasised that the Partnership had lost the vote at the Education and Children's Services Committee, and they had lost the argument because the facts in the report did not support the recommendations. He added that all of the external members voted for his amendment - he had not canvassed them before or during the meeting, however the Partnership had failed to persuade them to vote for the motion.

Mr Murray stated that the position of the Catholic Church was that what was in place in Aberdeen in terms of Catholic schools was inadequate, especially compared to what was in place in almost every other part of the country. He stated that Aberdeen was an international city, yet there were limited opportunities for families in terms of Catholic

Council Meeting, Wednesday, 2 October 2024

education, particularly with there being no Catholic secondary school, which was impossible to justify. He added that although there were three excellent Catholic primary schools in Aberdeen, this paled into insignificance compared to what was in place in Edinburgh, Glasgow and Dundee, and all three cities had Catholic secondary schools as well.

Mr Murray emphasised the need for mutual co-operation, which was the basis of his amendment - to use the 12-month pause to put people's heads together to agree an appropriate level of provision and plan accordingly. He argued that a proper consultation needed to be carried out, particularly in terms of the possibility of a Catholic secondary school for Aberdeen, from the whole community. He stated that the figures from the last consultation should not be used as the questions were only put to parents; young people must be consulted too and the views of people from Aberdeenshire had also been excluded. Despite this, Mr Murray highlighted that 82% of respondents said they would put their children to a Catholic secondary school, yet this had been completely rejected which he found remarkable.

Mr Murray concluded that the Council could and should do much better. He noted that there was cynicism in the community, which was only added to with the views of the external members being ignored. Lastly, in response to a point that had been made at the Education and Children's Services Committee that there was no funding for a Catholic secondary school, he explained that the Catholic Church was not proposing an additional school, however re-provision of the existing secondary school estate should not be ruled out.

The Council asked questions of Mr Murray and thanked him for his deputation.

(B) The Council next received a deputation from Elizabeth Spencer, also in relation to agenda item 7.2.

Ms Spencer advised that she headed a social enterprise called Aberdeen Ethnic Minority Women's Group and had been working as a community researcher in Aberdeen for the past two years. She stated that she had started a petition online for the need for a secondary Catholic school as well as for more funding for additional primary Catholic schools in Aberdeen.

Ms Spencer stated that she represented women from across a number of different nationalities and faiths in the city and further afield. She noted that Aberdeen was a beautiful city, there was no sectarianism and people were inclusive, with so many different faiths mixed together. She stated that she had recently taken part in a radio debate on Good Morning Scotland with the National Secular Society, and had been taken aback when her opponent claimed that Roman Catholic primary schools were controlled by the Catholic Church. She emphasised that this represented an outdated view and she obviously had not heard of the Curriculum for Excellence in Scotland - it was not about Catholic versus state schools.

Ms Spencer underlined the importance of equality, diversity and inclusion and noted that lots of pupils of other faiths attended Catholic schools - they were very inclusive with the split almost 50/50 between Catholic and non-Catholic pupils. She added that she also represented the Travelling community, where many children had experienced

Council Meeting, Wednesday, 2 October 2024

bullying in state schools. Ms Spencer emphasised that they were not against anyone - they were inclusive and all they were asking for was a safe space.

Ms Spencer concluded that when people had faith it gave them hope and that she was here out of love for the children she taught at Sunday School and for her own daughter, and she hoped that the Councillors found it in their own hearts to make her dreams become a reality.

The Council asked questions of Ms Spencer and thanked her for her deputation.

(C) The Council next received a deputation from JJ Welsh, Chair of the Parent Council of St Joseph's RC Primary School, also in relation to agenda item 7.2.

Mr Welsh reiterated the points that he had made at the Education and Children's Services Committee with regard to the feasibility study and how it had been put together - the layout was poor, it was not user friendly and it was very misleading. He noted that it was important to get the facts correct, and he was pleased to see that the report highlighted the mistakes and the errors that were made. He felt that if there had been better engagement with the community in general and in the three denominational schools, the wording of the feasibility study could have been changed to alleviate a lot of the concerns, and he believed there was a lesson to be learned from that by the schools and by the Council.

Mr Welsh underlined the importance of free choice - St Joseph's had a high percentage of non-Roman Catholic pupils. He noted many people from different places had chosen to put their children to a faith-based school, no matter their own religion, because they believed in the interests of their child and what they felt they would get from the school. He added that it was important to highlight that the catchment area for the denominational schools was west of Peterculter and south of Portlethen, which meant it extended into Aberdeenshire, but Aberdeenshire did not have any Roman Catholic primary schools. Therefore, there were parents who drove from Stonehaven each day to take their children to school as they were outwith the area. Mr Welsh added that this highlighted the importance of denominational schools and for people to have a choice and for it to be available for them. Mr Welsh also drew comparisons with Dundee and Perth; although Perth had a much smaller population than Aberdeen, it had two Catholic primary schools and one Catholic secondary school, with a new school benefitting from a combined layout and joint campus.

Mr Welsh emphasised that St Joseph's was a fantastic school and quoted from a recent HMIE report, however it was at bursting point and parents were very anxious at the prospect of mergers or closures. He welcomed that the school was part of the Victorian Schools review - the gym hall was extremely outdated, and he hoped the Council would honour its promise to St Joseph's from 2015 with regarding to spending.

Mr Welsh referred to the amendment which had been successful at the Education and Children's Services Committee in September and highlighted the proposal to establish a working group to look at data and hold proper discussions rather than relying on out of date figures. With regard to politics, he felt there was democratic right to uphold the result of the original vote and that he could understand the right to veto if the outcome put pressure on budgets, however this was not the case and he felt it had been done

Council Meeting, Wednesday, 2 October 2024

purely for political reasons. On that basis, he had looked into the duties of a Councillor and quoted the principles and duties from the Councillor's Code of Conduct. Mr Welsh underlined that party politics should never have been put in front of the interests of democracy - the people of Aberdeen had elected them to represent their views and interests, not the interests of their political parties.

Mr Welsh implored Councillors to invest in the children as they are the future. He underlined that the proposal contained within the amendment would not cost the Council a penny and did not force the Council to make any decisions at this stage. He concluded by calling on Councillors to vote openly and without party politics in mind.

The Council asked questions of Mr Welsh and thanked him for his deputation.

(D) Lastly, the Council received a deputation from Tony Steppie, Chair of Holy Family RC School Parent Council, also in relation to agenda item 7.2.

Mr Steppie stated that he wanted to take the opportunity to highlight how brilliant Holy Family RC School was - part of the reason why it was so brilliant was that they had pupils from every faith, it did not matter who you were or where you came from, it was one community. He emphasised that he was a person of faith, and that he had attended Holy Family, as had his older children, his grandchildren and his younger children - it was such a great school and meant a great deal to him and his family.

Mr Steppie advised that since he had become Chair of the Parent Council the school estate and consultation had come to the fore. He was not reassured that it was only a consultation; the Council was clearly looking at Catholic schools which caused concern. He reminded members that he had made a deputation at the Education and Children's Services Committee and that the Administration had been defeated, with the amendment having been successful which was perfectly reasonable. He was shocked to discover that the matter had been referred to Full Council and could be overturned. He reminded Councillors that they were there to represent the public, not to ignore them, and that there were 50,000 people of faith in the city who would potentially be ignored if the decision was overturned. He added that the creation of a working group to look at Catholic education would cost nothing, therefore there was nothing to lose.

Mr Steppie underlined that Aberdeen was the best city in Scotland - faith was irrelevant in Aberdeen and it did not have the scourge of sectarianism that other cities experienced, however the Council seemed to be making faith a big deal which he could not understand. He explained that he was struggling explain the situation to families he had dealings with, and these were families from all over the world. He noted that GB Energy was due to establish its headquarters in Aberdeen and many new people and their families could be moving to the city as a result, however this situation meant there was now a question mark hanging over faith based schools in the city which could put people off moving to the city.

Mr Steppie questioned if this was democracy and that there should be a free vote on the issue, Councillors should not be voting along party lines. He cautioned that if the Council voted to overturn the original decision, they were not just sending out the wrong message to the people of Aberdeen but to people all over the world.



Council Meeting, Wednesday, 2 October 2024

The Council asked questions of Mr Steppie and thanked him for his deputation.

#### **MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 21 AUGUST 2024**

4. The Council had before it the minute of meeting of Aberdeen City Council of 21 August 2024.

**The Council resolved:-**

to approve the minute.

#### **MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL OF 2 SEPTEMBER 2024**

5. The Council had before it the minute of the special meeting of Aberdeen City Council of 2 September 2024.

**The Council resolved:-**

- (i) to approve the minute; and
- (ii) to note that the Chief Officer - Commercial and Procurement would issue an update on the performance of the Generation Aberdeen branding as had been requested.

#### **ESTABLISHMENT OF WORKING GROUP - COMMUNITIES, HOUSING AND PUBLIC PROTECTION COMMITTEE OF 5 SEPTEMBER 2024**

6. With reference to Article 7 of the minute of meeting of the Communities, Housing and Public Protection Committee of 5 September 2024, the Council had before it a referral seeking approval to establish a working group to monitor the progress of the Housing Emergency Action Plan.

**The Council resolved:-**

to approve the establishment of a cross-party working group to monitor the progress of the Housing Emergency Action Plan, to be chaired by the Convener of the Communities, Housing and Public Protection Committee.

**The Lord Provost advised that he was bringing forward agenda item 8.1 to this point.**

#### **COUNCIL BUSINESS PLANNER**

7. The Council had before it the business planner as prepared by the Chief Officer - Governance.

With regard to item 10 (City Centre Transport Measures) on the business planner, Councillor Malik asked whether the Council would be given a copy of the legal advice

Council Meeting, Wednesday, 2 October 2024

relating to the report. The Interim Chief Officer - Governance (Legal) advised that the legal advice was summarised within the report and that the advice was legally privileged, therefore it was not standard practice to share it in its entirety as there would be increased risk. Following an adjournment, it was agreed that the legal advice would be circulated via hard copy, once the Council reached the relevant point on the agenda, however the hard copies would have to be returned to officers.

**The Council resolved:-**

- (i) to remove items 7 (Beach Connectivity Project - Full Business Case), 15 (Beach Masterplan Phase 2 Development Framework) and 23 (Aberdeen Market Project Update) from the business planner;
- (ii) to note that the Chief Officer - Strategic Place Planning would circulate an update with regard to item 30 (Beachfront Masterplan - Castlegate);
- (iii) to note that item 32 (Energy Transition Zone - Land Options) was likely to be reported at the end of the year, or early next year;
- (iv) to note that item 33 (North East of Scotland Investment Zone Proposal) would be reported to the next Council meeting;
- (v) to note that item 36 (RAAC - Compulsory Purchase) was likely to be reported to Council in early 2025; and
- (vi) otherwise to note the business planner.

**DENOMINATIONAL PRIMARY SCHOOLS - FEASIBILITY STUDY - EDUCATION AND CHILDREN'S SERVICES COMMITTEE OF 17 SEPTEMBER 2024**

8. With reference to Article 13 of the minute of meeting of the Education and Children's Services Committee of 17 September 2024, the Council had before it a report by the Executive Director Families and Communities, which had been referred to it by seven members of the Committee in accordance with Standing Order 34.1, and which provided a summary of the outcomes of a recent feasibility study to assess the options for the long term future of denominational primary school provision in the city, and sought approval of the next steps. The report also detailed the findings of a stakeholder engagement exercise carried out to support the feasibility study.

**The report recommended:-**

that the Education and Children's Services Committee note the contents of the report, and instruct the Chief Officer - Corporate Landlord to continue to monitor forecast pupil numbers for the three denominational primary schools, and to include recommendations in next year's annual school estate plan update report on any required actions to be taken to ensure that the city's denominational primary school provision continued to be appropriate to meet the expected demand for pupil places.

**At this juncture, Councillor Greig advised that he had a connection in relation to the item as an elder and reader with the Church of Scotland, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.**

**Councillor Mrs Stewart advised that she had a connection in relation to the item as a practicing Roman Catholic, however having applied the objective**

Council Meeting, Wednesday, 2 October 2024

**test she did not consider that she had an interest and would not be withdrawing from the meeting.**

**Councillor Alphonse advised that she had a connection in relation to the item as a member of St Machar Cathedral and as a practicing member of the Church of Scotland, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting.**

**Councillor Yuill advised that he had a connection in relation to the item as he was baptised as a member of the Scottish Episcopal Church, he then attended Church of Scotland Sunday School and attended mass with his daughter who was Catholic, and she was educated at Catholic primary and secondary schools, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.**

**Councillor Cooke advised that he had a connection in relation to the item as a practicing Episcopalian, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.**

Councillor Greig moved, seconded by Councillor Mennie:-

That the Council approve the recommendation contained within the report.

Councillor Blake moved as an amendment, seconded by Councillor McLeod:-

That the Council -

- (a) notes the content of the report;
- (b) regrets the lack of a proper and open consultation with all the people of Aberdeen on the possibility of establishing a Catholic Secondary School in Aberdeen;
- (c) welcomes the pause in recommending any changes to the Roman Catholic school estate;
- (d) instructs the Chief Officer - Corporate Landlord to establish a working group consisting of representatives from Aberdeen City Council, Aberdeenshire Council, representatives from the Catholic Church, parent representatives and staff representatives. This group would work in a spirit of co-operation and partnership to explore what is an appropriate level of provision of Catholic schools in the city and produce a costed plan as to how this level of provision might be realised;
- (e) instructs the Chief Officer - Corporate Landlord to continue to monitor pupil numbers at all three primary schools and report back on this and the findings of the above working group to the Education and Children's Services Committee in September 2025;
- (f) decides to take the opportunity provided by this pause to instruct the Chief Officer - Corporate Landlord to engage with all the people of Aberdeen on the possibility of establishing a Catholic secondary school in the city; and
- (g) agrees that the pause proposed in the paper will in no way delay the urgently needed work to provide for the refurbishment of St. Peter's School.

Council Meeting, Wednesday, 2 October 2024

**During the course of seconding the amendment, Councillor McLeod advised that he had a connection in relation to the item as he was born and brought up in Glasgow, which he believed was one of the most sectarian cities in the country, and that he was a member of the Church of Scotland, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting.**

On a division, there voted:-

For the motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (18) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Graham, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Mrs Stewart, Tissera, Thomson and Watson.

Absent from the division (2) - Councillors Boulton and Massey.

**The Council resolved:-**

- (i) to adopt the motion; and
- (ii) to note that the Executive Director - Corporate Services would work with colleagues to look at whether the budget consultation platform could be used for other consultations.

**In terms of Standing Order 32.8, Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Grant, Houghton, Lawrence, Malik, Mrs Stewart, Thomson, Tissera and Watson intimated their dissent against the foregoing decision.**

Councillor Radley moved as a procedural motion, seconded by Councillor Greig:-

That the Council suspend Standing Order 40.2 to enable the meeting to continue beyond six hours upon the conclusion of the Special Council meeting.

On a division, there voted:-

For the procedural motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

Against the procedural motion (18) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Graham, Grant, Houghton, Kuszniir, Lawrence, Macdonald, McLeod, Malik, Mrs Stewart, Tissera, Thomson and Watson.

Absent from the division (2) - Councillors Boulton and Massey.

**The Council resolved:-**

to reject the procedural motion as it failed to attract the necessary two-thirds of those present and entitled to vote in terms of Standing Order 41.1.

Council Meeting, Wednesday, 2 October 2024

**The Lord Provost advised that the meeting was being adjourned in terms of Standing Order 40.3 and that the remainder of the business would be considered at a future date which would be confirmed in due course.**

**- DAVID CAMERON, Lord Provost.**

DRAFT

This page is intentionally left blank

## ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 2 October 2024

### MINUTE OF SPECIAL MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost David Cameron, Chairperson;  
Depute Provost Steve Delaney; and

#### COUNCILLORS

GILLIAN AL-SAMARAI  
NURUL HOQUE ALI  
CHRISTIAN ALLARD  
ALISON ALPHONSE  
KATE BLAKE  
JENNIFER BONSELL  
DESMOND BOUSE  
RICHARD BROOKS  
HAZEL CAMERON  
DONNA CLARK  
JOHN COOKE  
NEIL COPLAND  
WILLIAM CORMIE  
BARNEY CROCKETT  
SARAH CROSS  
DEREK DAVIDSON  
LEE FAIRFULL  
GORDON GRAHAM  
ROSS GRANT  
MARTIN GREIG  
DELL HENRICKSON

RYAN HOUGHTON  
MICHAEL HUTCHISON  
MICHAEL KUSZNIR  
GRAEME LAWRENCE  
SANDRA MACDONALD  
NEIL MacGREGOR  
ALEXANDER McLELLAN  
KEN McLEOD  
CIARAN McRAE  
M. TAUQEER MALIK  
DUNCAN MASSEY  
JESSICA MENNIE  
ALEX NICOLL  
MIRANDA RADLEY  
MRS JENNIFER STEWART  
KAIRIN VAN SWEEDEN  
LYNN THOMSON  
DEENA TISSERA  
SIMON WATSON  
and  
IAN YUILL

Lord Provost David Cameron, in the Chair.

**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.**

Council Meeting, Wednesday, 2 October 2024

## WRITTEN REQUEST FOR SPECIAL MEETING

1. The Council had before the wording of the written request for this special Council meeting which had been signed by 13 members in accordance with Standing Order 8.2.2:-

“The business to be transacted relates to the decision by the Education Committee to refer item 10.5 to full Council.

Council therefore agrees that all matters relating to Education which are held at Council should include external members of the Education Committee and as such these external members should have full voting rights with immediate effect.”

Councillor Malik moved, seconded by Councillor Brooks:-

That the Council -

1. notes the Lord Provost could have taken this Special Council Meeting before the scheduled meeting of 2<sup>nd</sup> October but did not, meaning a decision on the item where external members of the Education and Children’s Services Committee voices were ignored has already been taken;
2. agrees the whole point of external members is to allow them to voice their opinions and to vote according to the wishes of those they represent; and
3. on the basis of 1 and 2 above, no longer has confidence in the Convener of the Education and Children’s Services Committee.

Councillor Yuill moved as an amendment, seconded by Councillor Allard:-

That Council agrees to take no action.

On a division, there voted:-

For the motion (16) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Graham, Grant, Lawrence, Macdonald, McLeod, Malik, Mrs Stewart, Tissera, Thomson and Watson.

For the amendment (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

Absent from the division (3) - Councillors Houghton, Kuznir and Massey.

### **The Council resolved:-**

to adopt the amendment.

**- DAVID CAMERON, Lord Provost.**



## ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 11 October 2024

### MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

Sederunt:

Lord Provost David Cameron, Chairperson;  
Depute Provost Steve Delaney; and

#### COUNCILLORS

GILLIAN AL-SAMARAI  
NURUL HOQUE ALI  
CHRISTIAN ALLARD  
ALISON ALPHONSE  
KATE BLAKE  
JENNIFER BONSELL  
MARIE BOULTON  
DESMOND BOUSE  
RICHARD BROOKS  
HAZEL CAMERON  
DONNA CLARK  
JOHN COOKE  
NEIL COPLAND  
WILLIAM CORMIE  
BARNEY CROCKETT  
SARAH CROSS  
DEREK DAVIDSON  
LEE FAIRFULL  
EMMA FARQUHAR  
GORDON GRAHAM  
ROSS GRANT

MARTIN GREIG  
DELL HENRICKSON  
MICHAEL HUTCHISON  
MICHAEL KUSZNIR  
GRAEME LAWRENCE  
SANDRA MACDONALD  
NEIL MacGREGOR  
ALEXANDER McLELLAN  
CIARAN McRAE  
M. TAUQEER MALIK  
DUNCAN MASSEY  
JESSICA MENNIE  
ALEX NICOLL  
MIRANDA RADLEY  
KAIRIN VAN SWEEDEN  
LYNN THOMSON  
DEENA TISSERA  
SIMON WATSON  
and  
IAN YUILL

Lord Provost David Cameron, in the Chair.

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.

Council Meeting, Friday, 11 October 2024

## **ORDER AND LEGAL ADVICE**

1. The Lord Provost advised that he was reordering the agenda and would take item 9.2 (Medium Term Financial Strategy) after item 9.5 (Proposal for the Torry Battery).

The Lord Provost referred to the Council meeting on 2 October 2024 (Article 7 of the minute refers) where it had been agreed that the legal advice relating to the City Centre Transport Measures report would be circulated via hard copy, however the hard copies would have to be returned to officers. The Lord Provost explained that hard copies would be made available to Group Leaders, independent Councillors and it would also be shared on screen for those members who were in attendance online, however in order to do so, the meeting would require to go into private session.

**At this juncture, the press and public were excluded from the meeting in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, so as to avoid disclosure of exempt information of the class described in paragraph 12 of Schedule 7A of the Act.**

**The press and public were then readmitted to the meeting.**

## **DIVERSITY IN RECRUITMENT UPDATE - CORS/24/202**

2. With reference to Article 10 of the minute of its meeting of 7 February 2024, the Council had before it a report by the Chief Officer - People and Citizen Services which responded to the instruction to report back providing further detail on the activity which had been undertaken to improve diversity in recruitment, including leadership and management roles.

### **The report recommended:-**

that the Council -

- (a) note the actions contained in the report being taken to increase diversity in leadership;
- (b) note the self-assessment and areas for further consideration contained within Appendix A; and
- (c) note that in the first appropriate committee cycle in 2025/26 the equality, diversity and inclusion action plan, first agreed in 2021, would be updated and reported to the Staff Governance Committee for approval, as a result of the ongoing work, self-assessment exercise and new equality outcomes due to be presented for approval in April 2025.

Councillor Copland moved, seconded by Councillor Al-Samarai:-

That the Council approve the recommendations contained within the report.

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

That the Council -

- (1) notes the report;
- (2) notes this report was deferred in both July and August, the only recent report to be deferred twice. Notes the report deals with diversity and notes

Council Meeting, Friday, 11 October 2024

- our disappointment with the Lord Provost for not taking this report in either July or August which may lead the public to conclude that, whilst there is no direct evidence of discrimination on the part of the Council, the actions of the Council in delaying the report twice shows unconscious bias on the part of the Council versus other reports which were taken;
- (3) agrees the report does not adequately address the issue agreed by Council on 13th October 2022 which said “given the low proportion of Ethnic Minority employees in the Council compared to the UK, to agree that everything possible should be done by officers to ensure that employees who are suitably qualified and who identify as Ethnic Minority should be encouraged to apply for these senior posts”, meaning the Chief Officer posts;
  - (4) notes that none of the posts went to any person from a Minority Ethnic background; and
  - (5) agrees that the final report in 2025 should show how the Council intends its workforce to mirror the cosmopolitan mix of Aberdeen.

On a division, there voted:-

For the motion (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Boulton, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (15) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Graham, Grant, Kuznir, Lawrence, Macdonald, Malik, Massey, Tissera, Thomson and Watson.

Absent from the division (3) - Councillors Cross, Farquhar and MacGregor.

**The Council resolved:-**

- (i) to adopt the motion;
- (ii) to note that the Chief Officer - People and Citizen Services would check on training that had been offered to elected members, with a view to offering training to all elected members regarding unconscious bias, which was currently part of training offered to recruiting managers; and
- (iii) to note that the Chief Officer - People and Citizen Services would provide information regarding (1) the number of complaints that had been received by ethnic minority employees alleging racial discrimination; and (2) uptake of the various training referred to in paragraph 3.5.7 of the report.

**2025 - 2055 HRA BUSINESS PLAN - CORS/24/286**

3. With reference to Article 2 of the minute of its meeting of 14 December 2023, the Council had before it a report by the Chief Officer - Finance which presented an updated 30-year Housing Revenue Account (HRA) Business Plan.

**The report recommended:-**

that the Council -

- (a) approve the HRA Business Plan at Appendix A to the report;

Council Meeting, Friday, 11 October 2024

- (b) agree the HRA Business Plan would be updated on an annual basis and reported to Council;
- (c) note the requirement for the Council to maintain HRA reserves for financial resilience and sustainability purposes and that the Plan builds in an annual surplus to support the value of HRA Reserves as time passes;
- (d) approve the terms of proposed consultation with tenants as detailed in paragraph 3.4 and instruct the Chief Officer - Housing to consult with the tenants, and note that the Chief Officer - Finance would include the results as part of the HRA Budget 2025/26 presented to the Council on 11 December 2024; and
- (e) note that the Council would receive reports on the Local Housing Strategy and the Housing Asset Management Plan in 2025 and these would inform future updates to the HRA Business Plan.

Councillor Radley moved, seconded by Councillor Henrickson:-

That the Council approve the recommendations contained within the report.

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

That the Council -

- (1) note the HRA Business Plan at Appendix A to this report;
- (2) agree the HRA Business Plan as presented highlights the failures of this SNP administration and the Scottish Government who continue to cut the budget for housing projects;
- (3) agree the previous administration brought forward plans to deliver 2,000 council homes, the first thing the SNP did in power was to delay much needed Council homes at Craighill and Kincorth;
- (4) agree that improvements to the management of void properties may reduce the need to consider increasing rent by 10%;
- (5) approve the terms of proposed consultation with tenants as detailed in paragraph 3.4 of the report and instruct the Chief Officer - Housing to consult with the tenants, and note that the Chief Officer - Finance will include the results as part of the HRA Budget 2025/26 presented to the Council on 5 March 2025;
- (6) instruct the Chief Officer - Housing to consult with communities and individuals with lived experience of the housing emergency, and internal and external partners, on the HRA Business Plan;
- (7) note that the Council will receive reports on the Local Housing Strategy and the Housing Asset Management Plan in 2025 and these will inform future updates to the HRA Business Plan; and
- (8) instruct the Chief Officers - Housing and Corporate Landlord, in consultation with the Chief Officer - Finance, to incorporate into the next 30 Year HRA Business Plan, which will be reported to Council during 2025/26, the indicative costs and financial implications on tenants' rents of building a further 1,000 Council homes, and agreeing that Labour will participate in a cross party working group on this matter as appropriate.

On a division, there voted:-

For the motion (27) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Brooks, Hazel Cameron, Clark, Cooke, Copland, Cormie,

Council Meeting, Friday, 11 October 2024

Cross, Davidson, Fairfull, Greig, Henrickson, Hutchison, Kuszniir, MacGregor, McLellan, McRae, Massey, Nicoll, Radley, van Sweeden and Yuill.

For the amendment (12) - Councillors Ali, Blake, Bonsell, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Tissera, Thomson and Watson.

Absent from the division (3) - Councillors Boulton, Farquhar and Mennie.

**The Council resolved:-**

- (i) to adopt the motion; and
- (ii) to note that the Chief Officer - Corporate Landlord would circulate information with regard to the breakdown of void properties re-let to different categories of people.

**In accordance with Article 2 of the minute of the Council meeting of 2 October 2024, Councillor Grant left the meeting for the following item having previously declared an interest.**

**CITY CENTRE TRANSPORT MEASURES - CR&E/24/287**

4. With reference to Article 2 of the minute of its meeting of 16 July 2024, the Council had before it a report by the Chief Officer - Strategic Place Planning which provided an update on the feasibility and impact of amending elements within the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order (ETRO) 2023, and requested approval to make the ETRO a permanent order.

**The report recommended:-**

that the Council -

- (a) note that the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 was implemented to achieve the safe and efficient movement of active travel and public transport users through the city centre, and that the measures originated from the City Centre Masterplan 2015 Movement Strategy;
- (b) note that at the Council's City Growth and Resources Committee in February 2021, Committee instructed officers to submit a bid to the Scottish Government's Bus Partnership Fund, and included specific instructions to:-
  - (i) instruct the Chief Officer - Strategic Place Planning, that in the context of the corridor options within the bid terminating in the City Centre, and in light of the recommendations from the Economic Policy Panel and ongoing transport projects, to seek to accelerate the City Centre elements of the bid. This should include any necessary enabling works for approved schemes, for example South College Street and Berryden, to help drive recovery, improve the transport system and ensure integration of current transport projects; and
  - (ii) instruct the Chief Officer - Strategic Place Planning, to explore options to improve access and integration of the Aberdeen bus station as part of the bid, to help improve the customer experience.

## Council Meeting, Friday, 11 October 2024

- (c) note that at the Council meeting in June 2022, all members of Council present either explicitly voted for the inclusion of bus priority measures contained within the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023, or proposed an amendment that would have also resulted in the measures being included;
- (d) note that, as instructed by Council in July 2024, additional work has been undertaken by officers to investigate the feasibility and impact of reopening Bridge Street to all vehicles in one or both directions; and the feasibility and impact of removing the ban on right turns from Union Terrace onto Rosemount Viaduct (Appendix 1);
- (e) note that the output of the additional work referenced in recommendation (d) (above) does not provide officers with sufficient certainty that amending bus priority measures on Bridge Street and Union Terrace would not prejudice the further delivery of key projects within the City Centre & Beach Masterplan 2022;
- (f) note that the output of the additional work referenced in recommendation (d) (above) does not provide officers with sufficient certainty that amending bus priority measures on Bridge Street and Union Terrace would guarantee there would not be a need in the near future for the measures to be reintroduced as traffic levels begin to rise once more;
- (g) agree that any amendments to the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 would detrimentally impact on bus journey times and reliability to and through the city centre and would roll back on the improvements to service delivery reported by both bus companies as having been evidenced since the bus priority measures were introduced in August 2023, thus impacting negatively on bus users;
- (h) note that, according to Scotland's 2022 Census Data, 30.7% of households in Aberdeen do not have a car or van in their household;
- (i) agree that any amendments to the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 would make the city centre a less desirable place for pedestrians and cyclists - the most vulnerable of street users - due to increased levels of traffic in the city centre, resulting in a higher risk of serious or fatal injury, and amplified levels of noise and air pollution;
- (j) note that, in February 2023, Aberdeen City Council added its voice to the growing number of local authorities around the world to have responded to the global climate change and nature loss crises by declaring a climate and nature emergency;
- (k) agree that, in accepting grant funding from Transport Scotland for the South College Street project, there was an expectation from Scottish Ministers that bus priority measures would be installed within the city centre and, should this not be the case, the conditions of the grant award letter explicitly provide for Transport Scotland to recover funding from the Council (Appendix 2);
- (l) note that, should the various bus prioritisation measures implemented following the South College Street improvements change, there is risk that Transport Scotland will seek to recover funding they have provided for the project. The Chief Officer - Finance advises that a contingent liability will have to be recorded in the Council financial performance reports until clarity from Transport Scotland is received, with an expectation that if this is not resolved by 31 March 2025 a provision will have to be included in the Council's 2024/25 draft Annual Accounts for the repayment of grant funding;

Council Meeting, Friday, 11 October 2024

- (m) agree that the level of financial risk associated with removal of the bus priority measures contained within the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 would not be consistent with the Council's risk appetite as set out in the updated Risk Appetite Statement, as approved by the Audit, Risk and Scrutiny Committee in February 2024;
- (n) therefore, agree to approve the making of The Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) Experimental Order 2023 as a permanent Order, with continued monitoring in terms of the ongoing City Centre Masterplan;
- (o) instruct the Chief Officer - Operations to commence the procedure for the Order to be made permanent;
- (p) in recognising that the ability sits with Council to use Bus Lane Enforcement surplus to assist city centre businesses so long as doing so also supports the delivery of the Local Transport Strategy, agree to instruct the Chief Officer - Strategic Place Planning, following consultation with the Conveners of the Net Zero, Environment & Transport and Finance & Resources Committees, to use Enforcement surplus monies (capped at £200,000) to reinstate a Night Bus service from the city centre to key destinations across the city and into Aberdeenshire;
- (q) instruct the Chief Officer - Strategic Place Planning to work with Aberdeen Inspired to determine what, if any, additional city centre focused projects the Bus Lane Enforcement surplus could be used for, and report a list of competent projects to a future Net Zero, Environment and Transport Committee within the next six months; and
- (r) instruct the Chief Officer - Strategic Place Planning to work with the Chief Officer - Operations to explore opportunities to enhance the accessibility of wayfinding in the city centre for people with disabilities.

The Lord Provost noted that there were some questions on the legal advice which had been shared at the outset of the meeting and therefore the Council would require to go into private session.

**At this juncture, the press and public were excluded from the meeting in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, so as to avoid disclosure of exempt information of the class described in paragraph 12 of Schedule 7A of the Act.**

The Lord Provost sought confirmation that all of the hard copies of the legal advice had been returned to officers. Councillor Malik advised that he had not returned his copy and that he would be keeping it. The Lord Provost referred to the agreement at the Council meeting on 2 October 2024, that hard copies would be returned, and stated that this would be recorded in the minute.

**Following the conclusion of questions relating to the legal advice, the press and public were readmitted to the meeting.**

Councillor Yuill moved as a procedural motion, seconded by Councillor Allard:-

That the Council suspend Standing Order 40.2 to enable the meeting to continue beyond 6 hours until the conclusion of this item.

Council Meeting, Friday, 11 October 2024

On a division, there voted:-

For the procedural motion (38) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Ali, Allard, Alphonse, Blake, Bonsell, Boulton, Brooks, Hazel Cameron, Clark, Cooke, Copland, Cormie, Crockett, Cross, Davidson, Fairfull, Farquhar, Graham, Greig, Henrickson, Hutchison, Kuszniir, Lawrence, Macdonald, MacGregor, McLellan, McRae, Malik, Massey, Radley, van Sweeden, Tissera, Thomson, Watson and Yuill.

Against the procedural motion (1) - Councillor Nicoll.

Absent from the division (3) - Councillors Bouse, Grant and Mennie.

**The Council resolved:-**  
to adopt the procedural motion.

Councillor Yuill moved, seconded by Councillor Henrickson:-

That the Council -

- (i) note that the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 was implemented to achieve the safe and efficient movement of active travel and public transport users through the city centre, and that the measures originated from the City Centre Masterplan 2015 Movement Strategy;
- (ii) note that at the Council's City Growth and Resources Committee in February 2021, Committee instructed officers to submit a bid to the Scottish Government's Bus Partnership Fund, and included specific instructions to:-
  - (a) instruct the Chief Officer - Strategic Place Planning, that in the context of the corridor options within the bid terminating in the City Centre, and in light of the recommendations from the Economic Policy Panel and ongoing transport projects, to seek to accelerate the City Centre elements of the bid. This should include any necessary enabling works for approved schemes, for example South College Street and Berryden, to help drive recovery, improve the transport system and ensure integration of current transport projects; and
  - (b) instruct the Chief Officer - Strategic Place Planning, to explore options to improve access and integration of the Aberdeen bus station as part of the bid, to help improve the customer experience;
- (iii) note that at the Council meeting in June 2022, all members of Council present either explicitly voted for the inclusion of bus priority measures contained within the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023, or proposed an amendment that would have also resulted in the measures being included;
- (iv) note that, as instructed by Council in July 2024, additional work has been undertaken by officers to investigate the feasibility and impact of reopening Bridge Street to all vehicles in one or both directions; and the feasibility and impact of removing the ban on right turns from Union Terrace onto Rosemount Viaduct (Appendix 1);
- (v) note that the output of the additional work referenced in recommendation (d) (above) does not provide officers with sufficient certainty that amending bus priority measures on Bridge Street and Union Terrace would not



Council Meeting, Friday, 11 October 2024

- prejudice the further delivery of key projects within the City Centre & Beach Masterplan 2022;
- (vi) note that the output of the additional work referenced in recommendation (d) (above) does not provide officers with sufficient certainty that amending bus priority measures on Bridge Street and Union Terrace would guarantee there would not be a need in the near future for the measures to be reintroduced as traffic levels begin to rise once more;
  - (vii) note that, according to Scotland's 2022 Census Data, 30.7% of households in Aberdeen do not have a car or van in their household;
  - (viii) note that, in February 2023, Aberdeen City Council added its voice to the growing number of local authorities around the world to have responded to the global climate change and nature loss crises by declaring a climate and nature emergency;
  - (ix) agree that, in accepting grant funding from Transport Scotland for the South College Street project, there was an expectation from Scottish Ministers that bus priority measures would be installed within the city centre and, should this not be the case, the conditions of the grant award letter explicitly provide for Transport Scotland to recover funding from the Council (Appendix 2);
  - (x) note that, should the various bus prioritisation measures implemented following the South College Street improvements change, there is risk that Transport Scotland will seek to recover funding they have provided for the project. The Chief Officer - Finance advises that a contingent liability will have to be recorded in the Council financial performance reports until clarity from Transport Scotland is received, with an expectation that if this is not resolved by 31 March 2025 a provision will have to be included in the Council's 2024/25 draft Annual Accounts for the repayment of grant funding;
  - (xi) note that the level of financial risk associated with removal of the bus priority measures contained within the Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) (Experimental) Order 2023 would not be consistent with the Council's risk appetite as set out in the updated Risk Appetite Statement, as approved by the Audit, Risk and Scrutiny Committee in February 2024;
  - (xii) therefore, agree, subject to the removal of the ban on right turns from Union Terrace onto Rosemount Viaduct, to approve the making of The Aberdeen City Council (City Centre, Aberdeen) (Traffic Management) Experimental Order 2023 as a permanent Order, with continued monitoring in terms of the ongoing City Centre Masterplan. The cost of undertaking these works is estimated to be approximately £3,000 and is to be funded from the General Fund Capital Programme contingency budget in 2024/25. Noting the Chief Officer - Finance's advice above there is a risk of up to £8m of Bus Partnership Fund grant being reclaimed by Transport Scotland and agreeing if this has to be repaid (in part or whole) the capital grant will have to be replaced by borrowing at a cost to the General Fund Revenue Budget of up to approximately £480,000 per annum for the next 30 years, which will increase the budget gap in the Medium Term Financial Strategy from financial year 2025/26;
  - (xiii) instruct the Chief Officer - Operations to commence the procedure for the Order to be made permanent;

Council Meeting, Friday, 11 October 2024

- (xiv) in recognising that the ability sits with Council to use Bus Lane Enforcement surplus to assist city centre businesses so long as doing so also supports the delivery of the Local Transport Strategy, agree to instruct the Chief Officer - Strategic Place Planning, following consultation with the Conveners of the Net Zero, Environment & Transport and Finance & Resources Committees, to use Enforcement surplus monies (capped at £200,000) to reinstate a Night Bus service from the city centre to key destinations across the city and into Aberdeenshire;
- (xv) instruct the Chief Officer - Strategic Place Planning to work with Aberdeen Inspired to determine what, if any, additional city centre focused projects the Bus Lane Enforcement surplus could be used for, and report a list of competent projects to a future Net Zero, Environment and Transport Committee within the next six months; and
- (xvi) instruct the Chief Officer - Strategic Place Planning to work with the Chief Officer - Operations to explore opportunities to enhance the accessibility of wayfinding in the city centre for people with disabilities.

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

That the Council -

- (1) notes the contents of the report;
- (2) agrees officer recommendations 2.16 to 2.18 ((p) and (r) as above);
- (3) agrees to support the many businesses who have been calling for common sense proposals from the Council and therefore instructs the Chief Officer - Operations to withdraw the elements of the Experimental Traffic Order which businesses and residents have been calling for the withdrawal of under the Common-Sense Compromise proposals (namely the removal of bus gates at the Adelphi and Market Street, removal of the bus gates on Bridge Street and removal of the right turn ban on Union Terrace) because of the current and future damage to Aberdeen's City Centre. The cost of undertaking these works is estimated to be up to £250,000, and is to be funded from the General Fund Capital Programme contingency budget in 2024/25;
- (4) notes that the Labour Group opinion is that politically there is zero chance of what officers are suggesting coming to fruition with regard to risk of grant funding being reclaimed. However, in the highly unlikely event of Transport Scotland reclaiming the funding from the Bus Partnership Fund, in whole or part, note the advice of the Chief Officer - Finance is that the capital grant will have to be replaced by borrowing at a cost to the General Fund Revenue Budget of up to approximately £480,000 per annum for the next 30 years, which will increase the budget gap in the Medium Term Financial Strategy from financial year 2025/26; and
- (5) concludes that 2.8 and 2.9 of the officer recommendations ((h) and (i) as above) lend support to the view that pedestrianisation is the best way forward for Union Street Central.

On a division, there voted:-

For the motion (21) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull,

Council Meeting, Friday, 11 October 2024

Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Radley, van Sweeden and Yuill.

For the amendment (15) - Councillors Ali, Blake, Bonsell, Brooks, Crockett, Cross, Farquhar, Graham, Kuszniir, Lawrence, Macdonald, Massey, Tissera, Thomson and Watson.

Declined to vote (2) - Councillors Alphonse and Nicoll.

Absent from the division (4) - Councillors Boulton, Grant, Malik and Mennie.

**The Council resolved:-**  
to adopt the motion.

### **PROPOSAL FOR THE TORRY BATTERY - F&C/24/284**

5. The Council had before it a report by the Chief Officer - Corporate Landlord which advised of the proposal received from Greyhope Bay Ltd for the expansion of their existing facility at the Torry Battery, and request that a 20-year lease be granted to allow them to secure funding to undertake required remedial works to the existing monument and the proposed development works.

**The report recommended:-**

that the Council acting in its capacity as trustee of the Lands of Torry (charity number SC021299):-

- (i) approve the granting of a 20-year lease of the Torry Battery to Greyhope Bay Ltd at a proposed peppercorn rent of £1.00 per annum, subject to planning and Listed Building consent for the proposed works being granted; and
- (ii) instruct the Chief Officer - Governance following consultation with the Chief Officer - Corporate Landlord to conclude the appropriate legal agreements incorporating various qualifications as necessary to protect the Council's and Trust's interests.

**The Council resolved:-**

to approve the recommendations.

### **MEDIUM TERM FINANCIAL STRATEGY FOR THE COUNCIL'S GENERAL FUND, 2024 - CORS/24/283**

6. The Council had before it a report by the Chief Officer - Finance which presented the Medium Term Financial Strategy for approval.

**The Council resolved:-**

to refer the report to the Finance and Resources Committee.

Council Meeting, Friday, 11 October 2024

**COUNCIL DELIVERY PLAN, ANNUAL REVIEW REPORT 2023-24 - CORS/24/281**

7. The Council had before it a report by the Chief Officer - Data Insights which presented an annual review report which highlighted progress with respect to the 2023-24 Council Delivery Plan approved by the Council on 1 March 2023.

**The Council resolved:-**

to defer consideration of the report to the Council meeting in December.

**NORTH EAST POPULATION HEALTH ALLIANCE: END OF YEAR ONE PROGRESS REPORT - CORS/24/280**

8. The Council had before it a report by the Chief Officer - Data Insights which presented a progress report after the first year of operation of the North East Population Health Alliance (NEPHA).

**The Council resolved:-**

to defer consideration of the report to the Council meeting in December.

**ANNUAL PERFORMANCE REPORTS - 2023/2024 FOR ALL TIER 1 ALEOS: ABERDEEN PERFORMING ARTS; ABERDEEN SPORTS VILLAGE; BON ACCORD CARE; SPORT ABERDEEN - CORS/24/285**

9. The Council had before it a report by the Chief Officer - Commercial and Procurement which presented the annual performance reporting of the Council's four tier one Arm's Length External Organisations (ALEOs) covering financial year 2023/2024.

**The Council resolved:-**

to refer the report to the Finance and Resources Committee.

**NOTICE OF MOTION BY COUNCILLOR WATSON**

10. The Council had before it a notice of motion by Councillor Watson in the following terms:-

"Notes that Council passed a notice of motion on 13 December 2023 recognising the importance of holding out a hand to those outwith our direct area. It called for an immediate ceasefire in Palestine/Israel, and for urgent humanitarian relief for the citizens of Gaza.

Since then, nine months have passed and tens of thousands more civilians have died. In March 2024 the United Nations Special Rapporteur found that "*There are reasonable grounds to believe that the threshold indicating the commission of the crime of genocide...has been met.*" In July 2024, the prestigious medical journal The Lancet stated that "*it is not implausible to estimate that up to 186,000 [7.9% of the total population in the Gaza strip] or even more deaths could be*

Council Meeting, Friday, 11 October 2024

*attributable to the current conflict in Gaza*". Later in July, the International Court of Justice, the United Nations' highest court, ruled that *"Israel's continued presence in the Occupied Palestinian Territory is unlawful"* and that Israel *"is under an obligation to bring to an end its unlawful presence in the Occupied Palestinian Territory as rapidly as possible"* and *"is under an obligation to cease immediately all new settlement activities, and to evacuate all settlers from the Occupied Palestinian Territory"*.

This Council reaffirms its place as part of the common family of humanity, and:

1. Reiterates our call for a permanent ceasefire;
2. Calls on the Lord Provost to fly the Palestinian Flag on 29 November 2024, International Day of Solidarity with the Palestinian People;
3. Follows Barcelona and other cities and instructs the Chief Officer - Governance to report to Council by the end of 2024 on any direct or indirect links that Aberdeen City Council have with the State of Israel, with a view to stopping these;
4. Asks the North East Scotland Pension Fund to commission a study to identify any investments in companies that supply arms to Israel, as these investments may be at high risk due to the political instability;
5. Recognises the UK Labour Government's suspension of 30 licences for arms sales to Israel;
6. Endorses the Scottish Government's 2024 call for an arms embargo on Israel, and calls for the Scottish Government to act in all its available capacities to help prevent the production and transfer of weapons components for Israel from arms companies in Scotland; and
7. Instructs the Chief Executive to write to other Scottish Local Authorities informing them of this motion, and encouraging them to take similar actions."

**The Council resolved:-**

to refer the notice of motion to the Communities, Housing and Public Protection Committee.

**- DAVID CAMERON, Lord Provost.**

This page is intentionally left blank

## REFERRAL FROM COMMUNITIES, HOUSING AND PUBLIC PROTECTION COMMITTEE – 21 NOVEMBER 2024

The Committee had before it a report by the Executive Director – Families & Communities, which advised that officers were instructed to present a detailed phased Implementation Plan reflecting plans for internal zoning of the Central Library and testing of the Library and Information Service as an integral part of the emerging model.

### **The report recommended:-**

that the Committee –

- (a) endorse the Fairer Futures Implementation Plan available in Appendix A;
- (b) note the Job Profile for the Fairer Futures Partnership Lead post in Appendix B;
- (c) endorse the aligned Future Libraries Plan in Appendix C;
- (d) **recommend to Council the establishment of an Elected Member Working Group for the target locality(ies);** and
- (e) instruct the Executive Director Families and Communities to report back on progress within one calendar year and make any reports presented to the Education and Children's Services Committee available to members of Communities, Housing and Public Protection through a Service Update.

The Convener moved, seconded by the Vice Convener:-

That the recommendations be approved.

Councillor Graham, seconded by Councillor Tissera, moved as an amendment:-

That the Committee -

1. Notes the report;
2. Agrees the SNP has no credibility when it comes to libraries, noting the unnecessary closing of 6 of our beloved libraries across Aberdeen;
3. Agrees the establishment of an Elected Member Working Group for the target locality(ies) is unworkable due to the intrigant position adopted by the SNP when it comes to library provision within Aberdeen.

On a division, there voted – for the motion (5) – the Convener, the Vice Convener and Councillors Davidson, Greig and McLellan – for the amendment (3) – Councillors Cross, Graham and Tissera.

### **The Committee resolved:-**

to adopt the motion.

This page is intentionally left blank



	A	B	C	D	E	F	G	H	I
1	<b>COUNCIL BUSINESS PLANNER</b> The Business Planner details the reports which have been instructed by the Council as well as reports which the Functions expect to be submitting for the calendar year.								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Director</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for removal or transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3	<b>11th December 2024</b>								
4	101-103 Union Street	At its meeting of 14 December 2022, the Council noted the content of the Strategic Outline Case Upper Floor use options at 101-103 Union Street and instructed the Chief Officer - Corporate Landlord to continue to review and report back by August 2023.	Due to continued uncertainty over development costs and returns there has been no significant change to the risk in the development appraisal. On this basis officers would seek authority to delay any further reporting until December 2024.	Stephen Booth	Corporate Landlord	Families and Communities	21	T	As this matter relates to the City Centre Masterplan, this item will be reported to the Finance and Resources Committee in February 2025.
5	Treasury Management Mid-Year Review	To update the Council on Treasury Management activities undertaken to date, during financial year 2024/25.	A report is on the agenda	Neil Stewart	Finance	Corporate Services	5 and 6		
6	Council Annual Effectiveness Report	To present the annual effectiveness report for Council, as well as the annual effectiveness reports of the various committees, which have been considered by those committees.	A report is on the agenda	Martyn Orchard	Governance	Corporate Services	14		
7	Governance Review of Trusts - 2024 Update	At its meeting of 13 December 2023, the Council instructed the Chief Officer - Governance to, as appropriate to bring a report to Council and/or provide a service update to elected members no later than December 2024 on future activity in relation to trusts to which the Council is connected.	A report is on the agenda	Steven Inglis and Helen Fothergill	Governance and City Development and Regeneration	Corporate Services and City Regeneration & Environment	21		
8	Budget Consultation Phase 2	To report the results of Phase 2 of the budget consultation.	A report is on the agenda	Jonathan Belford	Finance	Corporate Services	1, 2, 3 and 21		
9	Housing Revenue Account Budget	To provide members with information to enable the Council to approve a revenue and capital budget for 2025/26, including the setting of the rents and other charges on the Housing Revenue Account budget for the financial year.	A report is on the agenda	Helen Sherrit	Finance	Corporate Services	2		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
10	North East Population Health Alliance Strategic Partnership Agreement	At its meeting of 23 August 2023, the Council agreed that Aberdeen City Council be a signatory to the strategic partnership agreement and requested the Chief Executive to provide Council with an annual progress report on the strategic partnership agreement.	Carried forward from October Council meeting	Martin Murchie	Data Insights	Corporate Services	21		
11	Council Delivery Plan, Annual Review Report 2023/24	To present the Council with an annual review report which highlights progress with respect to the 2023-24 Council Delivery Plan approved by Council on 1 March 2023.	Carried forward from October Council meeting	Charlene Flynn	Data Insights	Corporate Services	13		
12	North East of Scotland Investment Zone Proposal	At its meeting of 11 October 2023, the Council instructed the Chief Officer - City Growth to report back to Council on the developed proposal.	A report is on the agenda	Julie Wood	City Development & Regeneration	City Regeneration & Environment	21		
13	Committee Places	To consider the allocation of committee places following the resignation of Councillor Nicoll from the SNP group and the Partnership.	A report is on the agenda	Martyn Orchard	Governance	Corporate Services	7		
14	Annual Procurement Report 2023-24	To present the Annual Procurement Report 2023-2024 (Appendix A) to Council.	A report is on the agenda	Mel Mackenzie	Commercial and Procurement	Corporate Services	24.14		
15	<b>5th February 2025</b>								
16	Treasury Management Policy	To outline the Council's Treasury Management Policy for 2025/26 to 2027/28 for approval.		Neil Stewart	Finance	Corporate Services	5 and 6		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
17	Scheme of Governance - Terms of Reference	At its meeting of 21 August 2024, the Council approved Appendix C, Committee Terms of Reference, with effect from 26 August 2024, and noted that a further review would be reported to Council in February 2025 following consideration of committee structures by the Governance Reference Group. In addition, the Council instructed the Interim Chief Officer - Governance to undertake a comparison of scrutiny models available, to report on these to the Governance Reference Group, including the Convener of the Audit, Risk and Scrutiny Committee, and to make recommendations for enhanced scrutiny within the report on Committee Terms of Reference to be presented to Council in February 2025.		Vikki Cuthbert	Governance	Corporate Services	7 and 21	D	At the Governance Reference Group meeting of 18 October, it was agreed that this item would be reported to Council in April 2024, along with the annual review of the Scheme of Governance.
18	Reinforced Autoclaved Aerated Concrete (RAAC) - Compulsory Purchase	At its meeting of 21 August 2024, the Council instructed the Chief Officer - Corporate Landlord in consultation with the Chief Officer - Governance to bring back a report to Council in late 2024/early 2025 on options available to the Council to compulsorily acquire private properties to assist the delivery of the agreed option where required.		Stephen Booth	Corporate Landlord	Families and Communities	21		
19	Collaboration for Health Equity in Scotland: MoU	Following a competitive process, Aberdeen City Council has been selected as one of three local areas to work in partnership with Public Health Scotland (PHS) and University College London (UCL) (Institute of Health Equity) for two years through the "Collaboration for Health Equity in Scotland". This Memorandum of Understanding between ACC, NHSG, PHs and UCL sets out the aims and objectives of the work programme and the approach to collaborative working.		Martin Murchie	Data Insights	Corporate Services	Introduction 6		
20	<b>5th March 2025 - Budget</b>								
21	Council Delivery Plan 2025/26	To present the Council Delivery Plan for 2025/26.		Martin Murchie	Data and Insights	Corporate Services	2		
22	General Fund Revenue Budget and Capital Programme	To provide information on both the revenue budget for 2025/26 and capital programme for the period 2025/26 to 2029/30 in order that approved budgets and Council Tax value can be set by the Council for the year commencing 1 April 2025.		Jonathan Belford	Finance	Corporate Services	1,2 and 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	Director	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
23	Common Good Fund	To provide Council with details of the draft Common Good budget for 2025/26, to enable the Council to approve a final budget that will take effect on 1 April 2025.		Jonathan Belford	Finance	Corporate Services	2		
24	<b>Date to be confirmed</b>								
25	Beachfront Masterplan - Castlegate	At the adjourned Council meeting of 4 May 2023, the Council noted that "Working in Partnership for Aberdeen" included the objective of making the Castlegate a gateway to our city's beachfront and instructed the Chief Officer - Strategic Place Planning to carry out consultation with key stakeholders on creating an active travel and public transport link through the Castlegate to deliver this objective as part of the Beach Connectivity Project and to report to a future Council meeting on this.	This work is being advanced as part of the Bus Partnership Fund work and the Active Travel Network Review but reporting back to Council or Committee will be dependant on decisions with regard to the Union Street East and the roundabout at the end of Beach Boulevard.	David Dunne	Strategic Place Planning	City Regeneration & Environment	21	T	In line with the decision that officers would report future activity and updates on the City Centre and Beach Masterplan through the Finance and Resources Committee, it is recommended that this item be transferred to the Finance and Resources Committee.
26	Revised Council Climate Change Plan	At the Council meeting on 3 March 2021, the Council, amongst other things, instructed the Chief Operating Officer to report back to Full Council with a revised 5 year plan in 2025, or earlier if required.	The next update on the plan was due to be March 2025, however Environmental Standards Scotland are due to publish their new Framework for Local Authorities Climate Change Plans in March 2025 once the work of the new Climate Intelligence Unit is completed. While work can be done in advance of the March 2025 date, it is likely that the reporting will have to be done some time in Q3 2025.	David Dunne	Strategic Place Planning	City Regeneration & Environment	21		
27	Energy Transition Zone - Land Options	At its meeting of 11 September 2023, the Council instructed the Chief Officer - Corporate Landlord to report the outcome of discussions regarding St Fittick's OP56 and Doonies OP61 sites to the earliest appropriate meeting of Full Council.		Stephen Booth	Corporate Landlord	Families and Communities	21		



This page is intentionally left blank

<b>COMMITTEE</b>	Council
<b>DATE</b>	2 <sup>nd</sup> October 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Council Delivery Plan, Annual Review Report 2023-24
<b>REPORT NUMBER</b>	CORS/24/281
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Martin Murchie
<b>REPORT AUTHOR</b>	Charlene Flynn
<b>TERMS OF REFERENCE</b>	13

**1. PURPOSE OF REPORT**

1.1 To present the Council with an Annual Review Report which highlights progress with respect to the 2023-24 Council Delivery Plan, that was approved by the Council on 1st March 2023.

**2. RECOMMENDATION**

2.1 That the Council note the report and provide comments and observations on the information contained in the Annual Review Report at Appendix A.

**3. CURRENT SITUATION**

3.1 As the Council, and our communities, have tackled cost of living pressures, provided sustained support for those adults and children displaced from Ukraine, addressed newly presenting issues around trends in relative poverty in the city, and embraced the need for climate change adaptation within its provision, the Council as an organisation, has required to maintain a responsive and flexible approach to service delivery to our citizens.

3.2 This is reflected in the inputs, outputs and outcomes captured within the Annual Review Report, and highlights where services have been enabled to deliver against Council Delivery Plan priorities whilst pivoting resource and effort to meet the additional legislative, demand related, and financial challenges that had arisen over the course of 2023/24.

- 3.3 It is important to note that the detail and outcomes captured in this report reflect the policies and actions aligned with the 2023/24 Council Delivery Plan, which was subsequently updated for 2024/25 at the meeting of Council on 6<sup>th</sup> March 2024.
- 3.4 As such, it offers a retrospective overview of the work of the Council linking with those delivery priorities and objectives set out within the Plan, overlaid with the aims from the current Aberdeen City Council Partnership Agreement, ‘Working in Partnership for Aberdeen.’
- 3.5 Council Delivery Plan development is part of a strategic planning thread that flows from, and brings together:
- Aberdeen City’s Local Outcome Improvement Plan
  - The Council’s Policy Statements
  - National, Regional and City Strategies
  - Legislative and statutory delivery duties
- 3.6 Each of these strands establishes a range of commitments and requirements placed on the Authority, and the Council Delivery Plan identifies how the Council would meet these in the forthcoming twelve months.
- 3.7 The Annual Review Report summarises a snapshot of the deliverables for 2023-24 under these headings, along with outlining outcomes derived from the Council’s Commissioning Intentions, against which the Plan was a key element, and represents a statement on how the Council had delivered on its contribution to each.

#### 4. FINANCIAL IMPLICATIONS

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

#### 5. LEGAL IMPLICATIONS

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

#### 6. ENVIRONMENTAL IMPLICATIONS

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

#### 7. RISK

The assessment of risk contained within the table below is 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?
----------	-------	---	---	---



<b>Strategic</b>	No significant strategic risks	Annual reporting against the Council Delivery Plan serves to mitigate against Strategic Risk through enhanced scrutiny and accountability for outcomes	L	Yes
<b>Compliance</b>	No significant legal risks.	Publication of Council delivery performance information in the public domain ensures that the Council is meeting its legal obligations in the context of Best Value reporting.	L	Yes
<b>Operational</b>	None	N/A	N/A	NA
<b>Financial</b>	None	N/A	N/A	N/A
<b>Reputational</b>	No significant reputational risks.	Reporting of Council delivery to Members, and into the public domain serves to enhance the Council's reputation for transparency and accountability.	L	Yes
<b>Environment / Climate</b>	None	NA	NA	NA

## 8. OUTCOMES

<u><a href="#">Council Delivery Plan 2024-25</a></u>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Partnership Agreement</b>	The detail reflected within this report overlaps with various commitments contained within the Aberdeen City Council Partnership Agreement.
<u><a href="#">Aberdeen City Local Outcomes Plan April 2024 Refresh</a></u>	
<b>Prosperous Economy Stretch Outcomes</b>	The detail reflected within this report supports scrutiny of Council delivery against each of the Prosperous Economy Stretch Outcomes
<b>Prosperous People Stretch Outcomes</b>	The detail reflected within this report supports scrutiny of Council delivery against each of the Prosperous People Stretch Outcomes

<b>Prosperous Place Stretch Outcomes</b>	The detail reflected within this report supports scrutiny of Council delivery against each of the Prosperous Place Stretch Outcomes
<b>Regional and City Strategies</b>	The report reflects outcomes closely aligned each of the regional and City strategies including National Improvement Framework for Education; Regional Economic Strategy, Local and Regional Transport Strategies and the Regional Skills Strategy, along with Local and Strategic Development Plans.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	It was confirmed by Chief Officer, Martin Murchie, on 2 <sup>nd</sup> September 2024 that no Integrated Impact Assessment is required for this report
<b>Data Protection Impact Assessment</b>	A Data Protection Impact Assessment is not required for this report.
<b>Other</b>	No additional impact assessments have been completed for this report.

## 10. BACKGROUND PAPERS

Council Delivery Plan 2023/2024 – COM/23/074, Council, 1<sup>st</sup> March 2023  
Performance Management Framework – CORS/24/232, Council, 21st August 2024

## 11. APPENDICES

Appendix 1 – Council Delivery Plan, Annual Review Report 2023/24

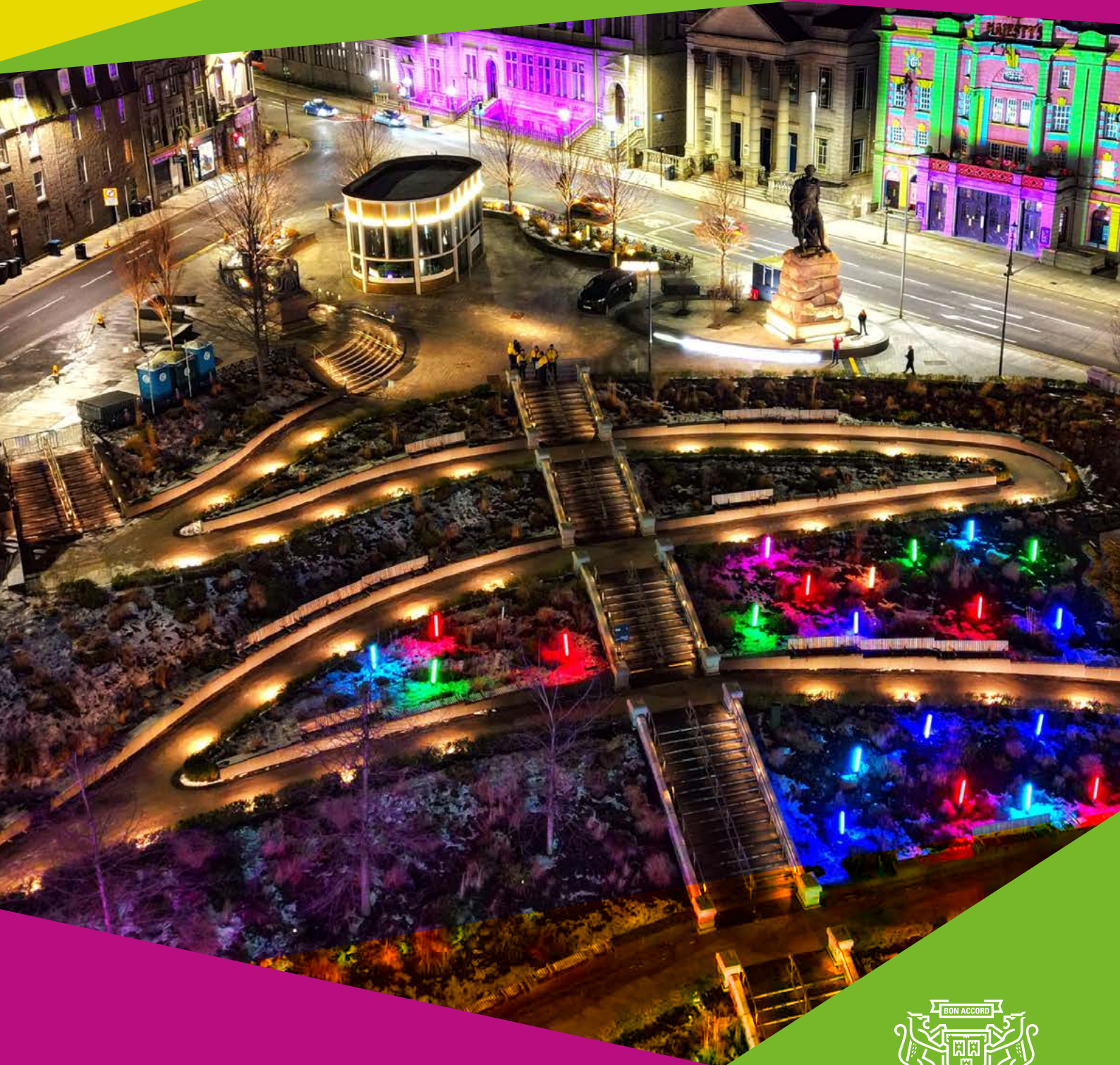
## 12. REPORT AUTHOR CONTACT DETAILS

Charlene Flynn  
Community Safety Analyst, Data Insights (HDRCA)  
[chflynn@aberdeencity.gov.uk](mailto:chflynn@aberdeencity.gov.uk)



# Council Delivery Plan

ANNUAL REVIEW 2023/24





# CONTENTS

1	Contents .....	2
2	Introduction/Foreword.....	3
3	Partnership Agreement Commitment Updates .....	4
4	Commissioning Intentions.....	15
	• Economy .....	16
	• Highlights .....	17
	• Support the attraction of visitors to the City and Increase Footfall.....	18
	• Skills Development and Employability .....	21
	• Community Benefits, including Employability Benefits .....	22
	• Support business development and economic growth in the city .....	24
	• Support the City to become a “Smart City” .....	25
	• People (Children and Young People) .....	26
	• Highlights .....	27
	• Reducing Child Poverty.....	28
	• Early Years .....	30
	• Raise attainment and achievement.....	32
	• Closing the attainment gap.....	34
	• Health and Wellbeing.....	35
	• Transition to positive destinations .....	38
	• Supporting care experienced and looked after children.....	38
	• Prevent children & young people entering the criminal justice system.....	41
	• Ensure the rights of children are considered and protected.....	41
	• People (Adults).....	42
	• Highlights .....	43
	• Housing .....	44
	• Community Learning and Development (CLD).....	46
	• Supporting Victims of Domestic Abuse .....	46
	• Reducing Drug and Alcohol Misuse.....	47
	• Place .....	50
	• Highlights .....	51
	• Mobility and Transport .....	52
	• Natural Environment.....	53
	• Waste and Circular Economy .....	54
	• Energy Supply .....	55
5	Key Performance indicators / Local Government Benchmarking Framework.....	56

# FOREWORD

This Annual Report provides an overview of progress made in implementing the Council Delivery Plan for 2023/24.

The report reflects the situation of Aberdeen as a city in on-going social and economic transition. A city which is well placed to manage the migration towards a low-carbon economy and is focused on diversifying its business sectors, but also one that is not isolated from national and international socio-economic impacts.

The legacy effects of the COVID-19 pandemic, through increased national and local analysis, are now better understood, and it is clear that these have increased poverty across the UK, (and by some measures, that experienced in the city), whilst the “cost of living”, although arguably rising at a slower pace, generates sustained pressures on many of our citizens, both those in employment and those not economically active. The city also faces the prospect of a declining and ageing population.

Local authorities, and the public sector in general, is also in a period of significant budgetary pressure and, in this environment, the Council Delivery Plan is one of the ways in which decision are made both in terms of which services and projects are prioritised and to whom and at what standard they can be delivered. Often this represents difficult choices.

However, this report shows that the Council, together with the city’s communities and our partners, are working hard to mitigate the impacts of these influences, with early evidence of gains in some areas of strategic intervention, including those around the city’s quality of environment; and commitments to tackling health inequalities among our citizens.

The achievements highlighted in this report stand as a testament to the resilience and dedication of the staff of both the Council and our partner organisations, as well as to the people of Aberdeen themselves.

The Council Delivery Plan is a key element of our commissioning approach and brings together, at the beginning of each financial year:

- Details of the Council’s strategy framework
- Relevant new statutory duties being placed on the Council;
- Outstanding commitments arising from the Council’s approved Policy Statement and Partnership Agreement
- Council commissioning intentions, through which we express the services we will provide

Importantly, each of these elements of our Council Delivery Plan are aligned to the Local Outcome Improvement Plan (LOIP) and represent a statement of how the Council will deliver on its contribution to the implementation of the LOIP.



# PARTNERSHIP AGREEMENT COMMITMENT UPDATES

A Partnership Agreement setting out commitments over the next 5 years was presented to Council on 18th May 2022. Its delivery will maximise opportunities from other policy drivers and programmes, as well as collaborating with external local and national partners. Progress made in 2023/24 is summarised below:

## A City of Opportunity

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Ensure local education services identify young people with mental health problems and help them get early support and help, where appropriate, to transfer to adult services.	The transfer from child to adult services will be a priority for the Children's Services Plan 2023-26.	A working group of stakeholders has been established to look at strategies and approaches to enhance current arrangements.
Ensure the Council follows best practice as a corporate parent to get the best outcomes for looked-after young people, those in kinship care and those with additional support needs such as autism, developmental disorders or mental health problems.	Improving the outcomes for care experienced young people will continue to be a priority focus in the refreshed Children's Services Plan 2023-26. This will align to The Promise and the priorities identified in the existing Plan. Our Corporate Parenting improvement priorities will continue to be driven by our care experienced young people.	The Promise continues to be at the centre of the work undertaken to improve outcomes for all children and those who are care experienced specifically. All central education staff have participated in the keeping the promise award training and this is being rolled out to schools this academic session.  Progress against Plan 2021-2024 and our Corporate Parenting Plan will be presented to the Education and Children's Services Committee in November 2024.  Community Learning and Development's (CLD) Family Learning & Youth Work teams are working with Education Scotland/The Promise to shape & deliver the Promise Award nationally for CLD practitioners.

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Continue to seek to support young people to receive care in Aberdeen, through fostering, adoption and other services and seek to reduce "out of authority" placements.	A reduction in the number of looked after children has been seen in all categories of care including out of authority placements. However, we recognise that further action is required to increase the proportion of looked after children placed in foster care. The support offer to kinship carers, developing an integrated Family Support Model, and utilisation of the Whole Family Wellbeing Fund to enhance preventative and Early Intervention Approaches will continue to be moved forward at pace.	We will continue to further reduce the proportion of looked after children placed in foster care with a particular focus on the number placed with independent fostering agencies. Working with the media team we are seeing an increase in the number of people interested in fostering with ACC. Assessing their capacity to undertake this role is actively being progressed as a priority.  The support offer to kinship carers has been enhanced utilising the Whole Family Wellbeing Fund to strengthen preventative and early intervention approaches to support kinship placements. This has positively contributed to an increase in placement sustainability in kinship placements. This includes support from Child and Adolescent Mental Health Service (CAMHS) and a much-enhanced offer from the 3rd Sector.
Look to establish a school leavers fortnight – utilising the time between final exams and the end of the school year to offer pupils new experiences and help to build-up their life skills.	We will engage with young people to discuss potential approaches and understand what they would find most helpful.	Following consultation with young people there was no appetite to take this forward. Schools and the Employability team are currently progressing plans to better align work experience opportunities with growth sectors.
Build on the success of the Summer of Play, extending these learning experiences at least into school holidays, including the Spring and October holidays.	Committee report being presented to Education and Children's Services Committee in June 2023.	The 'In the City' programmes continue to be successful. A committee report was presented to Education and Children's Services in July 2024 to demonstrate the impact of the most recent programme.
We will actively work with partners to increase citywide delivery of music education, promoting excellence and enabling group performance.	Following a successful event at the end of 2022 planning is underway to extend the use of ensembles, etc.	The number of ensembles has been increased as has the number of opportunities for young people to perform as part of the music service and in partnership with others. The service continues to report progress through the annual Music report to the Education and Children's Services Committee every September.



## A Vibrant City

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Establish a task force to identify disused and derelict land and buildings and help bring them back into use, including investigating the purchase and conversion of upper floors along Union Street.	Empty Shops Plan approved, and its implementation will be aligned to the work by Aberdeen Inspired on its Summit – both workstreams highlight conversion of upper floors on Union Street.	Work on delivering the Empty Shops Plan is continuing. The empty shops grant scheme was launched in July 2023, partners and stakeholders meet regularly to plan complementing activities. The vacancy rate fell from 25% to 19.5%. The Union Street Conservation Area Regeneration Scheme (CARS) will end this year, after delivering significant levels of grant-based investment in the conservation-led regeneration of Union Street. Further investment will be targeted through a bid to the Heritage Lottery Fund and Heritage Environment Scotland through the new Heritage & Place Programme.

## Building a Greener & Sustainable City

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Support Aberdeen's continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City.	<p>Ongoing delivery of H2 Plan, and this will include h2 power on other transport modes where appropriate, in consultation with NESTRANS.</p> <p>Support the delivery of bp Aberdeen H2 Power Ltd, the joint venture company owned by the Council and BP.</p> <p>Undertake further work on case for H2 powered rail.</p>	<p>ACC in partnership with NESTRANS and Aberdeenshire Council commissioned Arup to produce a Refuelling Report highlighting the opportunities for the Region in the Energy Transition Zone and the prospect of trimodal refuelling.</p> <p>ACC continued to work closely with our JV partner BP. The Final Investment Decision (FID) was approved by the BP Aberdeen H2Power Ltd board on the 15th of July, 2024.</p> <p>ACC have liaised with Transport Scotland regarding opportunities for H2 powered rail with ACC commissioning SNC Lavalin to produce the 'Hydrogen in Rail' Action Plan.</p>

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Protect and enhance Aberdeen's Green Belt, green spaces and open spaces so they can be enjoyed for purposes of leisure, sport and environmental wellbeing, and investigate the creation of new pocket parks.	The adoption of the new Aberdeen Local Development Plan includes policies protecting the Green Belt and designating space as Green Space Network all of which carry different forms of protection against development. In relation to Aberdeen's existing green spaces, they will continue to be maintained to a high standard within available resources.	<p>The Aberdeen Open Space Audit: 2024 was approved at Net Zero, Environment and Transport Committee on 11th June 2024. This Audit assesses green spaces, including parks, on their quality, accessibility and biodiversity value. The assessment also compares open space provision across wards within the city. This data will inform delivery of place-based outcomes in the Local Outcome Improvement Plan and future revisions of the Natural Environment Strategy and Aberdeen Adapts.</p> <p>A review is currently ongoing of our Local Nature Conservation Sites (LNCS), this includes looking at potential new sites.</p> <p>The Aberdeen Local Development Plan (LDP) 2023 was adopted on 19 June 2023. It includes policies protecting the Green Belt and designates space as Green Space Network and Urban Green Space; all of which carry differing levels of protection relating to development. The adopted Aberdeen Planning Guidance documents on 'Open Space and Green Infrastructure' and 'Food Growing' support the LDP in this area.</p>

## Keeping Our City Moving

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Creating a Road Safety Fund with an annual capital budget of at least £1 million to be used to make roads and pavements safer for pedestrians, cyclists, drivers and other road users and implement traffic management projects which improve road safety.	Scottish Government funding for “Cycling Walking Safer Streets” is expected to be £900k+ for 23/24. Roads Safety Infrastructure Fund also available for bids. Allowance still to be confirmed.	Total CWSR funding for 23/24 was £1,453,000 which was fully utilised to deliver a vast range of projects including, new and upgraded path network, dropped kerbs and footway protection. The Road Safety Improvement Fund was £255, 839 which was fully utilised to provide a junction improvement in Torry, implementation of route action plans, pedestrian safety interventions on George Street and upgrades to roundabout provisions on Wellington Road.
Cycle Hire Scheme.	Scheme now launched with over 3,000 trips taken to date which given the time of year is very encouraging.	In February 2024, the scheme operator ShareBike announced their intention to withdraw from the UK market, meaning that the cycle hire scheme in Aberdeen has ceased operations for now. Officers are currently looking at options for re-introducing the scheme.
Delivering an improved and safer junction at Shielhill.	Design work to progress facilitating land assembly, which when complete, will allow tender and construction to follow.	Council at their August 2024 meeting agreed to make a Compulsory Purchase Order to facilitate the construction of the project.

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Reviewing our cycle and active transport network, and work with Aberdeen Cycle Forum to deliver our shared vision of making Aberdeen a cyclist friendly city and provide covered secure cycle storage in suitable locations across Aberdeen.	Work about to commence on an Active Travel Network plan for the City as part of a wider plan for the region and Shire in conjunction with NESTRANS.	<p>In partnership with NESTRANS and Aberdeenshire Council, work has commenced on identifying an aspirational regional active travel network, with public and stakeholder consultation taking place in summer 2024. It is hoped that the network will be finalised in late 2024, with the projects identified developed into a prioritised list for the Council and partners to progress to feasibility, design and delivery stages, as resources allow.</p> <p>In the meantime, various active travel projects continue to progress through the design and delivery process, with two noticeable examples being the delivery of segregated cycle infrastructure on South College Street (autumn 2023) and Craigshaw Drive (summer 2024).</p> <p>Phase 1 of the implementation of safe and secure cycle parking facilities in dense residential areas was completed in 2023, with cycle shelters installed in the Seaton and Tillydrone areas. External funding has been secured from Cycling Scotland to deliver a second phase during 2024.</p> <p>Quarterly meetings with the Aberdeen Cycle Forum and the Convenor and Vice Convenor of the Net Zero, Environment and Transport Committee have continued this year.</p>
Delivering a revised Local Transport Strategy.	Work is ongoing completion expected in 23/24.	Draft Local Transport Strategy and associated documents reported to Net Zero, Environment and Transport (NZET) Committee in August 2023 and permission gained to take the documents out for public and stakeholder consultation. The Consultation ran from November 2023 to January 2024 and almost 550 responses were received. A report on the consultation and proposed next steps will be taken to the September 2024 NZET Committee.

## Homes for the Future

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Repeal the guidance that exempts student accommodation developers from affordable housing contributions.	Complete as part of the new Local Development Plan.	Aberdeen Planning Guidance on Affordable Housing and Student Accommodation was agreed at Full Council in December 2023. Repealing the exemption was explored through the public consultation on these documents. However, following the consultation, it was concluded that a repeal was not appropriate, and the Council agreed to maintain the affordable housing exemption for student accommodation in its Guidance.
Review and clarify guidance for the council's buy-back scheme and look to expand the scope of what can be bought	Instruction to review policy was given at committee in January and will be considered in Spring 2023.	On 30th May, Corporate Landlord was instructed to pause any new applications under the Council House buy-back scheme (with the exclusion of any properties in Torry that may meet the requirements of RAAC affected tenants) and bring a report on the Acquisition and Disposal policy and buy-backs progress by November 2024.

## Empowering Communities

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Double the budget for leased community centres and work with the management committees of these community centres to enhance the important services and activities they provide.	Ensure that development programmes being established by Management Committees are aligned with Locality and Community Plan outcomes and targeted to achieve maximum benefit.	The grant funding provided to leased Community Centre Associations has increased from the 2022/23 baseline of £11,065 by 65% to £18,309.56.

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Work with communities to establish trusts, community enterprises, charities or other entities that support community empowerment and community wealth building.	Work with City Growth on the implementation of the approved community wealth building action plan.	Through the ABZWorks Development Fund, charities and social enterprises in the city have been supported to take forward activities that support community empowerment and community wealth building.  The funding has helped build capacity in these organisations to take forward future employability activity, supporting those furthest away from employment.  For example, Cairncry Community Centre has been funded to provide Confidence to Cook classes for local members of the community to gain knowledge and skills to help them better cope with the cost of living, through meal planning and learning how to cook healthily on a budget. The course has also led to participants gaining qualifications that will help with their future employability in the hospitality industry.
Support Inchgarth Community Centre with their extension plans.	£1.9m of Scottish Government Grant secured. During 2023 a design team will be appointed, detailed design work concluded with community and planning application will be submitted	At the end of concept design stage, the indicative costs provided to date indicated additional monies would be required to fully deliver the project. This budget uplift was approved at the September 2024 meeting of Finance and Resources. The expectation is construction works would commence in Spring 2025 and Practical Completion would be achieved in Spring 2026.

## An Active City

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Install distance markers along popular walking and running routes across the city.	This is being taken forward as part of the review of the open space strategy and core paths plan.	Funding to progress this project is currently being sought.

## A Prosperous City

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Seek to buy goods and services locally whenever possible, subject to complying with the law and public tendering requirements.	Progression of engagement events with local supply chains and providers through a dedicated supplier development programme.	The percentage of procurement spend on local enterprises is anticipated to be in excess of 35%. This is in line with the 2022/23 outcome which represented a fourth consecutive year of % spend above the national figure.



A Caring City		
Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Support the roll-out of further changing places toilets across the city.	Changing place facilities are considered in all new projects and condition and suitability projects.	This commitment was reflected within the content of the Capital Programme Delivery and Condition and Suitability reports to the September 2024 meeting of Finance and Resources Committee.
Support greater personalisation of care and consider whether it would be possible to implement policies to maintain quality of life of disabled citizens in our community and support the health and well-being of carers by providing support and respite	<ul style="list-style-type: none"> <li>Ongoing implementation of revised Carers Strategy, including priorities in relation to enhancing the provision of advice and support for carers including the use of creative respite breaks through the Quarriers Respite Bureau.</li> <li>Ongoing provision of Stay Well Stay Connected Programme focusing on inequality.</li> <li>Ongoing expansion of usage of Technology Enabled Care (TEC).</li> <li>Implementation Plan of the strategic review of Rehabilitation Services to be developed by April 2023.</li> <li>Analogue to Digital Technology Switchover to be progressed.</li> <li>Core Skills and Training Matrix to be developed for those working with people with complex needs by June 2023.</li> <li>Recommission provision of Pre-Paid Care for Self Directed Support Option 1 (Direct Payments) by July 2023.</li> <li>Health Checks to be offered to all Learning Disability Clients (+16) by October 2023.</li> <li>Transition Plan for Children with Disabilities moving into Adult Services to be implemented by November 2023.</li> <li>Review of provision of Advocacy Services by March 2024.</li> <li>Investment in specialist housing for people with complex care needs by March 2024.</li> </ul>	<p>The Annual Report on the implementation of the Carers Strategy went to IJB on 6th February. There has been a 21% increase in the total number of carers receiving support and during 2023 the Respite Bureau were handling an average of 30 referrals per month.</p> <p>The Stay Well Stay Connected programme continues to deliver initiatives to combat social isolation including Men's Wellbeing Groups, Boogies in the Bar and Soup and Sannies in Seaton, Kincorth and Torry.</p> <p>Adult Social Work Care Management has adopted a 'TEC First' approach to assessing care and 2023/24 saw a 46% increase in the number of TEC packages from the previous year.</p> <p>The initial focus of the review of Rehabilitation Services was redesigning the Neuro Rehab pathway. This was concluded and implementation is progressing. Review of the other areas continues into 2024/25.</p> <p>A provider of the Alarm Receiving Centre (ARC) has been identified. Switchover of alarm units is almost complete well ahead of the January 2026 deadline. A solution is still being pursued for group living establishments.</p> <p>A Core Skills and Training Matrix was developed and will be included in the Complex Care Framework and elements of the Supported Living Framework both due to be re-commissioned in 2024.</p> <p>The Pre-Payment Cards were successfully recommissioned. The contract was for 3 years with options to extend.</p>

Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
		<p>Nurse led pilots for Health Checks have been set up in the Vaccination and Wellbeing Hub and the Len Ironside Centre. A Project Board monitors the delivery of these overseen by the Scottish Governments Implementation Group.</p> <p>Lived Experience engagement was undertaken between May and July and draft guides: 'Parents and Carers Guide to Post-School Enhanced Transition Planning' and 'Professionals Guide to Post School Enhanced Transition Planning', were created to support parents/carers and schools with transitions planning. The full Transitions Plan was not completed in 2023/24 due to the lead officer moving on, however the work has now been picked back up again and should be completed within 2024/25.</p> <p>Advocacy services were reviewed and recommissioned and the new service commenced 1st October 2023.</p> <p>Investment for a new 8 unit development on the site of the former Stoneywood school was secured in January 2024. The specially designed, single occupancy units will be ready for occupation by Spring 2025.</p>
A City that Listens & Works		
Partnership Agreement Commitment	Key Milestones for 2023/24	Update on Milestone
Recognise that citizens and communities – rather than the City Council - are best placed to say what services they require and how these are provided and seek to give greater control over appropriate services and facilities to local communities.	Work to introduce Citizen Assemblies.	On 12 June the Anti-Poverty and Inequality Committee agreed to commission the Scottish Women's Budget Group to deliver a citizens' assembly approach on poverty and gender inequality. SWBG will use mixed method tools to explore the impact of poverty and gender inequality on women and families in Aberdeen and identify with participants solutions that could address these issues for individuals, families and the wider community. The findings will be reported in February/ March 2025.





## COMMISSIONING INTENTIONS

---

As part of our commissioning cycle, the Council Delivery Plan sets out a series of commissioning intentions which define the contributions which the Council will make to the delivery of the Local Outcome Improvement Plan, and which frame the ask of our commissioned services.

These commissioning intentions define the Council's contribution, from a single agency perspective. It should be noted that partners will also have single agency intentions to meet their obligations derived from the LOIP.

The Council Delivery Plan also shows measures for each of the commissioning intentions. This annual report highlights progress against many of these measures and up to date progress is shown against all of the LOIP and Council Delivery Plan measures in the Aberdeen Outcomes Framework which can be accessed at: <https://communityplanningaberdeen.org.uk/resources>



# ECONOMY

## KEY DRIVERS

- Supporting labour market to recover from impact of COVID-19 on employment
- Increasing the number of people in Aberdeen in sustained, fair work
- Promoting inclusive economic growth for our most disadvantaged communities
- Mitigating the causes of immediate and acute poverty
- Poverty affecting those with the protected characteristics and in specific communities
- Ensuring access for all employers to skilled labour
- Supporting vulnerable and disadvantaged people, families and groups

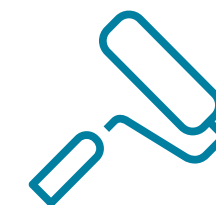
# ECONOMY HIGHLIGHTS



**224,663 visits** to Aberdeen Art Gallery, a **5% increase** on 2022/23



Number of vacant units on Union Street has **reduced by 21%** since September 2022



**57 more** Modern and Graduate Apprenticeships in Training compared to 2022/23



Hosted the **European Pipe Band Championships** which attracted around **10K of visitors** to the city





## PROGRESS MADE DURING 2023/24

### SUPPORT THE ATTRACTION OF VISITORS TO THE CITY AND INCREASE FOOTFALL

#### Aberdeen Arts Gallery & Museums (AAGM)

The AAGM Audience Development Plan delivered with VisitAberdeenshire (VA) and VisitScotland has seen AAGM included in the new South Harbour VA guide for cruise passengers, this also included AAGM presentations to Cruise Welcome Volunteers as part of their induction. Staff from AAGM also attended VisitScotland Connect travel trade expo at P&J Live in April 2023.

Staff worked with VA on their “Make a Day of It” campaigns in 2023/24, funded by UK Shared Prosperity Fund (UKSPF), encouraging local people to discover something new or rediscover a long-forgotten gem, including the city’s award-winning cultural attractions.

Promotional focus for tourism has been major exhibitions in the art gallery, and permanent displays in all venues. This included AAGM developing a bookable offer for travel trade groups.

Major exhibitions included “Where Ideas are Born” from Magnum Photos; “A Quentin Blake Summer” illustrations for books and verse; “Constructed Narratives” celebrating 3 international but local artists’ careers; and the opening month of “Artist Rooms: Louise Bourgeois” from TATE. These shows, along with concerts, lecture series, family events and changes to smaller spaces attracted 224,663 visits to the gallery (5% increase on 2022/23).



Highlights of the activity programme include dementia friendly activities: Musical Memories and Our Aberdeen collection handling sessions supported by volunteers, visual description tours for visitors who have low vision led by curators, Baby Boogie disco sessions and a lunch-break concert programme where “pay as you feel” donations covered all performers’ fees. Evening concerts and special lectures were trialled and proved self-supporting with a small income; these will be developed further.

There has been a focus on social media and printed press. There is now a weekly page in the Evening Express with stories the city’s collection can tell, as well as the [events programme](#). The AAGM also had an undergraduate intern working with the team for the full academic year, which has allowed enhancement of the social media platforms including a TikTok account being launched, resulting in a rise in engagement.

TikTok followers rose from 23 in August shortly after the account was launched to 1182 in March 2024, with video “likes” in August below 100 to over 8000 by March. Monthly views average now between 4k - 19k per post. Followers and interactions are predominantly from the UK, with next highest South Korea and the United States.

Retail sales at AAGM increased 14% on prior year against a difficult trading backdrop for the sector. Success at the gallery was boosted by the popularity of the ‘A Quentin Blake Summer’ exhibition. The Maritime Museum shop opened toward the end of the period with an amended fit-out and new branding. Café business at AAGM increased by 20% on prior year under third-party operator Elixir. They continue to develop their local, seasonal offer and participate in initiatives such as Aberdeen Restaurant.

Venue hire business at AAGM venues grew by 58% year on year to £67k (£221k inc. catering). The value of evening hires was double that of daytime use. ACC used free hires to the value of £16k for high-level meetings and seminars.

An application to the UKSPF was successful in 2023/24, this funding will be used to review how methods of comms and marketing reach audiences, assess how audiences interact with what’s on offer and determine targets for audience acquisition. This will be delivered throughout 2024/25.

School visits have been slower post-covid, and secondary schools are particularly hard to attract, however collaboration with Education developed a lively and engaging programme with Northfield Academy supporting the transition of Primary 7 pupils to Northfield Academy, 173 pupils attended over 14 sessions at the Treasure Hub.

The Maritime Museum was closed for essential repairs over the winter period (October 2023 and February 2024) impacting on visitors and the ability to support curriculum-led visits, the Tolbooth Museum is currently closed until further notice whilst a comprehensive survey of the historic building is carried out, which will inform a programme of care and maintenance.

The Beach Ballroom and Civic Catering increased business by over 12% on prior year. External business growth was 21% while internal trade from ACC fell by 32%. Final turnover was £1.27m of which over £1.15m was from the private sector – a record high. Business initiatives included running the bars at the Highland Games to utilise internal resource and keep profit from the event within ACC. The Beach Ballroom was nominated for 4 events awards in 2023, including NE Wedding Venue of the Year at the Top Tier Awards and Best Unique Venue and Best Wedding Package at the Confetti Awards Scotland.

#### P&J Live

P&J Live hosted the 50th year of Offshore Europe, activating the entire venue, including the Sub-T level. Around 30k delegates attended, including c.4k from overseas. The event will return in 2025.

Entertainment highlights included Elton John, Pet Shop Boys, Lewis Capaldi, Deacon Blue, Madness, Busted, Andre Rieu, Arenacross, Harlem Globetrotters, Bill Bailey, Jack Whitehall, Jurassic Live, Bluey, Peter Pan and cult-favourite Bongo’s Bingo.

Exhibitions included Taste of Grampian, Your Wedding Exhibition, ComicConScotland, Floating Offshore Wind, and The Craft Spirit Show.

The teams at P&J Live and the Convention Bureau worked through the Ambassador Programme, a network of academics and professionals who volunteer their time to assist conference bids in specialist research areas. This secured and delivered major conferences linked to education and life sciences to the venue. Future bids won in this period include 10 between 2024 and 2027 with an economic impact of over £12m.

#### Support of Aberdeen Inspired 2021-2026 Business Plan

The council supported the cost of the city centre manager whose role is to act as the link between the council and other bodies and the businesses operating in the city centre. Through this support Aberdeen Inspired was able to achieve reaccreditation of the purple flag status.

A collaborative approach to events planning, delivery and communications is taken with any joint projects, with City Events and ACC Comms teams supporting as required e.g. Christmas Village. City Events provides operational support for projects such as NuArt and ABERDEEN letters. Aberdeen Inspired sit on the Event365 Group and the Local Organising Committee of Tall Ships Races Aberdeen 2025 to ensure that business opportunities are identified and maximised.



The 365 Event Working Group continued to work in collaboration on new events including the increased Christmas programme in Union Terrace Gardens and working toward Festival of the Sea in 2024 and the Tall Ships Races Aberdeen in 2025.



ACC awarded UKSPF funding to Aberdeen Inspired to commission a feasibility study on Union Street upper floors, which will look to benchmark the vacant space at upper levels, suggest alternative uses for this space, and identify the challenges and opportunities in activating these.

#### City Centre Masterplan

[An annual progress report](#) was reported to Council in August 2023, and another update was provided to Council [in August 2024](#). Projects such as Queen Street, the Aberdeen Market and elements of City Centre Streetscape are now reported regularly to Finance & Resources Committee as part of the Capital Programme.

#### Empty Shops Plan

Progress on the Empty Shops Action Plan was reported to Finance and Resources Committee in March 2024. Interventions under programme areas 'Distinctive Aberdeen', 'Culture and Heritage', 'Net Zero Union Street', 'Enterprising Union Street' and 'Enabling Delivery' are ongoing. City centre partners and stakeholders including Aberdeen Inspired, Our Union Street and Aberdeen and Grampian Chamber of Commerce convene regularly to plan complementing activity which supports objectives and maximises impact without duplicating resource.

The Union Street Empty Shops Grant Scheme, launched in July 2023, supports internal renovation and reconfiguration works of vacant ground floor units to enable reoccupation. Ten applications have been approved to date with two more being considered at the September review panel. Through implementation of the Action Plan, partners' activity and the grant scheme, the number of vacant ground floor units on Union Street has decreased from 47 in September 2022 to 37 in May 2024. A further 9 of these 37 units are pending either planning consent, start of works or grant award.

#### Delivery of New Events to the City

New events in this period included the European Pipe Band Championships in Duthie Park which attracted around 10k visitors. Work commenced on Festival of the Sea, a precursor to the Tall Ships Races, to be delivered in July 2024. The Cruise in Company event in July 2023 saw 3 Tall Ships berth in Port of Aberdeen, including two of the largest in the fleet, enroute to Lerwick for the Shetland leg of the Tall Ships Races. A programme of events for the crew included a Civic Dinner, ceilidh at the Beach Ballroom and trips to local venues. Over 1000 members of the public visited the vessels on the quayside. The footprint of Aberdeen's Christmas Village was expanded to include Union Terrace Gardens which featured Christmas lighting and window displays as well as a weekend programme of choirs, brass bands and pipers. External funding was secured for the provision of the lights, alongside a 7m trailer stage and equipment to enable pop-up activity at events sites in future. The organisers of Mela were assisted by City Events and additional funding to move the festival to a larger site near to the beach.



#### Invest Aberdeen

ACC continues to support work by stakeholders to attract new inward investment to the city through various Strategies and Forums across the region:

Ongoing support of the delivery and rollout of the Regional Investment Tracker, led by Aberdeen & Grampian Chamber of Commerce (AGCC), which highlights a £16billion investment pipeline to 2033.

We are continuing to support the creation and Implementation of the refreshed Regional Economic Strategy, and we are working with regional partners on the proposed North East Scotland Investment Zone.

ACC also Lead the Regional Inward Investment Forum, which brings together stakeholders from across the region and nationally to deliver on our inward investment objectives, creating a 'Team Aberdeen' approach to enquiries and visits. We work closely with the Scottish Cities Alliance to promote inward investment opportunities in the region, including through representation at Cities Week, the UK's Real Estate and Infrastructure Forum (UKREiIF) and by hosting Joining the Dots event in Aberdeen.

We are also working with Scottish Development International (SDI) to showcase inward investment opportunities in the region and continued ongoing partnership working with Aberdeenshire Council to boost inward investment across the region. The Invest Aberdeen website, materials and social media channels are under continued development to increase engagement.

#### SKILLS DEVELOPMENT AND EMPLOYABILITY

Delivery of the Local Employability Partnership (LEP) Employability Action Plan continues. This multi-year delivery plan sets out the priorities of the LEP including the key groups of people the partnership aims to target support towards as well as the membership and governance arrangements for the partnership. Activities and interventions delivered this year were aligned with the delivery plan and reporting took place quarterly into Aberdeen Prospers, the Outcome Improvement Group responsible for economy related stretch outcomes of the Local Outcome Improvement Plan.

Specific work around developing employment pathways in 2023/24 included an increased level of employer engagement activities, including the delivery of a series of events targeted at employers, with the content focusing each time on the benefits and support available when recruiting people with barriers for example young people, parents, disabled people and people with convictions. An employer recruitment incentive were also awarded to 11 employers this year who employed an individual facing barriers to employment. Working closely with colleagues in Aberdeen City Council's Education Service, the ABZCampus and ABZPipeline is also in development which explores pathways into key sectors for young people still at school.

#### Focus support towards groups (women, young people and people from ethnic minority backgrounds) that have been disproportionately disadvantaged by the pandemic and cost of living

In 2023/24 48% of participants registered with ABZWorks identified as female, representing almost half of all those supported. Within this group, further specialist interventions have been developed to offer targeted support for women who face additional barriers including parents within the priority families and parents experiencing in-work poverty as a means to tackle child poverty [note that provision for parents is available to parents of any gender, but the majority who engage tend to be women]. Activities have included specific commissioned service, paid work experience in early learning and childcare settings and funding to support lone parents to help with the costs of the transition into work.

Young people also represented a significant proportion of overall participants supported with 33% of those registered with the service aged 16-24. Specific activities aimed at young people included Fit Next, developed for school leavers in mind enabling them to attend 'taster' activities with a variety of training



providers and employers so they could make informed choices about their next steps, a commissioned test and learn project for young people and paid work experience for care experienced young people. A specific test and learn project was also commissioned for people from ethnic minorities and of all those registered this year, 17% identified as having a minority ethnic background.

Learning from the evaluation of the North East Economic Recovery and Skills Fund (NEERSF) has been considered when developing interventions to be delivered as part of the UK Shared Prosperity Fund. One example of this is around promoting entrepreneurship, building on the success of a Start-up Accelerator delivered by the Robert Gordon University (RGU), two projects will be starting in year 2024/25 one being delivered by RGU and the second by the University of Aberdeen. Green skills is a further theme that featured in NEERSF and will be built upon through UKSPF projects with green skills activities being commissioned in sustainable energy management, sustainable waste managements, introduction to hydrogen and an introduction to green skills. Digital courses including sector specific IT skills and basic IT skills were also commissioned in 2023/24 and a paid work experience programme within health and social care was delivered to attract people into roles in this sector.

Aberdeen City Council continues to Chair the Local Employability Partnership (LEP) which was developed in alignment with the Scottish Government's framework for LEPs. The LEP membership is made up of key partner organisations that work in the employability and health space and meets monthly to share intelligence and to coordinate plans and resources with the aim of maximising the impact of members' combined efforts. A number of shared events were delivered this year with LEP members working in partnership, including employer engagement sessions, jobs fairs and the annual ABZWorks employability conference. There is a sub-group of the LEP that meets specifically around procurement which jointly scores and agrees on the winning bids for commissioned activities.

#### **Work with the Aberdeen Hydrogen Hub (AHH) JV to develop and deliver a skills action**

Work continued into 2023/24 mapping the employability and skills ecosystem and this activity concluded with the publication in August of [Council/BP report Hydrogen in Scotland – Skills and Qualifications Gap Analysis](#). The report identified five themes to help meet demand:

- Ensure interventions are truly data-led and respond to real demand for skills
- Continue to invest in community and STEM engagement to inspire people into the sector
- Invest in new pathways that will upskill and reskill people for the hydrogen sector
- Underscore inclusivity in the design of programmes and their outreach efforts
- Harness the existing delivery landscape to create truly integrated responses

The latter part of the year has been focused on moving these aspects forward this has included, for example, STEM engagement with pupils and teachers at Lochside Academy.

#### **COMMUNITY BENEFITS, INCLUDING EMPLOYABILITY BENEFITS**

The Community Wealth Building (CWB) Working Group has taken forward key actions from the Aberdeen CWB Action Plan, focused on the short and medium term with the three pillars of: Spending, Workforce and Land and Property. A small employability grants scheme has been delivered, 'ABZWorks Development Fund' which was launched in December 2023, supporting small grass-roots organisations to develop, build on, and deliver employability projects in priority areas, up to the value of £10,000. Since then, there have been two rounds of funding, with nineteen grass-roots organisations funded to take forward creative and innovative projects to support those furthest removed from the labour market who face additional barriers.

The Commercial and Shared Procurement Service are awaiting final review and publication of formal data by Spikes Cavell (which informs reported local spend figure) - but from calculations, the percentage of procurement spend spent on local enterprises is anticipated to be in excess of 35%. The local spend figures

are subject to final review through the Scottish Procurement Information Hub and that the final figure will be reported via the Annual Procurement Report which will be published later this year.

The provisional number of community benefits delivered (captured in Annual Procurement Report yet to be finalised and published) for 2023/24 is 783 benefits - ranging from work experience placements, apprenticeships, community timebank hours and environmental measures. The final figure will be reported via the Annual Procurement Report.

Ongoing support of the delivery of community benefits through major developments such as the Aberdeen Hydrogen Hub JVP and City Centre and Beachfront Masterplan. Regular six weekly meetings with contractors ensures monitoring of delivery and promotes participation in activities such as employability projects such as 'Fit Next', through ABZWorks. Working closely with Aberdeen Council of Voluntary Organisations (ACVO), BP have utilised their WeVolunteer portal to link volunteers within the organisation to volunteering opportunities for third sector and charity groups in Aberdeen. BP and those contractors working on the City Centre and Beachfront Masterplan have engaged with schools, further and higher education providers and provided insights into careers in the energy sector and construction industry.

Since publishing the first Jobs & Skills Plan in April ETZ have supported initiative in regional primary and secondary schools, colleges and universities, as well as community-focus activities. A progress report was published in May 2024 and is available on the [ETZ website](#).

The Cloverhill Housing Development in the Bridge of Don is an example of a project within the Capital Programme, which has led to opportunities for community benefit delivery and specifically employability benefits. Bancon Construction have committed to delivering benefits which are aligned to the principles of sustainability, working with Aberdeen City Council and partner organisations such as ACVO and Developing the Young Workforce to ensure these benefits are maximised. Examples of community benefits delivered are; ongoing training and development for all staff (developing the workforce), providing them with opportunities to upskill and gain qualifications, work placements and school engagements. Bancon Construction have also participated in Employability Engagement Events hosted by ABZWorks, on topics such as: 'Employing Displaced People, Refugees and Asylum Seekers' and 'Employing Disabled People.'

#### **Aberdeen City Region Deal projects**

- Seedpod remains on track to be fully constructed by end of 2024, with the roof now on and the building watertight.
- Digital 5G – There are currently 3 approved 5G projects, 2 of which are in the City. These were formally approved in early 2024 and are progressing through their procurement phases by both Port of Aberdeen, and Opportunity North East.
- Transport Links to Aberdeen South Harbour – An outline business case has been approved by Joint Committee and procurement underway.

#### **Prepare for and implement, as appropriate, provisions of the Procurement Bill**

The UK Government describes the purpose of the Bill as being to reform the United Kingdom's public procurement regime following its exit from the European Union, to create a simpler and more transparent system not based on transposed EU Directives. The Bill will for the most part only apply in Scotland to the procurement activities of reserved bodies.

Any changes proposed to legislation in Scotland will be communicated to the wider public sector through Scottish Procurement Policy Notes (SPPN's), publication of SPPN's is monitored by Commercial & Procurement and changes as required made to internal policy and procedures/communicated out to delegated procurers.

## SUPPORT BUSINESS DEVELOPMENT AND ECONOMIC GROWTH IN THE CITY

The Business Gateway continued to deliver support to people seeking to start up and/or grow their businesses. Good links have been developed between the Business Gateway advisers and other council projects, for example the Union Street Empty Shops Grant Scheme where all enquiries are supported by an adviser in relation to their business idea and plan. Similarly, individuals who contact the employability service considering self-employment are allocated an adviser to assist them in developing their business idea. The Business Gateway Service appointed an adviser to support businesses to build their capacity and capability to tender for public sector opportunities.



The council continues to work with partners across the region as well as national agencies to ensure that the business support activities in the city are fit for purpose and easily accessible.

Aberdeenshire Council made the decision not to extend the contract for the Business Gateway service and bring the service delivery in-house, from 1 April 2024. This will ensure that the Business Gateway resources are delivered fully in line with the aims and objectives of the council.

Business Gateway has a dedicated Community Business Adviser providing targeted support and sessions for clients in priority areas of the city.

With funding from the UK Shared Prosperity Fund (UKSPF) and working alongside Aberdeenshire Council we launched a digital business support programme for SMEs (Small and medium sized enterprises) in the city.

Again, with funding from UKSPF, ACC will launch a Business Start-Up Grant Scheme in July 2024, supporting new city-registered businesses from 1 January 2024 with a one-off grant award to meet start-up costs. To ensure new business owners in priority areas are engaged and made aware of the Scheme, officers will engage with Business Gateway's dedicated community officer, ABZ Works Colleagues and Locality Managers.

### Build and Strengthen Relationships with the Local Supply Base

Key to delivering progressive procurement to strengthen existing and build new relationships within the local supply chain is a targeted approach to Supplier Development activity for the Council, building upon and maintaining networks, sharing information, seeking input from suppliers to shape requirements for the benefit of the local economy and to understand their views on how we could employ more progressive procurement to build supply chains.

A Supplier Development Action Plan will be prepared annually based on the opportunities identified for Community Wealth Building, the plan will be developed in conjunction with both internal partners i.e., Economic Development and external partners i.e., Scotland Excel/Supplier Development programme. This will include participation and engagement of the Commercial & Procurement team in national events to support supplier awareness of how to do business with the Council (Meet the Buyer Scotland/Meet the Buyer North) and also aligned tender training/bidder days.

### Energy Transition Zone

A Masterplan of the Energy Transition Zone site was adopted by the Council's Planning Development Management Committee as Aberdeen Planning Guidance in January 2024. Applications for planning permission are currently being progressed.

## Delivery of BP Aberdeen H2 Power Ltd

The Final Investment Decision (FID) was approved by the BP Aberdeen H2Power Ltd board on the 15th July, 2024. Annual Work Programmes and Budget are agreed at JV Board and Shareholder level to deliver agreed community benefit, supply chain development and training and skills outcomes.

### Hydrogen Infrastructure

Hydrogen Infrastructure Feasibility study commissioned with funding from the Hytrec2 project and NESTRANS and delivered by Arup. The purpose of the study was to inform ACC, Aberdeenshire Council and NESTRANS of a standardised hydrogen refuelling station concept design which can be replicated across Aberdeen, Aberdeenshire, and other areas.

The results of the Study will allow NESTRANS, Aberdeen City and Aberdeenshire to make informed bids for future energy transition and net zero funding opportunities to further develop and establish a network of hydrogen refuelling points across the North East of Scotland in line with the NESTRANS Regional Transport Strategy and both Council's net zero and energy transition ambitions for the decarbonisation of transport.

To encourage further investment in the city in hydrogen, we supported the delivery of Department of Business & Trade (DBT) Hydrogen High Potential Opportunity document and continued the development of energy transition investment opportunities materials. We are currently, working with SDI on a refreshed Regional Inward Investment Proposition. In addition, we are creating opportunities within Energy Transition through North East Scotland Investment Zone.

The Green Freeport Bid is being transitioned into deliverables as part of the Investment Zone proposal and Investment Plan and the new [Regional Economic Strategy](#) was approved by partners in 2023.

## SUPPORT THE CITY TO BECOME A "SMART CITY"

The Full Fibre Infrastructure project is complete. The Duct network extension phase 2 is now complete with Phase 3 underway with completion scheduled in 2025. City Fibre/Vodafone investment continues.

Port of Aberdeen were awarded funding through Aberdeen City Region Deal and are procuring a private 5g network.

Scottish Agricultural Organisation Society (SAOS) awarded funding through Aberdeen City Region Deal and are in procurement phases for a solution to facilitate delivery of agri-tech applications within rural areas.

ONE awarded funding through Aberdeen City Region Deal for 5g pop up network to enable testing of applications in real life environments by companies.

Proposals are in development which consider opportunities for further investment within areas identified in the region as having very low/no coverage. These could come before Joint Committee as early as September 2024.





## PEOPLE (CHILDREN & YOUNG PEOPLE)

### KEY DRIVERS

- Mitigating the causes of immediate and acute poverty
- Ensure those experiencing in-work poverty have access to all appropriate benefits
- Supporting vulnerable and disadvantaged people, families and groups
- Poverty affecting those with protected characteristics and in specific communities
- Ensuring that families receive the parenting and family support they need
- Improving health and reducing inequalities
- Improving education outcomes for care experienced children and young people
- Improving pathways to education, employment and training for identified groups (including disability, ASN, term time leavers and those from priority neighbourhoods)
- Keeping Young Children Safe
- Improving timely access to support
- Increasing children's knowledge and understanding of their own physical and mental wellbeing and take an early intervention and prevention approach
- Ensuring that children and young people receive accessible information and opportunities to engage and participate in decision making
- Supporting attainment of balance of care where children are able to remain more often at home and or with kin
- Young people receive the right help at the right time to improve outcomes for young people at risk of becoming involved in the Justice System
- More people appropriately diverted from Justice System to effective interventions aimed at reducing the likelihood of reoffending, where appropriate

## PEOPLE (CHILDREN & YOUNG PEOPLE) HIGHLIGHTS



**88.2%** of Looked After Young People leaving school and go on to **positive destinations**



**455 families** being supported by the Fit Like Family Wellbeing Hubs



**24% decrease** in children identified as having communication difficulties in SEEMIS



**94%** of ELC settings registered to **provide 1140 hours**





## PROGRESS MADE DURING 2023/24

### REDUCING CHILD POVERTY

We continue to promote support from money advisors across our schools and in term 4 reissued electronic and hard copies of the financial booklet provided for parents signposting sources of support. Money advisers offer support to parents, carers and families by offering free, confidential and impartial advice on various aspects of their financial situation, such as income & expenditure, debts, benefits, tax credits, grants and other sources of support. They can also help parents to deal with creditors, negotiate payment plans, apply for insolvency options, and access emergency funds or food banks if needed.

We continue to increase uptake of free school meals and are prepared for around 1000 more eligible children across P6 and 7 to benefit from a free school meal. The increase to a universal offer of free school meals for all P6 and P7 pupils has been paused as part of the 24/25 Programme for Government.



All core curriculum charges continue to be removed with the Scottish Government grant passed to schools to support the removal of charges. Schools continue to remove the cost of the school day, offering uniform swap stations and providing foodbanks where there is a need.

Pupil Equity network meetings have been established and well attended by school leaders. These meetings have been seen as key in sharing best practice across the city and improving outcomes for learners impacted by poverty. The equity tracker provides an authority overview of how Pupil Equity funds are being spent and an evaluation of the impact of interventions. This enables an increased level of scrutiny and ensures the greatest impact.

Guidance and professional learning has been offered to all staff to ensure more accurate analysis of data and identification of poverty-related gaps at all levels from class to faculty to whole school. This will continue to be offered next session.

The Children's Services Annual Report was presented to Committee in February 2024 (CFS/24/046). The Report outlined the need to consider how best to deliver family centric approaches to support families facing complex challenges living in Scottish Index of Multiple Deprivation (SIMD) 1.

There is considerable variation in outcomes at ward level signalling a need to ensure that our approaches reflect the unique context of each community and the complexity of individual families, rather than presume that centrally designed supports will meet needs. This work is being progressed through our developing Family Support Model which has secured funding from Scottish Government as a place based Fairer Futures Partnership.

### Development of Family Learning offer in school Associated School Groups

Scottish Attainment Challenge Funding has meant family learning has been made available through each of the 11 Associated School Groups (ASGs), with 1:1 family support being available alongside a wide variety of city-wide, universal courses and activities which are available to all parent/caregivers across Aberdeen. Opportunities are designed to improve knowledge around specific themes, encourage peer connections, reduce isolation, develop skills and confidence as well as provide direct support to families.

Almost all (96% 2023/24 data) of all registered learners share that their confidence levels increase due to their engagement with the service and almost all (96% 2023/24 data) report gaining new knowledge and skills. There is clear evidence that the targeted and inclusive programmes delivered by Family Learning improve life chances and effectively enable parents to develop their parenting skills, helping to enable families to give their child the best start in life.

This resource continues to have a clear remit for early intervention and to target those children, young people and families most at risk of disengaging from education. Data and feedback from schools, children, young people and families indicates that the resource is proving successful in achieving the planned outcomes and is sufficiently agile to be able to respond to emerging needs in a timely manner.

The work of this resource is strongly aligned to the Family Support Model being developed across the local authority.

### With partners, deliver support which maximises opportunities and minimise the stigma for children and families living in Aberdeen who have No Recourse to Public Funds

Children's and Adult Protection services, along with other services across the Council, and partner agencies, actively collaborate, and cross-reference knowledge around both the extent and impacts of poverty associated with children in families who have No Recourse to Public Funds.

This work is designed to (a) improve the evidence base around this theme to better understand the social and economic impacts on these families and (b) to refine the effectiveness of responses available to the local authority and its partner organisations.



The focus of this collaboration is directed by, amongst other separate referral pathways schools who will refer to Child Protection Social Work to assess the immediate and interim needs of a family who present as destitute and have NRPF. Similarly Adult Protection Social Work's engagement focus on the assessments of adults who present to the service as experiencing destitution as a result of their NRPF status and is first and foremost driven by the theme of protection.

In the above circumstances, both Child and Adult Social Work services can call upon their respective protective teams to support families to mitigate potential harms arising directly from poverty related to their NRPF status, and secondary to these statutory roles, ensuring children are accessing the services they are entitled to receive (health and education). In addition, teams signpost these families to additional sources of available community support which are most appropriate, and accessible to them.

Children's Social Work are mandated to receive unaccompanied asylum-seeking young people from other parts of the UK. Upon arrival these young people are considered 'looked after' and given they have NRPF, the Council is responsible for ensuring the needs are accounted for while their immigration status is resolved.

Through this approach, Aberdeen City Council seeks to act as a gateway providing immediate and direct support to alleviate harm and ensure vulnerable adults and children are protected. Additionally, these services act as enablers, signposting these families and children to those supports and advisory services delivered by and through the wider range of partners in the city, in order to facilitate young people with access to opportunities that their financial circumstances and status may materially limit.

## EARLY YEARS

The expansion of Early Learning and Childcare (ELC) to deliver 1140 hours of funded ELC for all 3 and 4 year olds and eligible 2 year old children has been fully implemented in the city. One of the overarching aims of this policy is to support more families into employment.

There are currently 53 Local Authority ELC settings and 41 Funded Provider ELC settings. There are also 63 Funded Provider childminders working in partnership with Aberdeen City Council to deliver the funded ELC entitlement, with a range of flexible options, for 3-5 year old and Eligible 2 year old children across the city. A map has been produced which shows a visual of the location of our ELC provision across the city and Associated School Groups (ASGs).

This is a slight decrease on the 1418 places offered last year, this could be the first indication of the predicted drop in demand due to a lowering birthrate. In response the service will pilot a system to allow families to pay to top up their allocation of 1140 in a settings where capacity allows to help determine next steps.

79.5% of all ELC applications over 2023/24 were offered their 1st choice of ELC placement. There remain challenges in recruiting quality ELC staff at all levels and the service is working closely with the employability team to support placements from those coming back into work as well as continuing to deliver successful Foundation and Modern Apprenticeship programmes.

The Early Years Team continue to monitor demand across the city and in individual ASGs. This is in order to meet the needs of families and to achieve best value. We know from parent and carer feedback that a large majority of respondents (79.4%) were satisfied or very satisfied with the range of ELC providers and models within their local area/Associated Schools Group (ASG); and (75.8%) were able to secure a funded ELC place in their local area/ ASG.

The full ELC offer across each ASG ensures a good mix of 8am-6pm all year round ELC provision and 9am-3pm term time provision. Our ELC Funded Providers also offer fully flexible funded ELC across the city and can meet the needs of families who require wrap around care and additional hours.

### Eligible 2's

The application process for Eligible 2 places has been refined, streamlined and is now online, bringing it into line with the application process for ELC places for 3-5 year olds at Local Authority ELC settings. This has enabled us to better monitor the volume of applications and demand for places.

The Scottish Government has introduced the Data Pipeline project which gives Local Authorities access to data identifying possible eligible families. Aberdeen City Council signed up to this project in 2023 and families in the city have been sent information, via flyer and incorporating a QR code, about the Eligible 2's service and how to apply. We continue to monitor application numbers to gauge the impact this has had. The number of children allocated an Eligible 2's place has increased by 12% from 183 in 2022/23 to 205 in 2023/24. Population projections suggest that we have increased the percentage of eligible population from 31.66% to 38% in the same period.

We also work in partnership with multi-agency partners, for example Health Visitors, to identify Eligible 2 children and we continue to receive a number of applications for discretionary placements which are considered on a case-by-case basis.



## Quality Improvement

Overall, there has been an upward trend of improvement in inspection evaluations, with almost all ELC settings improving in at least one Quality Indicator following reinspection.

The Education Service presented an updated ELC Quality Improvement Framework to the Education and Children's Services Committee in June 2023. The service's own self-evaluation had determined that early gains were evident but that some variation remains as the framework is being implemented.

There has been significant collaboration with officers and Head Teachers to work on improvement through a Collaborative Improvement model. Following a three-day visit in November 2023 which involved visits to ELC settings and focus groups, the Collaborative Improvement Team (CIT) recognised the commitment of Local Authority senior leaders to realise high quality ELC provision and endorsed the ambitious aims of the ELC expansion programme believing that the Plan is likely to improve outcomes in the longer term. The establishment of a wider range of roles and development of a clear workforce progression pathway as part of the expansion programme was thought to be particularly impactful. The CIT saw clear evidence of both Support Workers and Modern Apprentices seizing opportunities to further their skills and qualifications in order to secure positions with more responsibility. The team identified that the public health restrictions in place at the time 1140 hours of funded ELC was fully implemented, will have contributed to the variation currently being experienced.

The collaborative improvement process has been exceptionally beneficial to the Education Service. In general terms the team has validated our own self-evaluation and endorsed our long-term ambition. They have helpfully shared national best practice that can now be used to enhance our approaches and these areas will be taken forward with support from the team where beneficial. The team has also provided a helpful reminder to pause and take stock of how far many have come and guided us to start to consider arrangements to support good or very good settings to drive their own on-going journey to excellence. It has also provided a central monitoring role to allow wider team support for individual schools to provide quality teaching and learning.

### Provide access to PEEP across all ACC early learning and childcare settings

The Peep offer has been aligned to Quality Framework. Meetings have taken place with the Peep Co-ordinator to look at ways of increasing the Peep offer across the city. The plan includes videoing a current Peep session in a LA setting to share in the fortnightly communications. Links to How good is our Early Learning and Childcare and Quality Framework for Daycare of Children are also being created. 18 Local Authority ELC settings are currently delivering Peep to families. This has nearly doubled since 2022/23.

Work is underway to deliver joint Peep sessions within the Tillydrone Campus. There will be input from two Funded Provider ELC settings, Aberdeen City Library Service and Riverbank School staff.

### Bookbug

Bookbug is managed nationally by Scottish Book Trust (SBT) and delivered in Aberdeen by Aberdeen City Libraries (ACL) in every library. The Bookbug programme is measured against the LOIP, Library and Information Service Action Plan, Forward National Strategy and reports regularly to SBT. ACL has worked with partners including the NHS, PEEP, local care homes, early years settings and schools. National initiatives such as Maths Week Scotland and British Science Week were supported in collaboration with CityMoves and TechFest. In 2023/24 the frequency of sessions increased and drop-in sessions were reintroduced to remove barriers to access.





Regular Bookbug session evaluations assess impact, with most respondents strongly agreeing that attending Bookbug sessions benefits their child's development and encourages them to share rhymes and stories at home.

- In 2023/2024, 217 Bookbug sessions were held across community libraries, with 1987 children in attendance
- 29 outreach sessions were held with partner agencies with 329 children in attendance.
- 98 Bookbug sessions/events were held in libraries within the 1 and 2 deciles of SIMD, with 9 outreach sessions held in these areas.
- 1875 Bookbug Baby bags and 1790 Bookbug Toddler bags were gifted by colleagues in the NHS .
- 2256 Bookbug Explorer Bags were delivered to early years settings
- 2214 Primary 1 Bookbug Family Bags were delivered to schools.
- 1051 children aged 0-5 became library members in 2023/24.

In addition, 124 tactile books to support children with ASN were gifted.

### RAISE ATTAINMENT AND ACHIEVEMENT

A Quality Improvement Framework has been put in place to help drive improvement across our schools. The Framework guided a far more proportionate approach to quality improvement over 2023/24; however, capacity issues impacted on the consistency of application across localities in the primary sector as members of the central team covered vacant head teacher posts. This knowledge triggered a review of the working arrangements and an updated Framework for use over the 2024/25 academic year.

The new framework seeks to broaden the evidence base gathered during school quality assurance visits to help monitor the impact of our work against an agreed Behaviour Plan, and more intensive arrangements for schools yet to evaluate as good or better.

A centrally organised interactive workshop on effective learning and teaching has been used to support Head Teacher engagement events throughout the session. The session exemplified national expectations and clarified the role of the Head Teacher in leading the development of learning, teaching and assessment in our schools.

Our focus on improving learning and teaching is also now a feature of collaborative work across partner Local Authorities within the Northern Alliance. A senior officer (primary Head Teacher) has been appointed to work with leads from other local authorities to develop a learning and teaching toolkit to support staff development in schools. This resource is on track to be published in September 2024.

Staff have delivered the Children and Young People Improvement Collaborative's (CYPIC) approach to supporting improvement in writing to 16 schools across ACC, primarily at the P4 stage with 11 of these schools then receiving additional training for their P3 – P7 teachers ensuring the spread and scale of the approach is consistent and of high quality. All staff who have attended the training were more confident in their understanding of the key aspects of the Quality Improvement Journey, using data to inform practice and involving their children in the assessment, feedback and interpreting data process.

The Northern Lights pilot is now complete allowing for the planning of full roll out to all schools providing every child from P6 – S6 with a new device. In addition, wifi networks are being upgraded and there has been a refresh of smart boards to ensure schools have access to the latest technology.

### Improving the tracking and monitoring of all learners

The Broad General Education tracker is in place and updated three times per session providing schools with access to all data in a customised report. An agreed tracking system for secondary has been agreed and will be implemented over the current school session.

### Programme of professional learning for leaders at all levels

There continues to be a strong interest in professional learning engagement by Aspiring and Early Phase Middle Leaders. Each course teaches a different aspect of leadership. This is followed up by considering how attendees effectively implement to ensure impact on pupil outcomes.

Our most experienced Middle Leaders involved in 'Readiness for Into Headship' programme are demonstrating improving understanding and engage in quality dialogue around leadership themes. A few attendees are giving consideration to building on this by undertaking Into Headship Programme next session.

Two Head Teachers who have recently completed 'Into Headship' shared their top tips and further information about this qualification. At this stage it looks like there will be a strong uptake entering this process for next session.

Over the course of the academic session, 111 live universal sessions were offered to staff across the service, as well as a range of safeguarding training and opportunities to commission bespoke support from our specialist services. The Grassroots (GPLP) programme continued this session delivered by classroom teachers, with programmes focussing on Numeracy, Sensory Stories and Circuits, Understanding ADHD and An Anti-Racist Ethos. Feedback for these sessions remained positive with evaluations highlighting the benefits of practical examples to take back into the classroom and opportunities to work with colleagues across the city.

The book groups run by our Orchard Brae Outreach Teacher were very well received, with requests to continue this next session. Some of the attendees have plans to develop book groups within their own settings following on from this learning opportunity.

There is emerging evidence of the positive impact of involving members of secondary school leadership teams in quality improvement activities beyond their own secondary schools. Widening the quality improvement team members to include a cross section of senior leaders is benefitting the school being visited and the individual team members home school by building a shared understanding of what high quality looks like and building capacity across our schools.

### Increasing opportunities for music ensembles within localities and across the city

The Music Service has continued to [evaluate](#) how well they are expanding the provision of music tuition, increasing more equitable access and providing greater opportunities for students to perform individually and in partnership with other groups in the city.

The success of the Big Sing 2023 was built upon further with all P4s again coming together to sing at the Duthie Park. The event was well received by parents and families and plans are already in place to have a bigger and more international event next session. Termly concerts have provided regular opportunities for learners to share with parents. Groups have also performed at each of the face to face head teacher meetings and committees where a music report is being presented. Strong links have been made with the Music School and shared events are helping to promote both services.

### Promoting Gaelic Medium Education

Gaelic medium has been fully staffed this session with probationers choosing to stay on for session 2024/25. Learners participated in the Mod (the national festival for celebrating Gaelic linguistic and cultural heritage) this session and a link has been made with schools in Ireland to support further developments in the service.

### Programme of learning experiences offered to families in partnership with 3rd sector during school holidays

In the city programmes continue to run Easter, Summer and October. Successful and popular sessions are offered by city staff and 3rd sector partners. There is a high level of satisfaction from both learners and their families.

Since summer 2021, the programmes have provided more than 53,000 bookable opportunities, including multiday camps, day long and short activities being offered, as well as numerous drop-in activities in parks, museums, galleries and local communities and bespoke programmes for those with complex additional support needs. More than 17,000 bookable opportunities have been made available since Easter 2023.

The enjoyability rating as provided by children and young people for one of the most recent programmes (Easter in the City, 2024) was 9.6 out of 10.

Both Countesswells and Greyhope are fully operational with learners and staff enjoying being in the new buildings. Construction has resumed on the new school in Tillydrone with completion planned next session. Feasibility studies are ongoing to inform investment and delivery of the planned future school estate.



### CLOSING THE ATTAINMENT GAP

The new equity tracking format was adopted in 2023 and is monitored as part of the Quality Improvement Framework. Evidence can be seen that most schools are becoming confident in ensuring plans demonstrate a clear understanding of context through increased use of data. Increasingly, interventions are time specific and being tracked more regularly with signs of greater confidence to adopt, adapt or abandon if desired progress is not being made.

Youth Workers and Family Learning Workers have a clear remit for early intervention and continue to target children, young people, and families most at risk of disengaging from education. Data is routinely gathered to support rigorous evaluation of the impact of interventions and help inform next steps. We are now looking to align this data set more carefully with our work to develop a Family Support model and will carefully consider how learning can be used to avoid duplication of support. Financial advisors continue to support families ensuring they have access to all benefits they are entitled to.

The tracking of those children and young people who are Looked After and educated in another authority continues to be developed alongside the other local authorities with 3 points in the year when information on exclusions / attendance / Curriculum for Excellence data is requested. The data is used to target resource and review support offered.

### Development and implementation of a literacy and numeracy

A Writing Skills Progression focus group has been formed from colleagues across sectors and localities, to work collaboratively on a digital framework to support planning, teaching and assessment of writing skills. The group have looked outwardly to other local authorities and inwards, ensuring consultation with schools across the city on the text types taught in preparation for the forthcoming work planned.

A numeracy focus group is being established to review the current numeracy framework and develop planning, teaching and assessment materials as well as professional learning for staff.

### Provision of intelligence led ASN services to better meet demand

ASN and outreach is an agile service which uses data to identify how best to align resource. The Educational Psychology service is undertaking a review of the level of support available in schools to identify best practice approaches to support future plans. The outcome of this review will be presented to the Education and Children's Services Committee in November 2024.

### The CIRCLE framework and Angela Morgan's "Support for Learning" Review

All schools have a designated CIRCLE lead who attends network meeting to update on progress within each establishment. The network meets twice termly and head teachers are updated annually on authority progress.

Work continues on the implementation of the 'Support for Learning' review. Training is offered regularly to teaching and support staff and central officers offer drop in session for parents twice termly facilitated by a local parental support group.

### Multi agency support provided in partnership with the virtual school to improve outcomes for those on the edge of care

The multi-agency teams (Virtual School, Family Learning, social work and youth work) are embedded in both Northfield and Lochside Academy. A [full evaluation](#) has been undertaken and was presented to the July 2024 Education and Children's Services Committee Edge of Care Pilots to give consideration to a further roll out to the St Machar ASG. Both quantitative and qualitative data provides strong evidence of a positive impact on improving outcomes for both young people and families.

### Monitoring of attendance and exclusion levels weekly to secure improvement

Updated guidance was issued to schools and families in April 2024. A new, improved, flow chart is helping ensure a consistent approach is adopted across ACC settings. Quality Improvement visits are used to monitor compliance and to ensure consistency in approach. An updated PowerBI Broad General Education Tracking & Monitoring system provides a platform to monitor attendance easily.

### HEALTH AND WELLBEING

Our schools offer a range of pupil voice groups to provide our children and young people an active voice in shaping both their school experience and to inform and support school improvement. These routinely include school councils, eco groups, health and wellbeing groups, digital (champions), etc.

The mental health of our children and young people is improving. All settings continue to participate in the Schools Health and wellbeing Improvement Network ([SHINE](#)) mental wellbeing survey and the ACC Physical Health and Wellbeing survey to support our understanding of the needs of P6/7 and Secondary learners across our settings. This year's surveys had higher completion rates by learners: over 500 for SHINE and almost an additional 2000 for the Physical Health Surveys. The interventions provided and work undertaken

across our settings has led to an improved data picture. Positive improvements were seen in a number of areas compared to the previous two survey returns (March 2022 & November 2022). Of particular interest were the following:

- reduction of pupils reporting low mood and at risk of depression
- improvements in the Strengths and Difficulties Questionnaire (SDQ) which measures mental health difficulties
- increases in reported self-confidence levels and optimism
- improvements in physical health
- improvements in feelings of safety, inclusion, good health, aspects of sleep, and being listened to.

Generally, Aberdeen City outcomes now sit above national comparator data. Two previous areas of concern for Aberdeen, reports of self-harming, and happiness with appearance have both improved this year. The 'Did Not Disclose' gender, and 'Girls' gender groups both showed improvements on previous surveys in these areas.

There are other areas the data directs us to consider further:

- the gap between the Family Affluence Scale Groups (low, medium and high) even though each group is showing an improved position
- how to increase positivity towards school (especially at the transition between primary and secondary stages), although improvements against feelings of pressure in relation to schoolwork, and higher reporting of liking school were reported
- the expected poorer mental health and wellbeing of girls with a focus on our cohort of S4 girls (our S3 group last year) who are continuing to show poorer self-reporting in mental health measures relative to their peers in other stages, and their male counterparts
- increased use of technology and devices including its impact on sleep, and going to bed later
- how to support and encourage secondary pupils to eat breakfast
- continuing work with the Alcohol and Drugs Partnership to address slight increases in the number of pupils trying of e-cigarettes/vapes and other substances

Youth Work is embedded in primary and secondary schools. A refined learning offer and improved referral process has been developed. The learning offer includes one to one support, support for transition from P7 to S1, SQA-approved youth awards such as Hi5 and Dynamic Youth, break-time drop-ins and Confidence to Cook classes. C2C participants learn how to prepare nutritious meals with a limited budget.

CLD Family Learning's approach and provision supports families with their mental health needs through intensive 1-1 support, group work provision and mental health counselling as well as offering guidance and support to access other services.

We continue to offer counselling services in all our secondary schools and this has been extended to P6 and P7 learners across the city. Our counselling services are now part of the request for assistance process allowing us to better evidence impact alongside other interventions.

### Sport Aberdeen

Sport Aberdeen continue to provide activities which are being offered across the city and the work has been extended to include six ELC settings across the city to encourage increased physical activity habits. They also provide a school swimming programme which all P4 learners participated in.

### 'Fitlike Aberdeen'

The Fit Like Family Wellbeing Team, have continued to offer targeted whole family support to children, young people and families in Aberdeen City since 2019.

Fit Like? have seen a change in the level of need experienced by families over the past year, with parental mental health, poverty needs and child and adolescent emotional and mental health being saturated themes in the requests for assistance. The service continues to evolve to respond to the increasing demand for support and the noted complexity prevalent in families lives. The Fit Like? Family Wellbeing Team offers a variety of different supports to help families with a range of needs, help can extend from advice and guidance, consultation, group work to individualised support delivered to the whole family network. Those accessing the service tell us that it feels like a "bespoke service" and that it is the first-time support has 'felt right'. There is clear evidence that engagement with services helps families to achieve outcomes including:

- parents feeling supported to manage their anxieties and worries,
- feeling listened to and heard,
- strengthened family relationships
- improved child mental health and wellbeing.

*'Getting support from the FitLikeHubs was so scary at the start, luckily for me I was given someone who has been absolutely amazing. She's supported me with so much, that I don't know where I'd be if it wasn't for her support. She's literally saved my life, which sounds extreme but when someone is so low and life's so difficult and someone comes in and makes such a big impact on how they support you, it can be life changing. To have someone come in and show you so much respect, not judge you and listen to you has not been something I am used to but [worker] has done all this and showed me that I can trust her. She's not given up on me when I thought I wasn't worthy of any support, she's allowed me the time to feel comfortable to be open and honest to her. I feel I still have lots to work on with [worker] but I am so thankful for how much she taken me on with her advice and support and continues to allow me to move forward.'* [Parent]

The Fit Like? team have developed a range of group work programmes for parents/carers/children and families with the areas that they tell us they need help with: Parent Led CBT – helping parents support their anxious children, Distress to Success – helping parents understand and respond to their child's distress behaviour, Stay and Play – giving families the opportunity to come together in a relaxed family friendly environment which offers support and guidance when needed, Girls Group – a rights led group. We are also delighted to be piloting a new group in October 2024 'Helping your Autistic Child'.

Throughout the 2023/2024 period 178 Parents/Carers have been offered our groups and provided invaluable feedback:

*'I felt the group covered a lot of what we go through as a family. And how to handle certain situations whether its meltdowns, sleeping, mood swings, hitting. I feel I have learned so much coming to the group and will try what I have learned and hope that it works for my son and family. Thank you so much'* [Parent: Distress for Success Group]

*'All the information provided was great, great topics, presentation was great as it was so relaxed but professional. The environment felt safe, the ladies made everyone feel welcome. There was also a good few new videos for me that have really stuck with me.'* [Parent: Distress to Success]

*'Speaking to other people who are in the same position. Knowing I am not alone.'* [Parent: Distress to Success]



We have offered LIAM (Lets Introduce Anxiety Management) Groups in schools, successfully engaging with 9 schools reaching up to 90 children throughout 2023/2024. Young people told us:  
*'I feel I was listened to and able to speak. I feel I have improved a lot.'* [Young person attending the LIAM Group]

The Fit Like Hubs in partnership with Children Social Work and Education colleagues have developed a local child protection pathway, to support families where there is escalating need to get the right support from the right service at the right time. This pathway has been further developed with the integration of other Tier 2 commissioned services, allowing services to respond to family's needs in a timely way, preventing overlap and duplication and providing opportunities for effective collaboration. This has allowed for a more co-ordinated, integrated approach to supporting families and minimises the need for families to keep repeating their stories to various professionals.

Our data and evaluation of the Fit Like Hubs has consistently demonstrated that support delivered in a non-stigmatising and trauma informed manner often enables families to feel heard emotionally and their needs deescalated to universal/community-based supports mitigating an escalation into Children's Social Work or CAMHS. In 2023, of a sample of 113 families who moved on from Fit Like help saw 87 (76%) families went on to engage in universal support, 14 families went on to require social work support and 12 families went on to CAMHS.

### TRANSITION TO POSITIVE DESTINATIONS

ABZ Campus phase 1 is complete offering 38 additional courses across the schools and partners and phase 2 which includes anytime courses and increases the offer to 54 courses ready to start delivery in August 2024.

Common transition week and plans in place for curricular and pastoral transitions from P7 to S1 Aberdeen City Council Transition Standard has been reviewed by the Learning and Teaching Group and shared with school staff. Revised Transition Guidance for Learners with Additional Support Needs will be shared with school leaders in August 2024.

A numeracy group will be established next session to build on the good work of individual ASGs and ensure consistency across the city. There is a pilot underway to provide employability experience for learners with more complex needs and a working group looking at improving transitions from children's to adults services.

Foundation apprenticeships increased by 50% and there are plans to increase these further next session. There is also planning in place to support ongoing work experience to support learners in achieving a positive destination.

### SUPPORTING CARE EXPERIENCED AND LOOKED AFTER CHILDREN

*\* Care Experienced is the collective term for anyone who has been or is currently in care or from a looked-after background at any stage in their life*

*\*\* Looked After refers to children/young people who are currently 'legally' looked after*

We have continued focus on implementing 'The Promise' with all central staff having participated in the keeping the promise award training. A multi-agency evaluation of progress to deliver on Plan 21 – 24 was submitted to the [Education & Children's Services Committee in November 2023](#) and thereafter to Community Planning Aberdeen. Our assessment demonstrated continuing progress to deliver on the aspirations of The Promise. At the end of Year 2 of the three-year plan 88% of required improvement activity was "well underway" (up from Y1 68%) and that 12% of the required improvement activity was "underway but does not yet appear sufficient" (down from Y1 24%). There were no areas where improvement activity had yet to commence.

### Expand digital connection opportunities for care experienced young people in line with peers through local approach and access scheme

Digital Inclusion needs are assessed as part of Pathway planning with care leavers. Pathway planning is undertaken with 100% of those who engage in/with Aftercare support. These include the needs of those who have entered the UK as unaccompanied minors and become looked after.

#### Actions delivered against this theme include:

WiFi MiFi connection; mobile phone and laptop and iPad devices continue to be purchased with around 33 young people, supported on an Aftercare basis, benefitting. 22 Wi-Fi/MiFi/33 iPad and laptops; 30 mobile phones.

Continuing use of Aberdeen Care Experienced (ACE) Facebook as a communication device; there are 581 followers on ACE Facebook page and 555 followers on Youth Team Facebook page.

146 care experience young people have Mind of My Own (MOMO) accounts; 200 CSW professionals have accounts.

Sign posting young people to free to access and use resources e.g. the data bank, this is being promoted on a case-by-case basis.

The Youth Team as a care leaving team have all completed Circuit Digital Inclusion Training which offers Digital Inclusion Rights Training for professionals. Aligning professional knowledge with the commitments identified in the Promise to care experienced community.

The above has also facilitated access to the National Digital Inclusion network. Hub which we will explore re use re how best to deliver free digital inclusion support to the group eg access to free devices and free data.

### The delivery of participatory opportunities for care experienced young people

#### Continuous participation events

Children's Rights monthly walks are attended by on average 8 young people per walk and with monthly connection group attended by around 12 young people. Thematic group work sessions e.g. Warm Space, are attended by around 5 young people: Supper Club events as above connected group activity, regularly engage around a dozen young people.

#### Event based participation

Young people attended the summer Picnic in the Park Day, with care leavers, and their children, participating in festive period events; Christmas crafts and baking, Advent and a Christmas Party which was attended by 30 participants.

#### Personal developmental and advocacy participation

The development of interview skills with and for young people. along with participation in the recruitment process for the candidate into the new post of Participation Lead Officer has directly supported young people to gain insight around pathways/transitions into the world of work.

Brights Spots Research was jointly designed, and delivered with CELCIS and Children's Social Work, connecting with all young people presently looked after and those who qualify for statutory Aftercare. Substantive engagement by our young people with this research was noted with 345 of those looked after completing a Bright Spots survey with an additional 227 responses from those beyond care.

Our care experienced young people are also provided with now extended opportunities for dialogue/ engagement within and across corporate parenting support teams (and between each other) though Focus group and Champions Board meetings, In the digital realm, sign-posting and daily posts of wider events

within the Aberdeen City community through dedicated Facebook channels, and the establishment of the Children's Rights webpage on the Aberdeen Protects site, ensures that our young people are offered critical information, and the opportunity to engage with extended activities within the city.

#### **Mind of My Own App**

The Mind of My Own app continues to be utilised with and for care experienced young people in the settings where they are cared for. The uptake, as part of specific child protection investigatory processes, is relatively low but with expansion of the engagement offers noted above this may change in time.

In 2023/24, 46 children have shared their feelings whilst participating as part of Child Protection processes; 22 times for initial child protection meetings.

Contextually, in the past six years, Child Protection stakeholders have noted that there is a significantly lower uptake in use of the app when accessed by young people preparing to attend or after they have attended a meeting in general.

In addressing this trend, there is ongoing workforce development to promote better uptake across Child Protection processes and, with cognisance of the increased utilisation of the app language feature, driven by the growing number of Unaccompanied Asylum-Seeking Young People (UASYP) in our care, this has been identified as an area for development and focus in 2024/25.

#### **Celebration of Care Day and Care experienced week**

Care Day was celebrated in February 2024, incorporating a series of events and digital engagement/information opportunities, including a celebratory event at Westburn Resource Centre. This had the theme of 'participation.' and highlighted the launch of the Bright Spots research programme, (see above) with over 30 young people and their supporters in attendance.

Both Care Day itself, and the Week. were extensively supported and enabled by both Aberdeen City Council, and partner team professionals, with sharing of the lived experiences of our Care Experienced Young people, in the context of policies and interventions applied to support these young people.

#### **Support Unaccompanied Asylum-Seeking Young People (UASYP) access supports which enables and offers them physical and emotional wellbeing benefits**

Presently 52 UASYP are supported as looked after young people or care leavers by Children's Social Work teams.

The extended support framework currently in place, both that delivered directly by Aberdeen City Council, and that provided in partnership with a range of formal/third sector organisations include educational, emotional and practical daily living assistance.

With the establishment of a fixed term, specialist Children's Social Work resource of four professional practitioners/workers, Aberdeen City Council has acted as both a lead service, and enabler to support, and continue to develop, educational provision for those who are in secondary education, and through NESCOL have provided/offered access to language support for these young people through 2nd language short courses attended by 22 participants.

All 52 young people have a combination of care and/or pathway plans in place, reflecting their status as Looked After Young People which places material responsibilities on Aberdeen City Council, and others, as corporate parents. Outreach support is presently provided to more than 20 of these young people. As with all our Care Experienced young people, UASYP have access to the support tools, Forums and Groups which are identified in the section above around participatory opportunities.

Housing needs cultural event promotion and support, along with access to recreational activities (in partnership with Sport Aberdeen) are each supported by an allocated worker resource within Aberdeen City Council.

Additionally, the young people are provided with access to a specific point of contact within Child and Adult Mental Health Services and have participated in/attended Health Assessment clinics arranged by our partner organisations where immunisation updating, and the offer of additional health advice was made available. 30 young people attended this clinic setting at the first event in 2023/24. In terms of sustaining healthy living through accessibility to food stuffs, each of these young people is also provided with access to products from the Westburn foodbank, that includes culturally based preferences.

### **PREVENT CHILDREN & YOUNG PEOPLE ENTERING THE CRIMINAL JUSTICE SYSTEM**

#### **Preventative whole family support approaches to supporting young people at risk of offending**

In the period the Barnardo's led RAFT consortium received 33 referrals from Youth Justice Management Unit (YJMU). Many of these young people were referred on more than one occasion, this was seen as positive in terms of future capacity building with them. 87 under 18s were diverted from prosecution by COPFS in this period. Around 50% of these were referred to RAFT .

LOIP charter activity in 2022 sought to increase the number of children, with particular focus on 16/17-year-olds, who were jointly reported being referred to the reporter.

In 2020/21 61% of the 16/17-year-olds jointly reported were referred to reporter, an increase from only 33% referred in 2016/17. Available data shows that children have continued to be held within the age-appropriate children's hearing system, i.e. for the period May 2023 to April 2024 of the 39 16/17-year-olds jointly reported on 2 were retained by the Procurator Fiscal, a significant improvement.

Workforce development sessions took place with over 60 members of the multi-agency workforce attending awareness raising sessions. High participation indicates that the continued workforce development initiated as part of the charter activity continues to have the desired impact.

There is an agreed communication and information exchange system with JSW partners in place that ensures support is in place for children who are to appear in court. A briefing note for Children Services has been in place for some time and sets out expectations for allocated workers of a child appearing in court. We have adopted and applied the Whole Systems Approach review system for 16- to 21-year-olds who have been remanded or sentenced to custody in YOI. Through discussion, preparations have been put in place for the ending of under 18s in YOI arising from the implementation of this element of the Children (Care and Justice) (Scotland) Act 2024 in Summer 2024.

### **ENSURE THE RIGHTS OF CHILDREN ARE CONSIDERED AND PROTECTED**

Initial training has been delivered on the UNCRC and there is considerable evidence of consideration of children's rights in all schools. Schools are providing child friendly policies and plans.

Work continues across all schools to increase learner voice and to embed children's rights across school policy and practice. Consideration is given, and opportunities routinely provided, to ensure that children and young people are provided with appropriate mechanisms to influence decision-making regarding (Education) service design and delivery.

All school improvement plans have evidence of learner voice and all schools produce a child /family friendly version of their plan.



# PEOPLE (ADULTS)

## KEY DRIVERS

- Mitigating the causes of immediate and acute poverty
- Ensure those experiencing in-work poverty have access to all appropriate benefits
- Poverty affecting those with protected characteristics and in specific communities
- Supporting vulnerable and disadvantaged people, families and groups
- Provide individuals and communities with the social resources needed to reduce feelings of loneliness and social isolation
- Encouraging adoption of healthier lifestyles through a whole family approach
- Reduce levels of harmful alcohol consumption across the whole population through “making every opportunity count” approaches
- Enhance early intervention and preventative treatment for those at greatest risk of harm from drugs and alcohol
- Increase visibility and support of recovery in our communities
- Provide individuals and communities with the social resources needed to make informed decisions about health and lifestyle
- Tackling antisocial behaviour in problem areas with appropriate and effective interventions
- Changing attitudes about domestic abuse in all its forms and ensuring victims receive access to the right support
- Those who are convicted are supported to engage with relevant services and reduce re-offending

# PEOPLE (ADULTS) HIGHLIGHTS



**90.4%** of ACC properties meeting **SHQS**



**806** affordable homes delivered in 2023/24



Over **90%** of Adult Learnings supported through our CLD Team reported an **increase in confidence and skills**



**75% increase** in the number of staff trained to administer Naloxone



Image © Felix Mooneram



## PROGRESS MADE DURING 2022/23

### HOUSING

#### Increasing the supply of affordable housing

The Council's new build programme is ongoing. Developments at Wellheads, Auchmill Road, Summerhill, Tillydrone and Kaimhill have been completed and handed over. Craighill has been re-rendered and is due for completion in Summer 2026. Kincorth is due to be re-rendered in summer 2024. Completion dates will be supplied in due course. Development of specialist provision homes at Stoneywood is onsite and Cloverhill development is being handed over in phases.

A review of housing for varying needs is ongoing with Aberdeen City Health & Social Care Partnership, Housing and Bon Accord Care. Work is ongoing to allow Provost Hogg Court to transition to a hybrid model of sheltered housing and very sheltered housing.

A 25% allocation of affordable housing is required as part of the planning process for new developments. These developments will then form part of the Strategic Housing Investment Plan. Reduction in affordable housing supply grant means there are more developments than funding. In 2023/24, 806 affordable homes were delivered across the city, 8 of which have full wheelchair accessibility. This is the highest number of affordable homes delivered through the affordable housing supply programme.

There continues to be a post that supports Care Experienced Young People (CEYP) to consider their housing options and access suitable housing support. CEYP are given a high priority on the urgent list to ensure they can move in to suitable settled accommodation as quickly as possible. The Housing Support for Care Leavers procedure is in place.

#### Reduce Homelessness

A new stretch outcome dedicated to reducing homelessness in the city was introduced as part of the LOIP refresh towards the end of 2024. Planning for this started in 23/24 with the creation of the Ending Homelessness in Aberdeen Partnership. This has evolved into the Homelessness Outcome Improvement Group in partnership with Homewards (The Royal Foundation). The stretch outcome has a focus on the prevention of homelessness, with an aim to reduce homelessness by 10% and youth homelessness by 6% by 2026, ensuring it is rare, brief, non-recurring with a longer-term ambition to end homelessness in Aberdeen City.

Housing First continues to operate in the city and has continued to feature in our recent commissioning of an updated Outreach Housing Support Service in the city. Ongoing monitoring of the current contract and plans to support the implementation of a new contract are underway.

The Private Landlord Support Officer has been in post since April 2023, the post continues to support the progression of the following key areas

- Establishing relationships with key stakeholders
- Tenant Support & Advice -raising awareness of tenants' rights in the Private Rented Sector
- Landlord Support and Advice - Providing advice and guidance on tenancy management
- Improving the standard of private rented accommodation
- Assisting with the prevention of homelessness from the Private Rented Sector



There continues to be an officer who works from Grampian Prison, with a focus on sustaining tenancies wherever it is possible to do so for people who are in prison, this group also benefits from a high priority on the urgent list, if they have to terminate their ACC tenancy as it is not possible to sustain, which aims to plan for a secure tenancy being available on their release.

The Housing & Support Officer role continues to focus on supporting the prevention of homelessness as an outcome by ensuring existing tenants are supported to sustain their tenancy either through direct support from their housing & support officer or through support to access the most appropriate commissioned service in the city.

Tenancy sustainment rates have stayed the same between 22/23 and 23/24, whilst post COVID-19 there has been an increase in evictions from council housing due to rent arrears, from 6 to 24 in the same period. The repeat rate of homelessness remains relatively low and has reduced from 22/23 when it was at 44 cases, to 40 cases in 23/24. The sustainment rate for people experiencing homelessness has risen slightly with only 68 households not sustaining for more than 1 year in 23/24 compared with 85 in 22/23. There has however been an increase in people who go from a prevent 1 classification to homeless, which was at 51.5% (1623) in 22/23 increasing to 52.9% (1722) in 23/24.

#### Youth Homelessness

Nightstop (Community Hosting) is currently operational in the city. This is a different concept, and it has been a challenge to find young people who are accepting of the notion of living with a non-relative for a period of time whilst being supported with the Foyer to consider their housing options. The project is currently due to continue until September 2024.

#### Supporting people who have settled in temporary accommodation to flip their accommodation to their permanent address

This option continues to be considered on a case-by-case basis. Due to the increased need for temporary accommodation this has had to be a balanced approach to ensure availability of temporary stock. In 23/24 15 tenancies were flipped from temporary accommodation to mainstream, with the tenant remaining in the property to support them to sustain their tenancy.

#### Supporting people in financial difficulty who have no recourse to public funds

Child and Adult Protection Social Work Service are responsible for assessing families and individual adults who have a NRPF condition attached to their immigration status.

Families/Individuals with NRPF often approach Social Work during crisis situations, marked by destitution and urgent, essential needs which they cannot meet themselves. These individuals may need a safe place to live or have no financial means to meet basic needs

We work collaboratively across the Council (Social Work, Housing, Financial Inclusion Team) and with partners (CFine, Abernecessities and faith groups) to ensure families and adults are supported by those services best placed to do so to mitigate risk and alleviate destitution. Where necessary, we also work with external services, such as the Home Office, Police and/or third sector providers.

#### Priority Families

The Priority Families Service was recommissioned in 2024 and aims to: *Improve whole family outcomes through the delivery of family intervention support to families affected by complex and multiple issues which impact on their life outcomes.*

Families, resident in Aberdeen City Council tenancies and affected by a range of issues such as anti-social behaviour and low school attendance with adverse life experiences impacting on their ability to achieve successful life outcomes are offered intensive support for up to 12 months. There are 3 key features to the model - intensive and consistent support by a dedicated Practitioner, appropriate to the level of assessed need, small caseloads to ensure Practitioners have the necessary capacity and time to dedicate to families and avoid drift and a persistent, assertive and practical, hands-on approach to sustaining engagement, support and continued progress. Outcomes across a range of domains are measured to ensure progress.

#### COMMUNITY LEARNING AND DEVELOPMENT (CLD)

The CLD adult Learning team has supported 505 learners in 2023/24 which equates to 10727 learner hours and 170 learning opportunities to access literacy, IT and ESOL. Over 90% reported an increase in confidence and skills, we also worked with 20 Gypsy Traveller families and Criminal Justice Learners.

The Healthy Minds Team (Part of Community Learning and Development) supports adults in recovery of an enduring mental illness access learning opportunities in the community and the Forensic Unit (Blair) at Cornhill Hospital. Over 23/24 we supported 54 learners in the community (21 males/33 females) and 10 learners from the Blair unit (8 males/2 females). This equates to 844 learner hours. Almost all learners reported an increase in confidence and skills.

#### SUPPORTING VICTIMS OF DOMESTIC ABUSE

##### Preparations for and a response to the Domestic Abuse (Protection) (Scotland) Act 2021 including Domestic Abuse Protection Orders

The Domestic Abuse (Protection) (Scotland) Act has received Royal assent, but the individual provisions have not yet been brought into force. No timescales have been given for implementation of the legislation at this point in time. Key points of the legislation involve Social Landlords having additional reasons for ending a Scottish secure tenancy when a tenant has been abusive to their partner or ex-partner. The landlord can only seek to end the tenancy if they plan to let the person who has been abused continue to live in the house. The person who has been abused must also wish to continue to live in the house. This will prevent further abuse to families and prevent families from becoming homeless or having to access refuge accommodation.

##### Services for those experiencing or fleeing domestic abuse

We have recently implemented two additional posts within ACC's Domestic Abuse Team. This allowed for the increase in referrals created through the end of the service currently commissioned by Housing Access and Support to deliver Refuge and Outreach Services for Women and Children Experiencing Domestic Abuse from Grampian Women's Aid. Additionally, we have recently recruited a post to liaise between the Domestic Abuse Team, Early Intervention and Community Empowerment and partners, to enable effective communication and allow for the Domestic Abuse Team to be accessed as a specialist service should this be required in addition to the support offered through the Housing Support Services and Financial Inclusion Services. The Liaison Officer will also be required to link with Housing Allocations to enable the appropriate allocation of properties from Council housing stock as a replacement for the refuge properties. The next 12 months will be key for improving collaborative work between Housing and Support Services and the Domestic Abuse Team.

##### "Safe & Together" project

Funding was received to support the local implementation of the Safe & Together model. This is an internationally recognised suite of tools and interventions designed to help key public sector and third sector professionals to become domestic abuse-informed and promote multi-agency, collaborative responses to working with families experiencing violence and abuse.

Supporting the implementation of Safe & Together locally will directly contribute to priority 3 of Equally Safe; by helping service providers and other professionals to competently identify domestic abuse and respond effectively to women, children and young people experiencing abuse. Specifically, this project will promote local workforce wellbeing, capacity building and development. Ensuring key staff have the training, tools and other resources they need to identify and respond to domestic abuse within families in a way that promotes the safety and wellbeing of the mother and child, holding the perpetrator to account for their behaviours. 250 staff members (mostly from Children's Social work and Justice Social Work, with some representation from Education and Health) have attended one day Overview training. The Overview sessions gave staff an introduction to the model, suite of tools and interventions designed to help child and family serving systems become domestic abuse informed. 80 staff members from across children and families social work and justice social work have been undertaking the 4 day, more intensive Core training. We have 4 certified in-house trainers who can deliver this training.

The Domestic Abuse policy is fully in place, and has recently been reviewed, with training offered to all Housing and Support staff on the Dynamics of Domestic Abuse.

#### REDUCING DRUG AND ALCOHOL MISUSE

Multi-agency improvement has made significant strides in increasing engagement with drug services through innovative developments focusing on individual needs, and their family in a focus to reduce harm and save lives. This has included the introduction of:

- Treatment for those at risk: assertive outreach approach with daily crisis intervention/home visits to individuals identified at risk to provide support in their homes and encourage engagement
- Harm reduction: raising awareness of safer drug use practices, sterile injecting equipment to reduce the risk of blood borne infections and sexual health advice
- Communities: raising awareness in the community of risks of drug use; how to respond to an overdose and where support is available;
- Referral pathways: a direct referral pathway between ADA and the custody suite, Police Scotland introduced.
- Whole family/city approach to increasing access to naloxone –reach beyond alcohol and drug services
- Alcohol Brief Intervention training being rolled out in non-clinical settings.

Many children face the traumatic experience of a parent dying from substance use and multi-agency work in the last year has contributed to children's services having amended child protection processes to ensure, that where there was a risk of a child being adversely affected by the potential death of a parent, professionals are required to ensure naloxone is held in the house.

The preventative approach has also been community focused, as we strive to ensure that naloxone is always available when needed, and we have seen a number of community centres in priority neighbourhoods undertake the training and have a publicly available stock of naloxone.

This infrastructure will continue to ensure naloxone is easily available and the number of kits being distributed can be targeted to making every opportunity count to save lives. Example of other new naloxone distributors in the city also include Shelter Scotland and Grampian Housing Association.

We continue to run media campaign to raise awareness of naloxone, how to use it, and how to access it has also been successful. The campaign used radio, bus, and social media platforms to reach a wide audience. The campaign increased the number of people who visited the website, ordered naloxone online, or attended the training sessions. The campaign also addressed the stigma and fear associated with carrying or using naloxone.



### Access to support

Multi-agency project work aimed to increase uptake of drug treatment and specifically within Locality Areas by 10% each year and to increase naloxone supply by 10%. The project achieved both aims with a 24% increase in uptake of drug treatment (active clients at Integrated Drug Service (IDS) from 1083 (2019/20) as an average across the year for the number of active clients at IDS to 1340 in 2023/24.

The improvements tested have allowed for barriers such as access/support to get to appointments and engagement to be reduced. Having a clear pathway for people who have had a near fatal overdose has allowed discussion with partners and an assertive approach to encourage engagement with services in our priority neighbourhoods. The indication is that this support is helping people re engage with services.

Between July 2022 and December 2023, 490 individuals overall have been supported, with 65 unique individuals receiving a service through the sharp response service and 425 unique visits being undertaken by the Crisis Response service. In addition, there were 72 referrals from Kittybrewster Custody Suite. From the targeted approach, data has shown increased engagement with ADA Drugs Services by key priority neighbourhoods.

The 10% increase in engagement has been achieved in each postcode, with a 26%, 23%, 42% and 27% increase in 22/23 in AB11, AB16, AB24 and other respectively compared to 20/20-21/23 3-year average. In 2023/24 the project showed sustained improvement with a further 74 new individuals engaged with ADA drug service support from the three priority neighbourhoods: AB11 [12], AB16 [27] and AB24 [35].

There has also been a 34% increase in referrals to Assertive Outreach (AO) in 2022/23 compared to 2021/22, which has led, to referrals to the Sharp Response and Crisis Response services.

Through the Crisis Response service, a team is available daily to check in with partners in Housing (ACC), ARI (NHS), Assertive Outreach (AO) team and others to identify those at risk and who are requiring support/ access to treatment. Daily crisis intervention/home visits are then undertaken, enabling rapid assessment and referral to the appropriate service.

### Naloxone Access and Training

We have increased the supply of naloxone through non-Drug and Alcohol services, resulting in a 31% increase in naloxone distribution between 2022 and 2023. Aberdeen City Council has developed a self-sustaining training and resource naloxone model which can be used as a template for other organisations/ groups. The training takes a “trauma” lens to substance use which is an important factor in reducing the stigma many substance users experience in services and communities and sets many of their challenges in the context of potential adverse childhood and adult experiences. This approach also recognises that many of our staff are also community members and may also have friends or family members experiencing harms from substance use.

To date 350 staff within ACC have been trained and 9 service points stocking naloxone (community centres, library, community justice settings, children’s services settings). As well as training individual staff an approach has been taken to train up whole departments. This has included housing and homelessness services, justice staff and library staff. Local Elected members have undertaken the naloxone training and participated in efforts to raise public awareness.

Plans are in place to continue to spread the use of naloxone with all our libraries (apart from 2) soon to be stocking to distribute naloxone and to train volunteers in all our Warm Spaces. Upcoming naloxone distributors in the city also include Langstone Housing Association and Instant Neighbour.



Image © Felix Mooneram



# PLACE

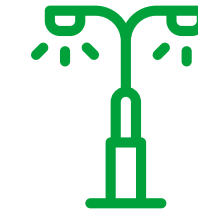
## KEY DRIVERS

- Reducing emissions across the city through delivery of Aberdeen's Net Zero Vision & Route-map
- Provide individuals and communities with the social resources needed to make informed decisions about health and lifestyle
- Encouraging adoption of healthier lifestyles through a whole family approach
- Supporting different ways for active travel in everyday journeys, using partners and volunteers to address safety, infrastructure, fitness, wellbeing and confidence
- Increasing the diversity, quality and use of the Aberdeen's green spaces by facilitating community participation in them to restore nature and increase people's satisfaction, health, and wellbeing
- Increasing the area of public, private and community land managed for nature, in recognition of the nature crisis and in alignment with global and national ambitions to protect 30% of land and 30% of water by 2030 (30-30-30)
- Provide individuals and communities with the social resources needed to reduce feelings of loneliness and social isolation
- Contributing to the delivery of Aberdeen Adapts by developing a bottom-up approach to community resilience to encourage greater ownership and independent action towards understanding communities' risks from climate change and adapting to them
- Mitigating the causes of immediate and acute poverty

Image © Felix Mooneram



# PLACE HIGHLIGHTS



**60% reduction** in electricity and carbon emissions due to the installation of ultra efficient LED lanterns across the city



**8.6% reduction** in NO2 concentrations ( $\mu\text{g}/\text{m}^3$ ) across the city



An estimated **20% reduction** in annual electricity consumption at Marischal College due to the **LED lighting project**

## MOBILITY AND TRANSPORT

### Reducing emissions

A city-wide Mobility Strategy was published in November 2022, as part of a suite of enabling strategies launched alongside the Net Zero Aberdeen Routemap. The Mobility Strategy was developed by NESTRANS with support from Aberdeen City Council and sets key outcomes, strategic objectives and measures to enable a transition towards a more sustainable transport network. Ongoing work on a new Local Transport Strategy supports the Mobility Strategy and will allow for it to be refreshed in due course.

In partnership with NESTRANS and Aberdeenshire Council, work has commenced on identifying an aspirational regional active travel network, with public and stakeholder consultation taking place in summer 2024. It is hoped that the network will be finalised in late 2024, with the projects identified developed into a prioritised list for the Council and partners to progress to feasibility, design and delivery stages, as resources allow.

Bikeability Training continues to be delivered in Aberdeen City Schools by Adventure Aberdeen and by Sustrans I Bike Officers with external funding. In addition to Bikeability Level 2 taking place, a need was identified by the ACC TSAP team to offer Bikeability Level 1 to some children who did not yet have the necessary cycling skills to be able to undertake Level 2. External Funding for this was sought in 2023/24 which was supplied by Adventure Aberdeen and funding has been sought for 2024/25.

Engagement on the key projects has continued as progress on the city centre and beach masterplan moves into delivery.

The Fleet Replacement Programme continues to consider carbon friendly alternatives where possible. This is currently negatively impacted by insufficient EV infrastructure and supply of hydrogen.

The installation of ultra efficient led lanterns now being used throughout the city have seen a 60% reduction in electricity consumption and carbon emissions (4348 down to 2091) tCO<sub>2</sub>e. All lighting now on central management system (CMS) which enables monitoring of onsite equipment reducing the number of site visits required by engineers and adaptively control the city's lighting.

The Joint Procurement Service, covering Aberdeen City, Aberdeenshire and Highland Councils have been leading on a project which will see all three Councils, plus Moray Council, work together to improve their public electric vehicle charging offering in the north of Scotland. A business case was developed; to look at how the Councils could jointly procure a partner to work with them, both to manage and to grow the EV charging infrastructure on Council land for both fleet and public to use. Part of this looked at the opportunities for growth and the likely investment that would be required from all parties. Off the back of this, a funding application was made to Transport Scotland for £6.9M to cover all Council areas and was successfully received in January 2024. This has enabled the joint procurement service to launch the procurement exercise to market in 2024/25. It is anticipated that a 15-20 year contract will be offered, depending on the responses received and a partner is expected to be in place by April 2025. The Council also continues to encourage other parties to install publicly-available EV charge points on their own land and has been pleased to see an uptake from supermarkets, leisure destinations, shopping centres and petrol filling stations in doing this.

Meantime, the Council continues to use its own funds, from the Non-Housing Capital Plan, to install electric vehicle charging infrastructure. New units have been installed and powered up at Virginia Street and Summer Street car parks (public) and Mastrick Road and Duthie Park (Fleet) in 2023/24. More units are being installed during the 2024/25 financial year and will be reported on in the next update.

Phase 1 of the South College Street improvements, and associated city centre bus priority measures (both funded via the Bus Partnership Fund), were delivered in autumn 2023. Work is ongoing to identify, design and deliver further improvements on key corridors to and from the city centre via the individual corridor studies and through the development of Aberdeen Rapid Transit. This work is now being funded through the Aberdeen City Region Deal.

Bus priority measures on Market Street, Guild Street and Bridge Street were implemented in autumn 2023, via Experimental Traffic Order. This also included traffic management measures on Union Terrace and Schoolhill. Construction of Union Street Central is now underway.



## NATURAL ECONOMY

### Open Spaces

79% of respondents in the Aberdeen Open Space Audit: 2024 Public Survey were satisfied, fairly satisfied or very satisfied with the overall quality of Aberdeen's greenspace and open space areas. Note this question formed part of a stand-alone survey as part of the Aberdeen Open Space Audit: 2024. Respondents in the Aberdeen City Voice: 46th Survey reported being satisfied or fairly satisfied with the quality of green/open spaces (66.9% and 68% respectively)

### Blue/Green Infrastructure

City Scale Trial Project delivered through the SEPA and Scottish Water's agreement. ACC hosted the agreement trial to strategically review improvements to Aberdeen's drainage systems. A report is close to completion and may be submitted to Council to seek support to continue to work towards:

- Managing rainwater and wastewater drainage more sustainably.
- Investing wisely to protect the water environment to minimise energy and resource use and maximise social and economic benefits.

### Increasing Nature Areas

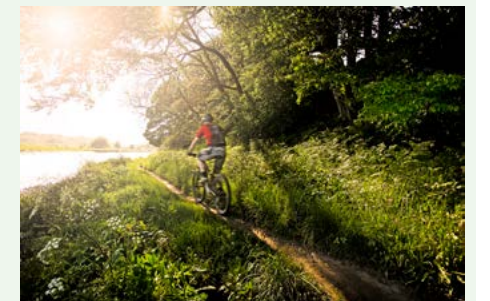
The Den Burn Restoration project has completed concept design and is now looking for funding to complete detailed design and construction.

Aberdeen B-Lines is working to restore 20 hectares of council owned land for pollinating insects by restoring wildflower meadows and grassland habitats. The project is focused along the River Don and River Dee corridors and along the coast.

### Community Involvement

A Citywide Nature Awareness Campaign will be launched in 2024 to address LOIP Project Improvement Aim 15.3 that 25% of people report that they understand the importance of nature on both their neighbourhood and individual wellbeing by 2026. The campaign was approved at the Natural Environment & Transport (NZET) Committee on 11th June 2024.

The Aberdeen Climate and Nature Pledge (launched November 2022) continued to be promoted to organisations and citizens across the city. There are over 100 signatories to date, 75 of which are individuals or households.





The Aberdeen Local Environmental Action Fund (LEAF) pilot was recently launched with NESCAN (North East Scotland Climate Action Network). The purpose of this fund is to empower communities to take positive action in the places and on things that matter to them, with a focus on communities making environmental improvements, improving biodiversity and tackling climate change. Options to further expand the fund in 2024/25 are being explored.

#### Protect the City's natural environment

A [property level flood protection grant](#) remains in place. The Council runs a 50% funded grant scheme to assist protecting property from flooding. The grant is for private residences and commercial properties.

Where there is surface water flood risk, the status of priority hakes and gullies continue to be checked so these can be cleared if necessary.

Enabling prompt response to flood alerts, the Council continues to operate a Duty Flood Officer rota, checking SEPA water Levels for the Rivers Dee and Don, ACC water levels for Den Burn and Culter Burn and monitoring coastal tide levels. Monthly visual inspections take place for any defect or issues with the rock armour, seawall structures, including ramps and steps and condition of timber groynes. Beach levels are also monitored on a bi-weekly basis, these can vary naturally along the Aberdeen coastal front, low sand levels present a risk to the stability of the seawall and a risk to the public access and safety.

Flood studies are ongoing in high priority flood risk areas.

Water level gauges have been installed in critical locations all over Aberdeen which give a warning for potential flood risk, allow us to monitor potential debris built up at the trash screens and use data for flood studies.

A CCTV camera has been fitted to monitor water levels at Maryculter Bridge on the River Dee and more are planned for other critical locations where remote visualisation with assist prioritisation of resources during a flood event.

Enhancement of Green infrastructure is ongoing through the application of relevant Aberdeen Local Development Plan and NPF4 policies. Also, through the City Centre and Beach Masterplan projects.

### WASTE AND CIRCULAR ECONOMY

#### Minimise the levels of waste

Following three online stakeholder workshops carried out in March 2023 in partnership with Zero Waste Scotland, an output report was published in May 2023 summarising the output of this series. The report is available on the Net Zero Aberdeen website and includes output from facilitated discussions on the city-wide approach to a circular economy, and further opportunities, as part of the Net Zero Aberdeen Routemap and Circular Economy Strategy.

#### Reduce carbon emissions from waste

Construction of the Ness Energy from Waste Facility (EFW) was completed in December 2023 and a formal opening event was held in April 2024. The facility is now treating residual waste from Aberdeen, Aberdeenshire and Moray Councils. Electricity is generated by the facility and being exported to the national grid. Work is ongoing to connect the EFW to the Torry Heat Network and this is expected imminently.

Actions through the Green Champion Network to promote and increase reuse and recycling of the Council's internal waste included a Repair What You Wear series to support learning and development of core mending skills. In addition, a learning workshop for Champions took place on reusable period products, covering the impacts of plastic products on the planet and the work by colleagues to distribute products across the city. Further actions carried out by the Champions included workplace growing, food waste champions and litter picks. Work by Archives, Galleries and Museums included reducing coffee waste and continued recycling of wood waste from crates for local growing initiatives such as the community garden in Seaton. A Libraries Service Green Week was held in October 2023 with activities focused on repair and growing. Tasks relating to the environment and waste management were added to the Council's Premises Responsible Person procedure.

### ENERGY SUPPLY

#### Support growth and development of decarbonised energy supplies

A hydrogen infrastructure feasibility study was completed, and the outputs of the study were used as the basis for a proposal to the Clean H2 Partnership, Horizon Europe fund, to establish an H2 Valley in the North East of Scotland focused on stimulating demand for H2 in relation to mobility (vehicles, maritime and trains), agriculture and decarbonising whisky distilleries. The decision on the success of us securing funds will be made in late 2024.

Aberdeen City Council currently works with Scottish Enterprise, ETZ Ltd and AREG to support potential supply chain companies based in Aberdeen to recognise and develop their capabilities to benefit from the major investment that is happening in respect of ScotWind.

There is ongoing discussion with Aberdeen Heat & Power and Scottish Government for the preparation of the Licensing and Consenting under Heat Networks (Scotland) Act.

Due to Scottish Government financial constraints the Green Growth Accelerator programme has been suspended. When it comes back into operation the Council will re-engage with the Scottish Government.

#### Reduce fuel poverty

Phase 1 of Torry Heat Network is complete, and Phase 2 is under construction, it is anticipated that the low carbon heat from Energy from Waste will contribute towards decarbonisation of heat throughout the city heat network. As part of the Heat Networks (Scotland) Act, the heat consumption will be metered, and heat charges will be monitored.

The Local Heat and Energy Efficiency Strategy (LHEES) priority areas includes fuel poverty data and identifying energy efficiency improvements which can potentially mitigate fuel poverty.

Continuous engagement with NHS, SCARF and other partners around providing support wherever its needed and assisting in mitigating fuel poverty.

Marischal College LED lighting project now complete with an estimated 20% reduction in annual electricity consumption for the building.

# KEY PERFORMANCE INDICATORS / LOCAL GOVERNMENT BENCHMARKING

The preceding sections of this report provide a both narrative and quantitative review of the commitments set out within the Aberdeen City Council Delivery Plan 2023/24. Supplemental to this review, this section provides an overview of certain key performance indicators and directs readers to detailed benchmarked performance information comparing the performance of council services over time and in relation to Scotland’s other local authorities.

## LOCAL GOVERNMENT BENCHMARK FRAMEWORK (LGBF)

The LGBF is a high-level benchmarking tool designed to support understanding of why variations in cost and performance are occurring between similar councils, and through this understanding act as a catalyst for improving services, targeting resources to areas of greatest impact and enhancing public accountability.

The LGBF helps compare key council services against a suite of efficiency, output and outcome indicators that cover all areas of local government activity.

All of Aberdeen City Council’s data outputs for these LGBF measures can be accessed through the link: [Council Delivery Plan Key Measures](#) The LGBF applies the standards for statistical rigour set out in the three pillars of the UK Statistics Authority Code of Practice – trustworthiness, quality, and value. One impact of this is that data can take some time to be analysed and released for all 32 local authorities. The data that follows is, therefore, for the year 2022/23.

## ABERDEEN CITY COUNCIL BENCHMARKED PERFORMANCE

The tables below relate to the ranking for Aberdeen City Council’s performance relative to all of Scotland’s local authorities i.e. position out of 32. Table 1 below showing that the Council had almost the same number of measures ranked in the top half as in the bottom half. It also shows that this reflects an improvement on the previous year. There are many reasons why the relative performance of councils might differ including different demographics and legitimately different priorities and choices on the use of resources.

Table 1

	Indicator Outcomes by Quartile Position			
	2022-23	% of total	2021-22	% of total
Indicator Outcomes in Quartile 1 (1st to 8th)	18	19.7%	17	18.7%
Indicator Outcomes in Quartile 2 (9th to 16th)	27	29.7%	22	24.2%
Indicator Outcomes in Quartile 3 (17th to 24th)	29	31.8%	31	34.1%
Indicator Outcomes in Quartile 4 (25th to 32nd)	17	18.7%	21	23.1%

Table 2 below shows that the Council’s relative ranking improved for almost twice as many indicators as it declined.

Table 2

	Improvement by Quartile Standing			
	2022-23	% of total	2021-22	% of total
No. of Indicators Improving by Quartile Standing	20	21.9%	11	12.1%
No. of Indicators Unchanged by Quartile Standing	60	65.9%	63	69.2%
No. of Indicators Deteriorating by Quartile Standing	11	12.1%	17	18.7%
Total Number of Indicators	91	100.0%	91	100.0%

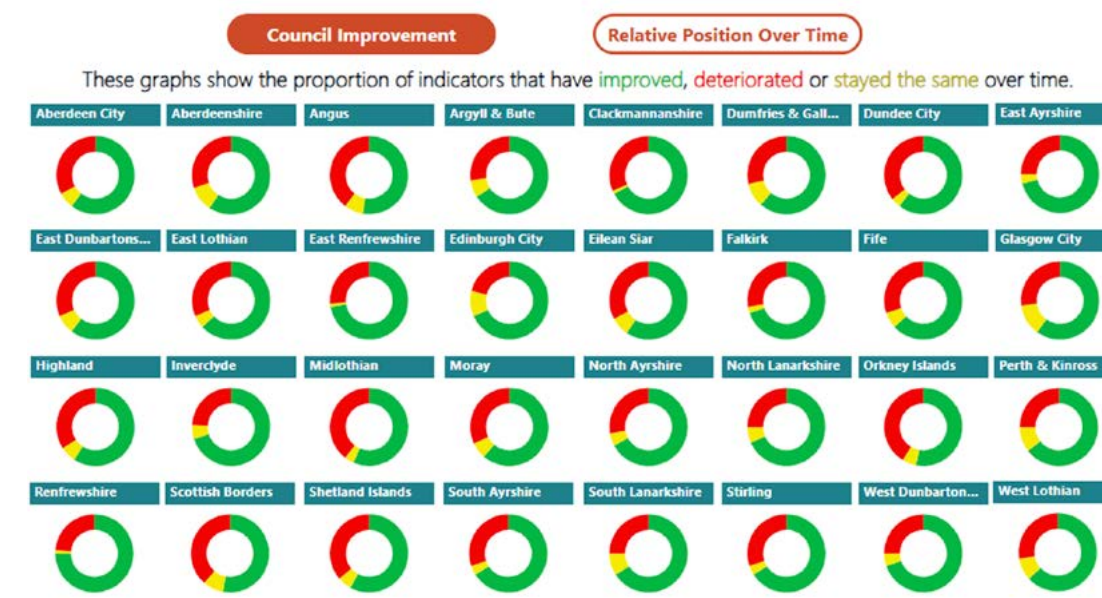
Finally, Table 3 compares performance against each LGBF indicator to the target agreed by the Council and expressed in a Red, Amber, Green “traffic light” system, where green represents that the target was met, amber that the target was nearly met and within an agreed threshold, and red that the target was missed. Overall performance in 2022/23 was almost identical as in the previous year with just over two thirds of LGBF indicators holding green status against the agreed target.

Table 3

	Performance Data Traffic Light – Value based			
	2022-23	% of total	2021-22	% of total
Green	61	67.1%	61	67.1%
Amber	18	19.7%	20	21.9%
Red	12	13.1%	10	10.9%

The graphic below provides a visual representation of improvement against the full Local Government Benchmarking suite of Performance Indicators on the base year for each of the 32 Scottish Local Authorities.

This suggests that Aberdeen City’s general improvement performance is in line with the national median over time and that, where performance deterioration is evident, these trends largely track those same measures where, at a national level, a decline in performance can also be observed.



Source: Local Government Benchmarking Framework Benchmarking Overview Report 2024

This page is intentionally left blank



<b>COMMITTEE</b>	Council
<b>DATE</b>	2 <sup>nd</sup> October 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	North East Population Health Alliance: End of Year One Progress Report
<b>REPORT NUMBER</b>	CORS/24/280
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Martin Murchie
<b>REPORT AUTHOR</b>	Martin Murchie
<b>TERMS OF REFERENCE</b>	21

**1. PURPOSE OF REPORT**

1.1 To present a progress report after the first year of operation of the North East Population Health Alliance (NEPHA).

**2. RECOMMENDATION**

2.1 That the Council:-

- i. note the report and provide comments and observations on the information contained in the report; and
- ii. agree to instruct a progress report on the second year of the operation of the strategic partnership agreement.

**3. CURRENT SITUATION**

3.1 Public sector leaders in the North East made a collective commitment to focus on population health in a bid to reverse current trends (stalling life expectancy and widening levels of inequality). The North East Population Health Alliance and within was formed to facilitate public health learning across existing partnership arrangements to explore shared challenges, test evidence based solutions and implement what works at scale and pace through respective structures and systems.

3.2 A strategic partnership agreement was prepared in 2023 to formalise this collaboration, setting out the parameters of engagement between the nine North East partners alongside Public Health Scotland.

3.3 At its meeting of 23 August 2023, the Council agreed that Aberdeen City Council be a signatory to the strategic partnership agreement and requested the Chief Executive to provide Council with an annual progress report on the strategic partnership agreement.

3.4 The following high level themes were agreed for focus in this first year:

- i. Develop a learning system that explores the challenges faced by the North East of Scotland, tests solutions, and implements what works at scale and pace.
- ii. Form collective knowledge, data, and evidence to shape more powerful collective conversations and action to achieve the vision of thriving communities living fulfilled lives.
- iii. Developing common data governance and system models to enable findable, accessible, interoperability and re-useable data to support research, policy development and operational delivery such as Persons At Risk Database (PARD) and local, use of common identifiers, including CHI.
- iv. Collaboration on the commissioning and conduct of research on the wider determinants of health across the north east and the application of knowledge to practice locally and nationally.
- v. Development of a baseline of prevention activity within the region with a view to establishing some targets for growth in activity.
- vi. Child poverty, the drugs mission and the eradication of homelessness to appear in a detailed workplan given the commitment is established at a national and local level and therefore the Alliance can maximise the tripartite collaboration on the achievement of these commitments.

### 3.5 Assessment

3.5.1 Activity in this first year has focussed on developing a learning system to facilitate collective knowledge through shared data and evidence. Appendix 1 summarises the key areas of work progressed and how they align to the strategic partnership agreement high level themes (SPA HLTs).

3.5.2 At their June 2024 meeting, NEPHA members reflected on the Strategic Partnership Agreement, Public Health Scotland's involvement in the Alliance to date and, more widely, NEPHA's progress in relation to joint learning and action for population health improvement. It was generally felt that the first 12 months had been a developmental year, the potential to deliver real value through the Alliance was acknowledged with it still to be fully realised. There was a sense that greater progress on the Strategic Partnership Agreement (SPA) priorities / themes was required, with prioritisation needed to deliver outcomes. It was agreed to support further reflection through a series of interviews within individual members.

3.5.3 A series of individual conversations have been scheduled with NEPHA members to understand the expectations of working together and steps required to collectively deliver improvements. Further discussions are planned within the NEPHA on the insights gathered from these conversations.

## 4. **FINANCIAL IMPLICATIONS**

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

## 5. LEGAL IMPLICATIONS

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

## 6. ENVIRONMENTAL IMPLICATIONS

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

## 7. RISK

The assessment of risk contained within the table below is 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?
<b>Strategic</b>	No significant strategic risks	N/A	L	Yes
<b>Compliance</b>	No significant legal risks.	N/A	L	Yes
<b>Operational</b>	None	N/A	N/A	NA
<b>Financial</b>	None	N/A	N/A	N/A
<b>Reputational</b>	No significant reputational risks.	N/A	L	Yes
<b>Environment / Climate</b>	None	NA	NA	NA

## 8. OUTCOMES

<u><a href="#">Council Delivery Plan 2024-25</a></u>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Partnership Agreement</b>	The aims of the NEPHA overlap with various commitments contained within the Aberdeen City Council Partnership Agreement.
<u><a href="#">Aberdeen City Local Outcomes Plan April 2024 Refresh</a></u>	
<b>Prosperous Economy Stretch Outcomes</b>	The aims of the NEPHA support delivery against each of the Prosperous Economy Stretch Outcomes
<b>Prosperous People Stretch Outcomes</b>	The aims of the NEPHA support delivery against each of the Prosperous People Stretch Outcomes

<b>Prosperous Place Stretch Outcomes</b>	The aims of the NEPHA support delivery against each of the Prosperous Place Stretch Outcomes
<b>Regional and City Strategies</b>	The aims of the NEPHA closely align to regional and City strategies including National Improvement Framework for Education; Regional Economic Strategy, Local and Regional Transport Strategies and the Regional Skills Strategy, along with Local and Strategic Development Plans.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	It was confirmed by Chief Officer, Martin Murchie, on 2 <sup>nd</sup> September 2024, that no Integrated Impact Assessment is required for this report
<b>Data Protection Impact Assessment</b>	A Data Protection Impact Assessment is not required for this report.
<b>Other</b>	No additional impact assessments have been completed for this report.

## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

Appendix 1 – Progress Made in Relation to the Strategic Partnership Agreement

## 12. REPORT AUTHOR CONTACT DETAILS

Martin Murchie  
 Chief Officer, Data Insights (HDRCA)  
[mmurchie@aberdeencity.gov.uk](mailto:mmurchie@aberdeencity.gov.uk)

## Appendix 1 Progress Made in Relation to the Strategic Partnership Agreement

### Developing a Learning System and Test Solutions (aligned to SPA HLT 1)

NEPHA has been exploring the Human Learning Systems approach and how this may be used to improve outcomes for people. It challenges thinking about public service and is based on the belief that the role of public services is to support human flourishing rather than to improve performance for organisations. It embraces complexity and suggests ways to work effectively within it. Over the past year the NEPHA have combined theory-based presentations with practical experiments – a ‘learning while doing’ approach. Exploratory learning events have involved NEPHA members including colleagues from wider public and voluntary sector, facilitated by Public Health Scotland and Healthcare Improvement Scotland. With the focus on learning within organisations and partnerships, the NEPHA is also learning together with national agencies to sustain improvement at all levels of the system.

The main practical experiment underway is in substance use where reducing harm is complex and enduring, and has been a long-standing area of concern for the NEPHA. A workshop in Torry held in June 24 was attended by a range of stakeholders from across the system - all keen to share their experiences and learning about naloxone kit distribution and how uptake can be increased where it is low and harms are high. Facilitated by PHS and HIS, this was the first ‘learning cycles’ where many insights were shared. Planning is underway for the next cycles which will extend to people with lived and living experience of substance use harm. Updates and insights will be provided as this progresses.

Conversations are underway with a range of partners who are keen to utilise the learning from the human learning system approach for example in the areas of child poverty, family support services and schools. NEPHA will seek to support sharing the learning of adopting this approach with the support of national colleagues.

Community appointment days is a new approach to providing care that has been tested in other parts of the UK. With a focus on the individual, this human centred approach will experiment with different ways to improve health, care and wellbeing. The NEPHA aim to ‘experiment’ with this, beginning with musculoskeletal care, working with Moray Health and Social Care Partnership in September 24.

Partners are beginning to look at human centred approaches for people who are delayed in hospital. The learning cycles are just evolving and it is very early days, but this is a good example of addressing a complex situation in partnership.

In summary, there is a lot happening in this space. Experiments, learning and improvement will all take time but the lessons and evidence from elsewhere is that impact can be significant.

### North-East Health Inequalities Atlas (aligned to SPA HLT3)

Building knowledge and evidence to inform collective action is central to NEPHA’s aims. This requires an in-depth understanding of our communities and the needs of disadvantaged groups including how inequalities have emerged and anticipation

of future trends. Whilst there is a range of ongoing work to improve data sharing, this could be better coordinated and resourced. Getting 'smarter' around data is fundamental to achieving improvements across the North East. A detailed 'atlas of health inequalities' drawing on the collective data assets of partners is being developed. A North East Portal is underway and a prototype regional geographical reporting system using PowerBi was built using datazone and Intermediate datazone data for all 3 LA areas.

Prototype regional reporting of data and mapping at various geographic levels was demonstrated at the NEPHA in March 2024. Since then the reporting format has been expanded to capture and visualize the data released from the 2022 Census, again across the Region. Census data is being released in phases. The reporting currently includes Population; Age; Sex; Households; Ethnicity; Religion; Sexual Orientation; Trans History; and BSL use. NRS have scheduled further releases as follows:

- Housing, 22 August 2024
- Education, labour market and travel to work, September 2024
- Health, disability and unpaid care, September 2024

The data will allow us to create a solid foundation for a health inequality atlas.

Officers from each of the NE local authorities and NHS Grampian have met to establish a permanent local data analytics community and Terms of Reference for this group have been agreed. The development of a Health Inequalities Atlas is part of their planned work programme and further work will be undertaken to set out timelines for delivery.

#### Exploring Substance Use in the North East (aligned to SPA HLT 2,4,6)

One of first areas of work NEPHA commissioned was focussed on stigma associated with substance use. Two multi-agency regional workshops were hosted. The first was a stakeholder's workshop exploring substance use using the Kings Fund 'four pillar' approach. Addressing stigma was identified as the focus for future activity. A second workshop in June 2023 concentrated on capturing the lessons and truths of the lived experiences of those affected by substance use – in particular their experiences of specialist services as well as the health and social care environment as a whole and including wider determinants of health and wellbeing.

A 'Charter of Rights' setting out the rights people can expect when accessing services in the North East of Scotland was the main recommendation for action. A regional short life working group led by Pam Miliken, involving the three ADPs has been progressing this.

In 23 March 2024 a 'Grampian Charter of Rights' Workshop was held with key representatives from each ADP, with people with lived experience, members of the NEPHA and the National Collaborative. Approximately 47 people attended the workshop, valuable time was spent in the morning discussing the importance of a Grampian Charter of Rights and listening to people with lived experience on their views on what was important to be included within the local charter. Two key questions were considered:

- 'What rights do you believe individuals struggling with substance use should have within our community?'
- 'Measures implemented to prevent discrimination against individuals with substance use in employment, house, healthcare etc?'

People articulated the need to be seen and heard, to see stigma disappear and to be treated as humans. Services should be located near to where people live and able to address multiple needs, across all aspects of life e.g. finding a safe place to live, to access food, gain employment, manage chronic conditions, kinship, address mental health and wellbeing or just taking the time to listen. Looking past the symptoms of substance use and better understand the cause(s) is important, as is trauma informed staff, not having to repeat the same story, knowing how and where to get help and recognising the struggle with both professional and self-stigma.

Jacqui Stevenson from the National Collaborative also presented the proposed National Charter of Rights, welcoming feedback from workshop attendees as part of the national engagement on the proposed National Charter.

On 11 June 2024 a further meeting was hosted to progress next steps for the Grampian Charter of Rights. A survey was developed to engage those who attended the workshop in March to drill down further into what must be included within a Grampian Charter of Rights. Responses to the survey have now been received from those with lived experience and service providers.

During the Grampian Charter of Rights development phase, the National Benchmarking Report on the Implementation of the Medication Assisted Treatment (MAT) Standards was published (18 July 2024). MAT refers to the use of medication alongside psychological and social support in the treatment of people who are experiencing issues with their drug use. These new MAT Standards came into force in April 2022.

It is envisaged that the National Charter of Rights will be embedded within the MAT Standards and form part of the annual performance reporting. This proposal will add some authority to the National Charter of Rights. Therefore, a decision is required as to how a Grampian Charter of Rights aligns with the National Charter of Rights and provides additional qualitative evidence from a local perspective.

In September 24, the proposed Grampian Charter of Rights will be presented for discussion and shared with those with lived experience to agree and sign-off. Once there is agreement on the Grampian Charter of Rights these will be presented to the NEPHA (North East Population Health Alliance) in December 2024 for further endorsement.

#### Place and Wellbeing (aligned to SPA HLT 2,4,6)

A strong sense of 'place' is a foundation for health and wellbeing, in particular supporting deprived communities. This has been recognised in each of the 3 Grampian Community Planning Local Outcome Improvement Plans. To build further on this sense of 'place to improve health' NEPHA sponsored activity in the form of two symposiums to build strategic understanding across the North East, to



share ideas and best practice. The second event held in November 23, with 100 participants from third sector organisations, local authorities, NHS, academia and Public Health Scotland, focussed on nature-based activities to improve health and the environment. Participants valued having the visible presence of local and national leaders not just as demonstration of support, but also to hear the challenges and possibilities for change from a grassroots perspective.

The symposiums have increased networking, helped build relationships and inspire action. One of the developments from the symposiums has been the North East Place and Wellbeing Network. It is an informal network that meets every quarter with approximately 70 members registered from across the North East. The Network has focussed on two key priorities - Social Prescribing and connection to nature/greenspace, particularly focusing on children and young people.

Social prescribing has the potential to change the way the health service interacts with our communities, de-medicalising issues which are social, economic, environmental and cultural. To shift power out of the clinic and into the community. There are currently different models of Social Prescribing across Grampian. The Place and Wellbeing Network has been investigating the possibility of a consistent approach to Social Prescribing which could apply across the whole of the North East. This seeks to take Social Prescribing beyond primary care to incorporate secondary care and other areas of the health system. There is a wealth of activity and experience to learn from and build upon, identifying aspects which could be applied universally.

A paper compiled by a Network working group to fully understand the current national and local landscape around social prescribing was shared widely across colleagues and partners in the North East as well as national stakeholders. The feedback acknowledged and confirmed that there were many variations of both formal and informal social prescribing taking place. The Network is now proposing to focus on four universal themes:

- Support with Information Governance Solutions
- Campaign for changes at national level for a Single Directory of Services
- Development of a North East Social Prescribing Awareness Campaign
- Evaluation and Research on different approaches of Social Prescribing

The Network is also looking at ways for young people to engage and connect with nature and greenspace. A literature review was carried out to pull together evidence around the benefits for children and younger people accessing nature and green space. There is a large and growing body of evidence that suggests that more time spent in nature and a richer connection with nature as a child have significant benefits for health and wellbeing of both people and planet. The evidence highlights there is a “Teenage Dip” in nature connection. Younger children demonstrate high connection with nature, but this drops in the teenage years.

The Network action group agreed to gain an understanding and map current service provision / activities in the North East for young people to connect with nature. The Place and Wellbeing Network is planning to support and raise the profile of existing projects as opposed to developing something new.

There are currently no future plans to deliver another symposium due to financial constraints. However, the North East Place and Wellbeing Network is currently exploring becoming a constituted body and the development of a digital platform for partners to network and share information about 'Place' pieces of work.

Working Together for Health Improvement - Cost of Living  
(aligned to SPA HLT 2,4,5,6)

In 2023 the Alliance agreed to utilise the Director of Public Health Annual Report as a framework to engage with partners to identify the areas where we can work together to improve population health, reduce health inequalities and further develop and strengthen our population health system. A joint planning steering group was established with cross-system representation to ensure this engagement work met the requirements of all partners and built on what was already in place. It was agreed to focus specifically on the rising cost of living threat to identify what is working well (to enable us to share learning), identify any gaps in our response and the opportunities to work together for greater action.

A policy and practice briefing was developed by the Aberdeen Health Determinants Research Collaborative providing the evidence base. This was used to guide a series of workshops in summer 2023 with approximately 100 representatives from a wide range of organisations including health, education, third sector, academic, sport & leisure and social care. The outputs were then considered by North East community planning partners at a workshop in October 23. Five areas for improvement emerged, and a public health system leadership deep dive was held in June 24 to explore these areas with a specific focus on data and sharing good practice, next steps are outlined below:

Focus Required	Activity Being Taken
Develop opportunities to share good practice	Child Poverty Community of Practice – currently exploring further opportunities to share practice in conjunction with outputs from recent child poverty deep dive at Public Health System Leadership Group.
Maximise Anchor Institution collaborations to address issues such as physical space, volunteering	Aberdeen City Council has led the establishment of the NE Anchors Group which has met 3 times. Representatives from partner organisations have been working on respective community wealth building and anchor plans and the NE Anchor group will use these plans and the output of the cost of living work to identify areas for collaboration. The use of physical space is also included as an action within NHS Grampian's anchor strategic plan and will be progressed through the land and assets pillar.
Data sharing	A PHSLG workshop is scheduled in Sept focussing on developing a pan Grampian approach to Joint Strategic Needs Assessments, this will include data sharing with input on the NE Health Inequalities Atlas
Support population health needs assessments to enable targeted local activities	As above

Support evaluation of local programmes	An evaluation strategy is in early stages of development, this will direct how public health resources/ expertise support evaluation for population health across the local system. Having a shared evaluation framework will support consistency and build evaluation into practice through L&D
<p>A purpose of this focussed engagement over the past 18 months was to understand how as partners we can work together to improve population health and strengthen our population health system. This has provided good insight. Working in partnership now to improve these identified areas will continue to support and reinforce cross system working.</p>	
<p><u>Wider Public Health Workforce Development</u> (aligned to SPA HLT 1,2)</p> <p>Organisations within the public, private and voluntary sector have a long-standing commitment to public health. Ensuring that Senior Managers within these organisations are supported and have the right tools to recognise the wider scope for, and delivery of, public health should support improved population health outcomes. NEPHA has sponsored the development and testing of a training module for senior managers to provide a broad understanding of population / public health within the context of local authority and wider functions.</p> <p>The overall scope of the proposed module was agreed with senior officers from Aberdeen City Council – the agreed pilot local authority. An initial workshop was organised and delivered with 20 council senior managers and executive directors in May 2024. An immediate, informal evaluation of this first session indicated that it was welcomed by those attending and a keenness for moving to the next sessions noted. A formal timetable for these and a formal evaluation of the module are currently being developed. Support for the overall approach has been agreed with the Health Determinants Research Collaboration Aberdeen, who are being approached to undertake the formal evaluation. It is anticipated that learning from this will feed into both the ongoing work of the Health Determinants Research Collaboration Aberdeen and will facilitate adoption of the module by other LAs in Grampian.</p>	
<p><u>Whole System Approach to Healthy Weight and Active Living</u> (aligned to SPA HLT 2,4)</p> <p>Local authorities, Health &amp; Social Care Partnerships and Community Planning Partnerships are in a uniquely influential position to work with their communities and local partners to tackle obesity. In October 2023 the North East Population Health Alliance endorsed a Grampian wide whole systems approach to promoting healthy weight and active living, building on the approach being taken in Aberdeenshire. Public health capacity is supporting this shared approach.</p> <p>Following NEPHA endorsement, a series of discussions were undertaken with senior executives in Aberdeen City Council and Moray Council to discuss and agree a way forward. A gap analysis using the <a href="#">University of Edinburgh Local Levers for diet and Healthy Weight</a> as a framework was completed for all 3 Community Planning Partnership areas to support these conversations.</p>	

In July 2024 Aberdeen City Council Education and Children's Committee agreed that the 6 stage whole systems model will be adopted to guide the approach in Aberdeen City to tackle the rise of children and expectant mothers who are not of a healthy weight (highlighted in the Children's Service Annual report). The Children's Service Board will champion this, with the City Council acting as organisation lead for child obesity and weight management. An initial stakeholder event is scheduled in Sept to complete stage 2 of the WSA. ACHSP will drive work from an adult perspective.

In Moray, full engagement with the Council's senior executives has not been possible with the very recent appointment of the new Chief Executive and HSCP Chief Officer. The Public Health Consultant aligned to Moray is leading on this engagement. In February 24, Moray Community Planning Partnership endorsed a proposal led by the Leisure Services to progress a WSA for physical activity, with PHS support. A series of 3 PHS led workshops have been facilitated to date with stakeholders to implement the [PHS framework](#). The ambition is to broaden this to include focus on obesity as agreed at the Community Planning Partnership Board.

Aberdeenshire CPP adopted the whole system model in 2021. In April 2024 the CPP Board requested a review using recent data and emerging evidence. The purpose was to prioritise actions that will have the greatest impact, recognising the challenges of partners' capacity. The 'Local Levers' gap analysis is informing this review. An initial stakeholder workshop was hosted in June 24, with a second workshop scheduled for August 24 focussed on integrating HEAL action and Local Place Plans.

As part of the WSA to healthy weight, a strong argument can be made for increased provision of weight management services in Grampian, in particular with enhanced specialist services that can be delivered digitally. Following a recently submitted expression of interest to NHS Grampian Charity Public Health have been invited to prepare a funding application in two parts; the first to enhance existing weight management support services and reduce inequalities through the provision of new digital evidence based interventions designed and targeted at the most socio-economically deprived communities. The second part of the submission, based on the experience of Aberdeenshire's health improvement team, proposes that Public Health support is provided to CPPs to develop, project manage and implement their Healthy Eating, Active Living delivery plans using the Whole Systems Approach.

It is planned that a Grampian 'healthy eating active living' symposium will be hosted by March 25 bringing stakeholders together across the region with representation from the three CPPs to facilitate shared learning and promote good practice.

#### Data Driven Community Action – Winter Falls and Ice Crew Gritting (aligned to SPA HLT 3)

An analysis of Emergency Department presentations at ARI and DGH was undertaken for the winter period in 2023. Maps were prepared by Public Health to show the geographical postcode of residence of those who had presented due to a fall.

A test of change was taken forward in Aberdeen City engaging the communities of Hilton, Stockethill, Cults and Bielside, as these areas had the highest incidences.

Through engagement with community councils, and in collaboration with the Aberdeen City roads department, volunteer 'Winter resilience rapid response task forces', which later became known as 'Ice Crews' were deployed. The hospital data informed where street gritting was targeted by these volunteer 'ice crews'. Delivery of the equipment needed was coordinated through Public Health and the Roads Department. The Community Councils did their own advertising across their communities and sourced high-visibility vests for the crews and one liaised with their local primary school to help name their group and the gritters.

The crews used hand gritters and salt bags provided by the council to grit the pavements where the highest number of falls were seen the previous winter (according to where people lived, not necessarily where the fall occurred). These areas include a lot of sheltered housing as well as community venues used by vulnerable members of the community. Gritting took place on many occasions during the winter and anecdotal evidence shows the affected communities were appreciative and it helped to build a level of community resilience and spirit.

An evaluation to assess the impact on A&E attendances and more widely on community resilience is currently being undertaken. The evaluation findings will be concluded by early September 24, to inform volunteer ice crew activity in Aberdeen City for Winter 24. Some of the community councils are planning activity for the winter and identifying where to access funding to ensure this project continues. This has led to a CPP objective to roll the project out to other communities in the City.

The findings will be shared with all three Community Planning Partnerships/ local authorities to consider extension of this approach across Grampian to build on local elected member interest.

#### NE Co-ordinated Approach

Throughout the year NEPHA has discussed opportunities to take a co-ordinated approach across the North –East to achieve added value and shared learning in relation to specific population health plans and approaches. Examples of this include:

##### *Joint Health Protection Plan:*

The Grampian Joint Health Protection Plan 2024-26 was considered by NEPHA in May 24. Whilst acknowledging that partners have individual responsibilities for the delivery and governance of specific actions / services to protect the health of the population, NEPHA concluded that there is further scope and added value for North East organisations to collectively contribute. One specific area identified was public communications and messaging.

##### *Putting People First*

Following a presentation on NHSG's developing approach 'Putting People First' - shaping a new relationship with the public in June 24, NEPHA acknowledged the value in North-East partners developing a whole-system approach to listening to and involving people. Partners were keen to optimise connectivity with existing networks and approaches e.g. place based approaches and there is interest in provision of holistic community appointment days. There was agreement that capturing the shared learning was important to future activity.

##### *National Population Health Framework and Marmot Places*

Public Health Scotland has provided NEPHA with a series of updates across the year on the developing national population health framework and the partnership with the Institute of Health Equity to progress Marmot Places in Scotland, both key national drivers to tackle health inequalities. The partners agreed that mapping relevant local policies to assess if local responses are sufficient will be considered once the draft national framework is published. NEPHA committed to developing a strong response to the draft national framework to ensure the north east perspective is fully considered.

This page is intentionally left blank



## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Budget Protocol: Phase 2 Consultation & Budget Update
<b>REPORT NUMBER</b>	CORS/24/357
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Jonathan Belford / Martin Murchie
<b>REPORT AUTHOR</b>	Jonathan Belford / Martin Murchie
<b>TERMS OF REFERENCE</b>	2

### 1. PURPOSE OF REPORT

- 1.1 The report satisfies the requirements of the approved Budget Protocol, in respect of reporting to Council the results of the Phase 2 Public Budget Consultation, which includes details of the current estimated budget position for 2025/26, the budget options and the Integrated Impact Assessments (IIA).
- 1.2 In addition the report provides a brief update on the budget model following the UK Budget, announced on 30 October 2024, where it is currently known to affect the Council.

### 2. RECOMMENDATIONS

That Council

- 2.1 Note the contents of the report;
- 2.2 Agree, subject to any further clarification from Scottish Government, that the General Fund budget model for 2025/26 will assume the cost of increased Employer National Insurance Contributions will be fully funded;
- 2.3 Note that COSLA has identified that the wider cost of Employer National Insurance Contributions increasing has implications for services commissioned and funded to deliver public services;
- 2.4 Agree that the Chief Officer – Finance, working with the Extended Corporate Management team, update the General Fund financial model for 2025/26 for the Local Government Financial Settlement for 2025/26 from Scottish Government and to take account of the analysis work described in the report;

- 2.5 Agree, due to the new financial risks, that updated financial modelling is done in conjunction with NHS Grampian, for the Aberdeen City Integration Joint Board and included in the General Fund budget report for 2025/26; and
- 2.6 Note that the Council will be presented with the final budget position and the request to approve a balanced General Fund Revenue and Capital Budget, and set Council Tax for 2025/26 at the Budget meeting on 5 March 2025.

### 3. CURRENT SITUATION

- 3.1 On 11 October 2024 the Council approved the latest Medium Term Financial Strategy (MTFS) (CORS/24/283). This included the feedback on the Phase 1 Public Budget Consultation, which had been carried out in August 2024, and was the initial engagement step set out in the approved Budget Protocol. This provided the Council with information about what the impact, of taking budget decisions that affect Council services, would have on citizens, their families, the wider community, including those with protected characteristics.
- 3.2 The MTFS sets out scenarios for the future financial position of the Council and the Council agreed that for the second phase of public consultation the Central Scenario would 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, in accordance with the Budget Protocol.
- 3.3 The approved MTFS shows the budget gap for the General Fund for the next five years as follows:

After Assumed Savings	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
<b>General Fund Budget Gap</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Downside Scenario	0	47	88	135	182	223
<b>Central Scenario</b>	<b>0</b>	<b>29</b>	<b>44</b>	<b>55</b>	<b>70</b>	<b>78</b>
Upside Scenario	0	6	13	20	28	34

- 3.4 The Central Scenario, a budget gap next year of £29m and of £55m over the next three years (used as it is the end of the current Council term) was therefore the starting point for the Phase 2 exercise. The Phase 2 simulator was made available online during October and November 2024.
- 3.5 The Budget Protocol is now in its second year of operation and was designed to strengthen the governance around our budget setting process, particularly to help us to understand the impact of budget options on our Public Sector Equality Duty under the Equality Act 2010 before decisions are made by elected members on Budget day. In setting the budget, members must have due regard to the impacts when setting the budget and officers must assess the impacts and any mitigations which will minimise those impacts. Virtual and face to face engagement sessions were organised during both phases of the budget consultation.
- 3.6 Phase 2 of public consultation has now been completed and Integrated Impact Assessments (IIAs), the Council’s tool for recording the impact of proposals on

groups of people with protected characteristics, are being updated using the data collected through this engagement, as well as data held internally about service users. This will allow further targeted engagement to take place with any relevant groups or individuals that may be negatively impacted by any of the options, and this feedback will be incorporated into the IIAs referred to by members at the budget meeting. These IIAs continue to be updated and are live, iterative, documents, taking account of the requirement for all budget options to be legally competent and financially achievable, as well as the duty to have due regard to the impact of these options on protected characteristics groups, at the point of decision making.



- 3.7 A revised IIA template was introduced during the summer of 2024 and will reflect improvements to ensure that, when budget decisions are being made, members have full information to allow them to have due regard under the Equality Act. This new template will be provided to Elected Members as part of the final budget options next year.

**Phase 2 Public Consultation**

- 3.8 The Phase 2 simulator was completed by 1,535 people, fewer than we saw in phase 2 participation last year, however perhaps reflective of the difference in questions asked, focus this year being on gathering the implications of making budget decisions. A summary of the results and feedback is included as Appendix 1.

**Current Estimated Budget for 2025/26**

3.9 Noted above at 3.3 is the forecast for the General Fund budget gap, as set out in the MTFS, 2024. That financial landscape evolves, and means that changes to the budget gap should be expected throughout the course of the year.

3.10 The detailed position of the Central Scenario captured in the Medium Term Financial Strategy 2024 is shown in the following table.

Budget Forecasts - General Fund	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000
City Regeneration & Environment	30,235	38,598	43,667	46,152	48,052	49,992
Corporate Services	43,487	44,132	43,151	41,461	43,144	44,890
Families & Communities	307,384	324,681	328,710	332,260	338,374	341,152
Integrated Joint Board	121,932	121,932	121,932	121,932	121,932	121,932
Corporate	104,429	102,558	112,712	120,322	126,447	128,162
	<b>607,467</b>	<b>631,901</b>	<b>650,172</b>	<b>662,127</b>	<b>677,949</b>	<b>686,127</b>
<b>Funded By</b>						
General Revenue Grant	(252,057)	(252,057)	(252,057)	(252,057)	(252,057)	(252,057)
NNDR	(208,113)	(208,113)	(208,113)	(208,113)	(208,113)	(208,113)
Council Tax	(139,727)	(140,850)	(141,393)	(141,937)	(142,480)	(143,023)
Use of Reserves	(7,569)	(2,065)	(4,821)	(5,252)	(5,423)	(5,419)
	<b>(607,467)</b>	<b>(603,086)</b>	<b>(606,385)</b>	<b>(607,359)</b>	<b>(608,074)</b>	<b>(608,613)</b>
<b>Gap (Cumulative)</b>	<b>0</b>	<b>28,815</b>	<b>43,787</b>	<b>54,768</b>	<b>69,876</b>	<b>77,514</b>

3.11 Changes that officers are evaluating and update working assumptions on are as follows:

- UK Budget Employer National Insurance Contributions (NIC) increase – two changes will be made from April 2025, which the Council will have to pay on behalf of employees it directly employs. The changes affect the starting point at which employer NIC applies and the rate at which contributions are calculated. The starting threshold is dropping by £4,100 to £5,000 and the Employers' NIC rate rises to 15 percent. This means that the cost of employment will rise substantially with an overall estimate for the Council of £7.7m, including the Health & Social Care Partnership.
- UK Budget Employer NIC increase for ALEOs and Funded Providers – the change does not just affect Councils as all employers will see the effect of paying more in employment costs, which works out, for example, at an extra £805 per employee paid £25,000 per annum, which is over 3.2% before a pay award has been applied. There is a clear request and expectation from our partners, group entities, third sector and wider commissioned services that they do not have the funding streams to make these payments without affecting the services they deliver. This has been highlighted to COSLA as a crucial matter given the implications for services commissioned and funded to deliver public services. Without Government funding to support this specific cost pressure the Council does not have the financial resources to provide funding.
- General Revenue Grant - Scottish Government Funding – The Chancellor announced that consequential from UK to Scottish Government would

apply for the Employer NI Contribution cost. Clear parameters and a quantification of the figure for this had not been defined on the date of the UK Budget. There are still negotiations to take place and the value of these will be added to the Scotland consequentials for 2025/26. In the context of a substantial funding gap in 2025/26, for the Council the expectation is that Scottish Government will fully fund the direct cost of the Employer NI contributions change, i.e. £7.7m.

- General Revenue Grant - Scottish Government Funding – commitment has been given to additional recurring funding being provided to support the implementation of the 2024/25 pay award. This amounts to approximately £123m across the Teaching and Non-teaching workforces for Scotland. This is the equivalent of 1.07% uplift in pay during 2024/25. This is on top of the 3.2% contribution that the Council is funding, the 0.2% uplift in value is also being included in the Budget model for 2025/26.
- Continued analysis of budgets and forecasts for 2024/25 – a detailed assessment of budgets included in 2024/25 has been undertaken in light of the spending decisions and transaction data that is now available from the first half of this year. This has provided an opportunity to identify potential savings that will be incorporated into the budget model where appropriate.
- Aberdeen City Integration Joint Board (IJB) – it is clear from the Quarter 2 Financial report that was presented to the IJB on 19 November 2024 that the IJB is going to use their remaining reserves to balance the budget as part of the Recovery Plan put in place. There is no guarantee that the Council will not have to supplement the IJB Budget at year end if their Recovery Plan cannot be delivered therefore the Council, in conjunction with NHS Grampian, needs to carefully consider the ongoing and underlying financial position and resources requirements of the IJB. As part of the Budget report for financial year 2025/26 the Council will receive financial modelling on the scenarios that may be considered.

3.12 At the time of writing, there remain two significant financial risks in respect of the 2024/25 General Revenue Grant:

- Funding for the Teachers' Pension Increases that have applied this year and are being funded from consequentials from UK Government. The distribution methodology has been agreed, but the letter of confirmation has not yet been issued therefore the Council is unclear if it is going to receive the £2.2m it has included in its budget for 2024/25. And therefore whether this value should be adjusted for in 2025/26.
- Funding for Teachers, following approval of the Council Budget the Scottish Government moved £145.5m of funding for teachers from the General Revenue Grant to a Ring-fenced Grant, with the condition that teacher numbers are maintained. Cosla has opposed this change. There is no clarity yet if the funding will be paid in full to all, some or any Councils or if the variation in teacher numbers will be penalised at a local or national level and whether or not extenuating circumstances might apply. With so many scenarios it remains unclear if the Council will receive funding that has also been assumed as part of 2024/25 budget. The amount at risk is currently

£5.2m. Again, should this funding not be forthcoming, the 2025/26 Budget assumptions will have to change in the final 2025/26 budget model.

- 3.13 Scottish Budget and Local Government Settlement for 2025/26 – Local Government will not be known until after the Scottish Budget for 2025/26 has been presented to Parliament on 4 December 2024. In fact, while the Scottish Budget may indicate how much money Local Government will receive, the Local Government Financial Settlement for 2025/26 will not be released until after the latest school census data is released, which I understand is scheduled for the week beginning 9 December 2024. It is only through the Financial Settlement itself that individual Local Authorities can begin to understand the implications of the Scottish Budget at a local level.

### **Budget Options**

- 3.14 As contained in the approved MTFs (CORS/24/283) closing the budget gap relies on a wider range of solutions. Assumed within the MTFs are savings arising from Transformation Programme, Multi-Agency Collaboration and Efficiencies. The work to address these projects and programmes continues having been approved as part of the TOM1.2 (CUS/22/171) and associated reports. Officers are working on delivering the financial benefits from that work and where appropriate report to committee or Council through normal governance arrangements. However, this only addresses a proportion of the identified budget gap.
- 3.15 The Phase 2 Budget Consultation simulator built on Phase 1 options and presented an extended set of options to enable the closing of the budget gap, including savings options and income generation options. In general, these options have an impact on service levels, service standards or the cost of services and in turn will affect citizens, businesses and visitors.
- 3.16 The timing of the implementation for the options was varied, shown to be achievable in the first year (2025/26) through to the final consultation year, year three (2027/28).
- 3.17 The list of all of the options (Phase 1 and Phase 2) that were available to the public is included in Appendix 2, including the titles of the lower level detail options. The focus is to show the value that is estimated as achievable in 2025/26.
- 3.18 Included in Appendix 2 is the option in relation to Council Tax. Council Tax is a vital income stream for the Council, therefore it is important that due consideration is given to increasing this as part of the budget setting process. The Council has the power to set Council Tax, and in exercising that power will have to include consideration of the financial position, the financial settlement received from Scottish Government and any conditions or penalties that apply to our funding. I have included, as Chief Officer – Finance, my planning assumptions for Council Tax in 2025/26, which was described in the consultation as an increase of 7%.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising directly from this report, however the content of the report describes the current estimate for the financial parameters next year, that will be further updated and presented to the Council in March 2025 to approve the Budgets for 2025/26, and set Council Tax for that year.

#### 5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications in this report as no decision is required at this stage.

5.2 Aberdeen City Council has to comply with the Equality Act 2010 by giving due regard to the needs of the public sector equality duty. All budget options that are presented to Elected Members in 2025 will be subject to appropriate Integrated Impact Assessments, and all options will also be assessed for any specific legal implications.

#### 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?
<b>Strategic Risk</b>	Use of the General Fund fails to achieve intended strategic objectives.	Commissioning approach and service design built around stretch outcomes in the LOIP.	L	Yes
<b>Compliance</b>	Not preparing to set a balanced budget and set council tax.	Scrutiny and checking of budget proposals by S.95 Officer, reports and budget pack prepared with appropriate detail to enable and support decision making.	L	Yes
<b>Operational</b>	Options available to	Consulting on the options provides insight	M	Yes



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?
	balance the budget have an adverse impact on the volume and quality of the services delivered.	into the views of the public and implications that may arise.		
<b>Financial</b>	<p>Assumptions and judgements used for budget model and options are very different from what the Council faces in 2025/26 leading to additional action having to be taken during the year.</p> <p>Poor financial sustainability leading to unplanned and unexpected budget / spending decisions.</p>	<p>The latest and most up to date information has been used to calculate and shape the budget model and will continue to be refined in advance of the Budget Report being prepared.</p> <p>The report provides details of options that are generally of a recurring nature and would provide the opportunity to balance the budget on a affordable basis for 2025/26. In setting the budget consideration will be given to the financial resilience of the organisation. The council will continue to</p>	<p>H</p> <p>M</p>	<p>Yes</p> <p>Yes</p>

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?
		seek multi-year funding settlements that would provide increased certainty and improve the council's ability to make decisions that are sustainable.		
<b>Reputational</b>	Failure to prepare to manage finances including the potential impact on the Council's credit rating.	Year-round approach to financial planning, including Medium-term financial planning refreshed annually, options identification and transformation programme actions being progressed.	L	Yes
<b>Environment / Climate</b>	Failure to recognise the local vision and national targets and to make choices that support the delivery of target.	Service redesign work will consider, where appropriate, the environmental impact of changes.	M	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN 2023-2024</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>  <a href="#"><u>Working in Partnership for Aberdeen</u></a>	Financial planning, budget setting and resource allocation are all enablers for the delivery of the outcomes and regular performance reviews ensure that the Council's stewardship and financial management are robust.
<a href="#"><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></a>	

Prosperous Economy Stretch Outcomes	Robust and effective management of the Council's finances will ensure that services can continue to be provided, which are in pursuit of the stretch outcomes.
Prosperous People Stretch Outcomes	Robust and effective management of the Council's finances will ensure that services can continue to be provided, which are in pursuit of the stretch outcomes.
Prosperous Place Stretch Outcomes	Robust and effective management of the Council's finances will ensure that services can continue to be provided, which are in pursuit of the stretch outcomes.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	<p>The Council must have due regard to protected characteristics under the Equality Act 2010. The budget proposals presented in this report are subject to impact assessment screening by the relevant Chief Officers. This enables officers to ensure proactive steps are taken to identify and mitigate any potential discrimination and violation of human rights and children's rights.</p> <p>Feedback from the Phase 2 Budget Consultation is being used in completing the Integrated Impact Assessments.</p> <p>The IIAs for the described budget options will be available to elected members in preparing for the budget decisions to be taken on 5 March 2025.</p>
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	The Fairer Scotland Duty places a legal responsibility on the Council to actively consider how inequalities of outcome, caused by socio-economic disadvantage, can be reduced. Budget options described in this report are subject to consideration of the Fairer Scotland Duty as part of impact assessment screening.

## 10. BACKGROUND PAPERS

- 10.1 Medium Term Financial Strategy, 2024 [CORS/24/283].
- 10.2 Budget Protocol [CORS/24/174]

## 11. APPENDICES

11.1 Appendix 1: Budget Consultation 2024 Phase 2 - Summary Analysis

11.2 Appendix 2: Draft Budget Options

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Jonathan Belford
<b>Title</b>	Chief Officer – Finance
<b>Email Address</b>	<a href="mailto:jbelford@aberdeencity.gov.uk">jbelford@aberdeencity.gov.uk</a>
<b>Name</b>	Martin Murchie
<b>Title</b>	Chief Officer – Data & Insights
<b>Email Address</b>	<a href="mailto:mmurchie@aberdeencity.gov.uk">mmurchie@aberdeencity.gov.uk</a>

This page is intentionally left blank

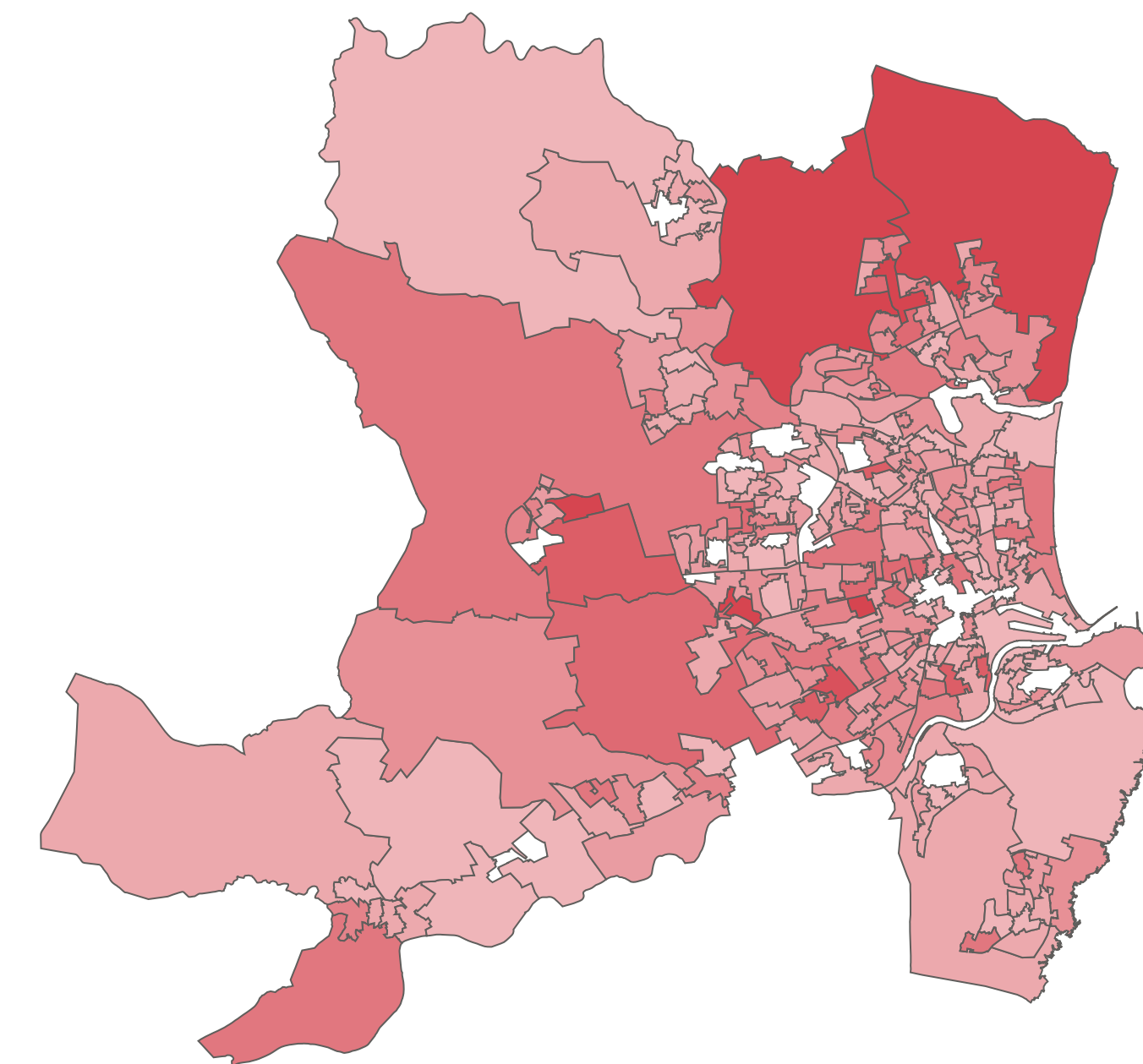
# ACC Budget Consultation 2024 Phase 2 Analysis of Responders

There were 1,535 responders to the online consultation.

## Demographic Information

Of those responding to both Phase 1 and Phase 2 online budget consultation:

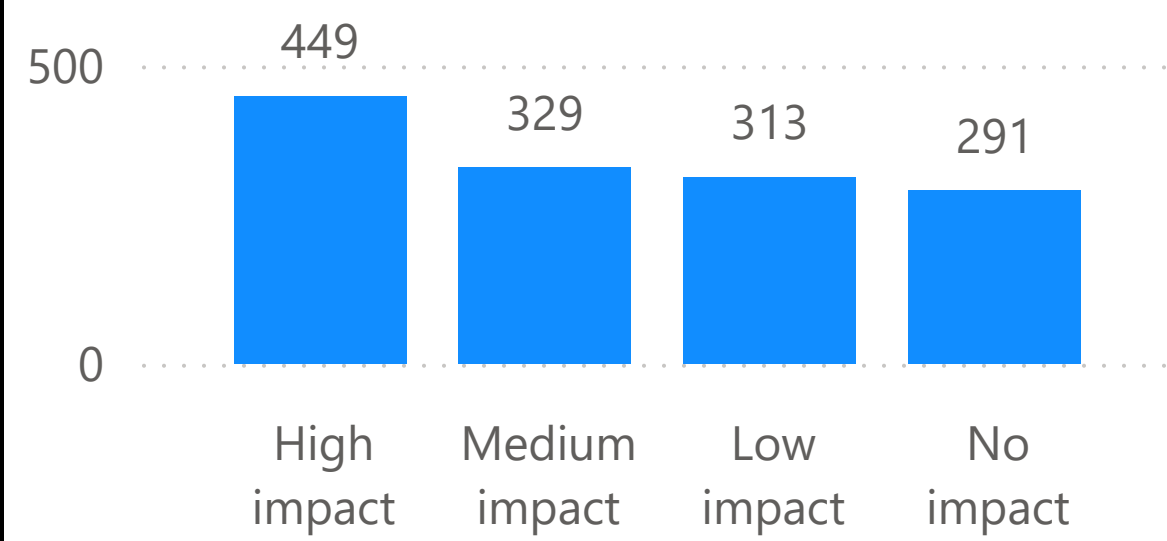
- **Sex:** 52.8% stated they were female and 42.8% male. Almost all others selected no option or "Prefer not to say".
- **Age:** Of those stating an age group 8.5% were under 25; 13% between 25 & 34; 21% between 35 & 44; 21% between 45 & 54; 19% between 55 & 64; 12% between 65 & 74; and 4% over 75 or over
- **Ethnicity:** 93% stated they were white; 2% Asian; 1% African; 1% mixed / multiple; < 1% other ethnic group. Others selected no option or "Prefer not to say"
- **Religion:** 60% selected "None"; 16% Church of Scotland; 8% other Christian; 4% Roman Catholic; 1% Muslim. All other options <1%
- **Health:** 17% stated they health problem or disability which limited day to day activities
- **Carer:** 26% stated they provided some care for a family member or friend
- **Employment:** 66% stated they were in full or part time employment
- **Location:** Of those who gave a postcode (746), 93.2%% were in the City; 6.6% in Aberdeenshire. A heat map of those located in Aberdeen is shown opposite.



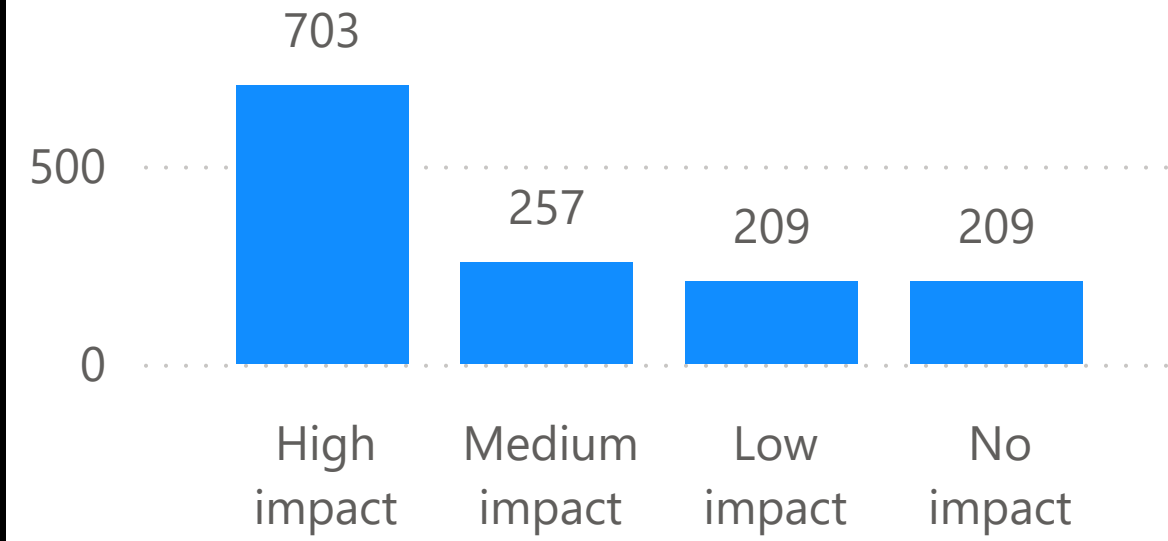


# Culture and Sports

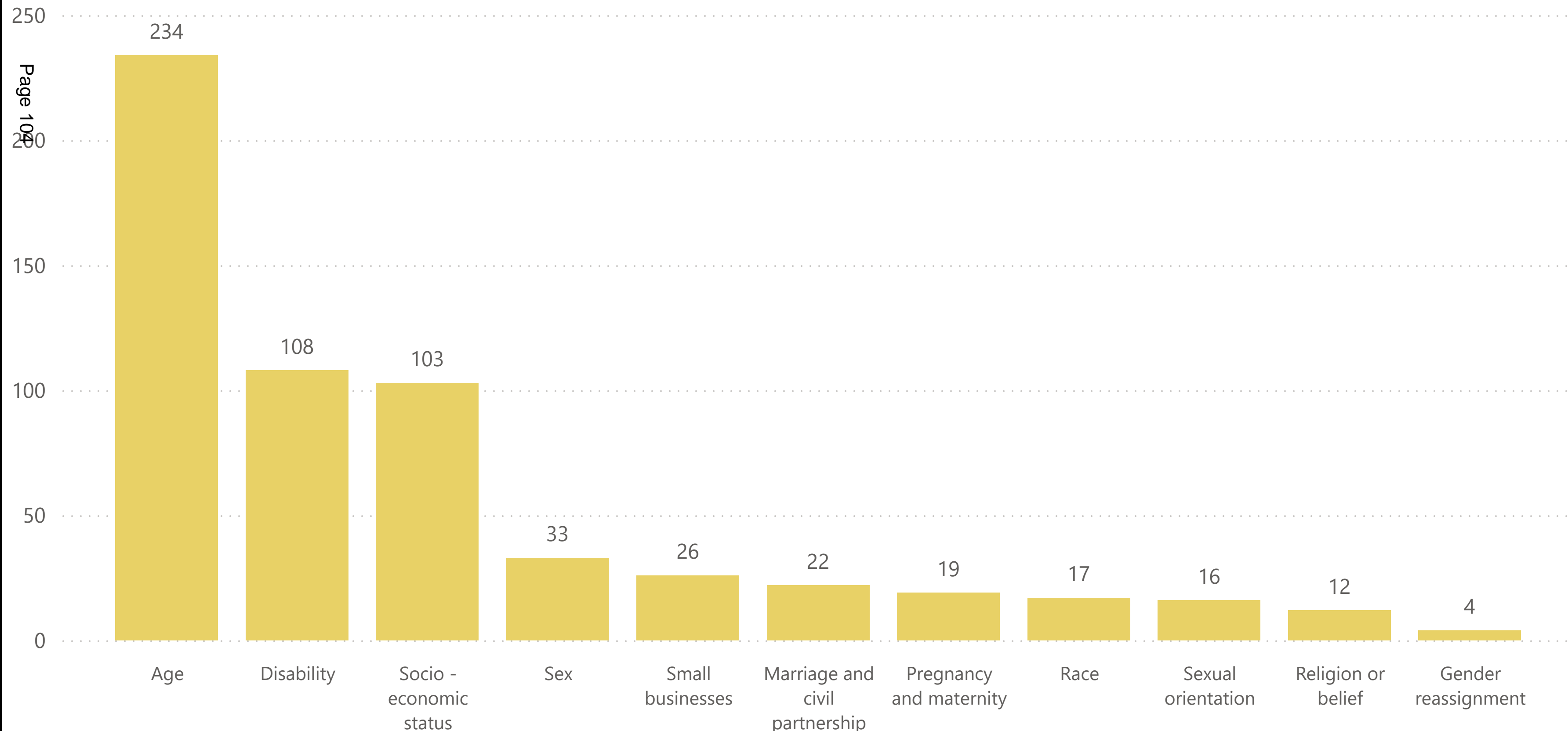
Further reduce funding to Aberdeen Performing Arts



Further reduce funding to sports organisations



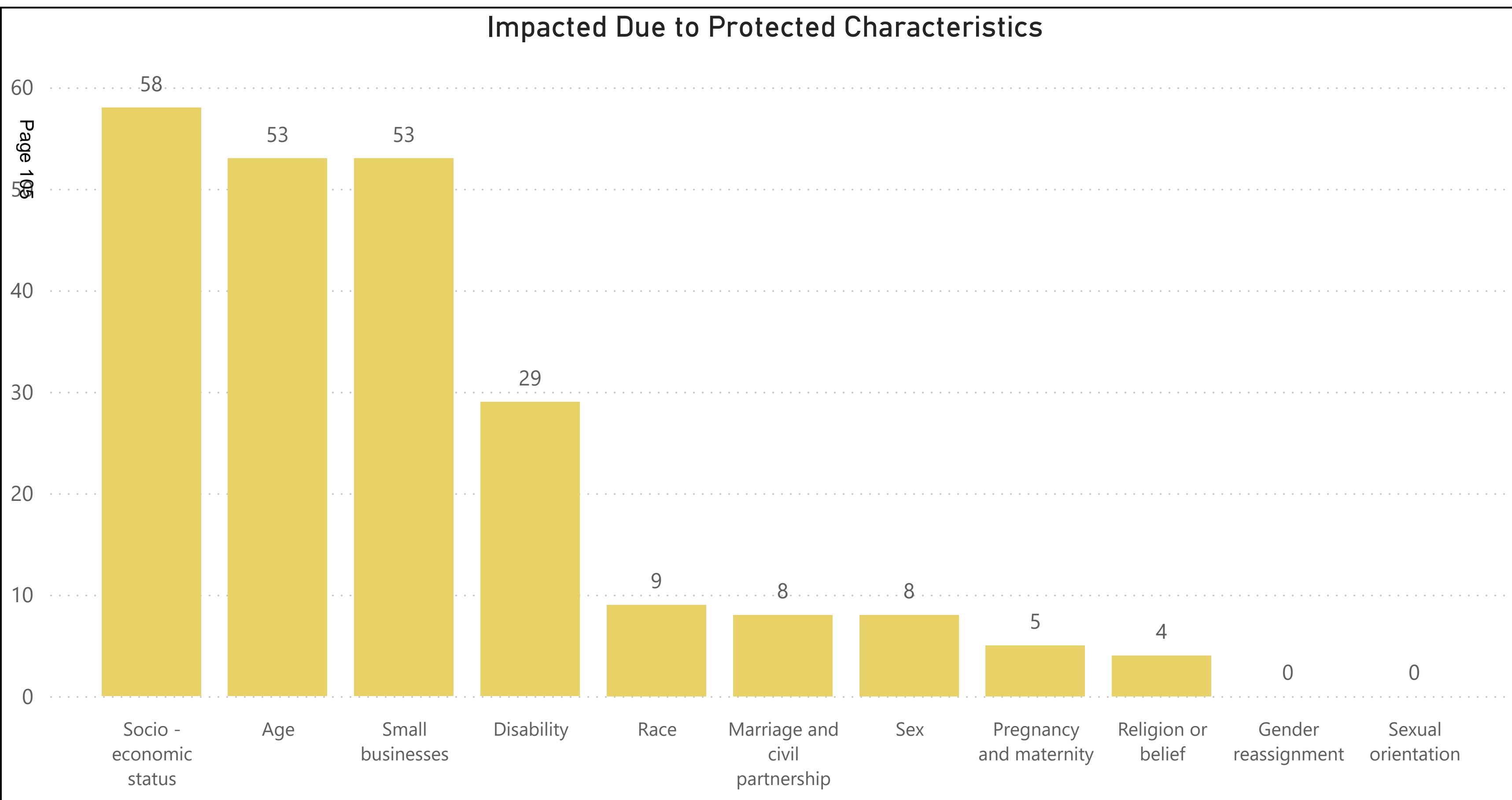
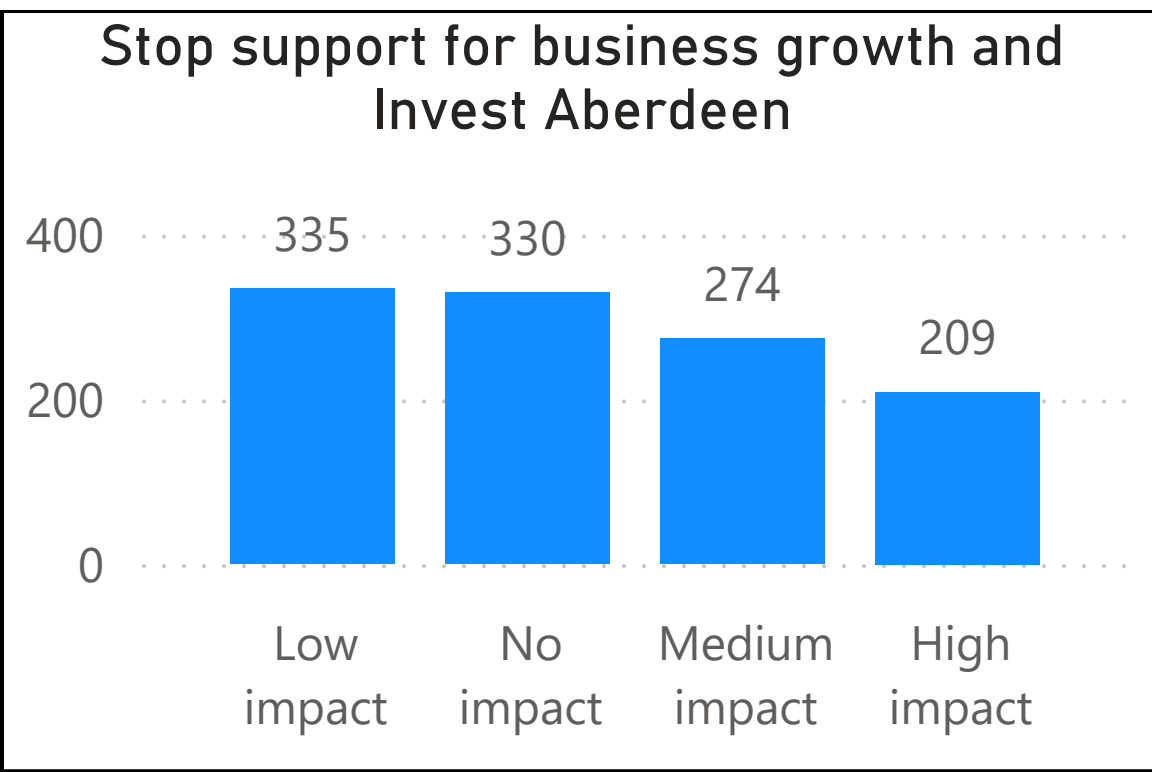
Impacted Due to Protected Characteristics



Summary from 509 comments on personal impact:

- Impact on Mental Health:** Many respondents emphasised that cuts to both sports and arts would negatively affect mental health, especially for those who rely on these activities for stress relief and social interaction.
- Importance for Physical Health:** Sports facilities are seen as vital for maintaining physical health and preventing future healthcare costs, with many users noting the benefits of regular exercise.
- Social and Community Benefits:** Both sports and arts venues provide significant social benefits, helping to reduce isolation and foster a sense of community among participants.
- Impact on Children and Youth:** Parents expressed concern that reducing funding would limit opportunities for children to engage in sports and arts, and that these are important for their development and well-being.
- Economic Contributions:** Some respondents stated that APA and sports organisations contribute to the local economy by attracting visitors and supporting local businesses through events and activities.
- Accessibility Issues:** Some commented that reduced funding may lead to increased costs, making sports and arts less accessible to low-income families and individuals.
- Support for Vulnerable Groups:** Some added that sports and arts programs often provide essential services for vulnerable groups, including those with disabilities and the elderly.

# Business Growth & Investment

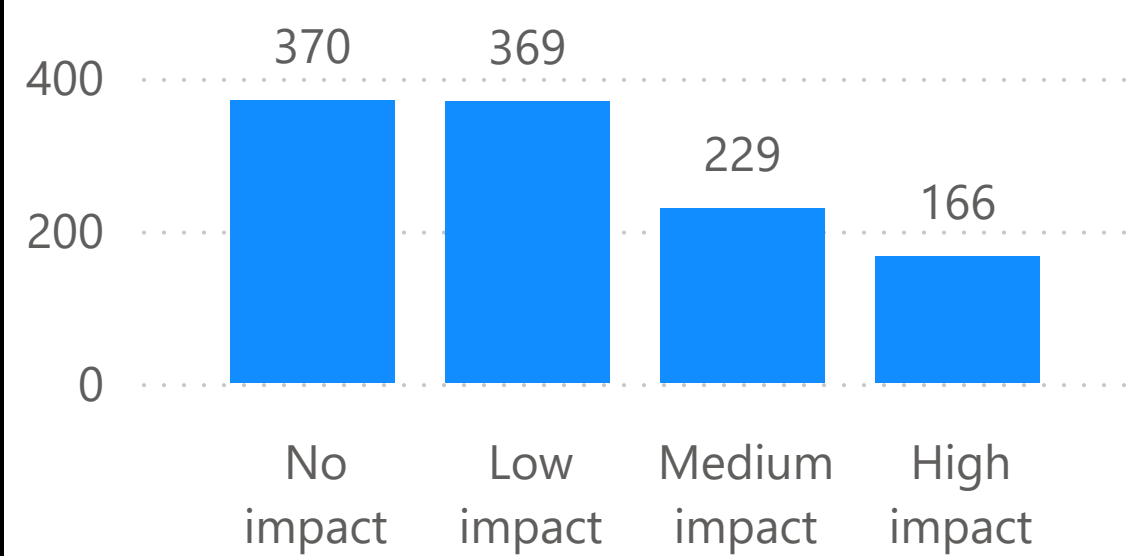


Summary from 240 comments on personal impact:

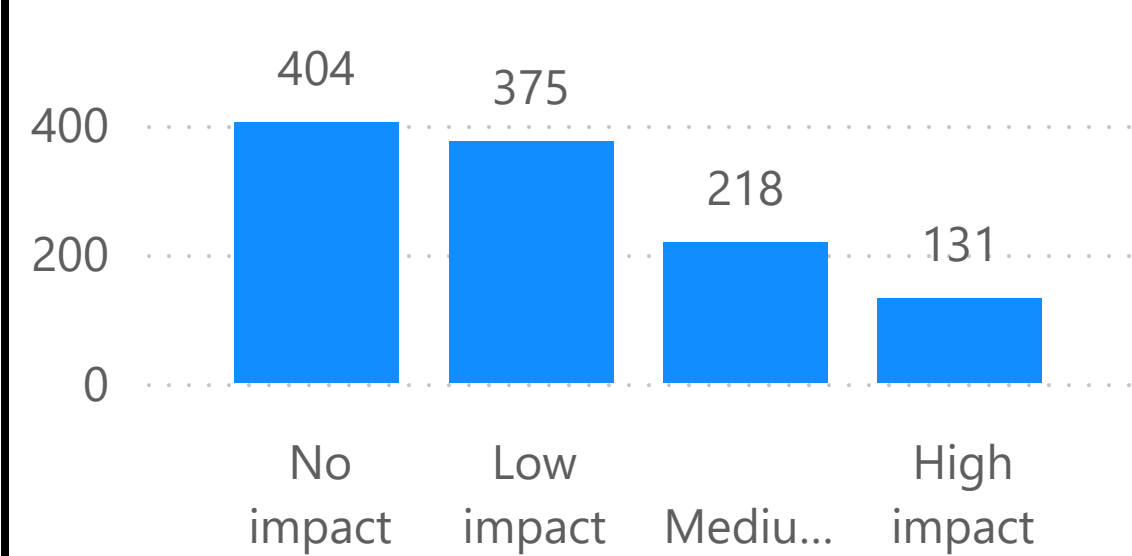
- Economic Impact:** Reducing support for business growth will harm Aberdeen's overall economic prospects, making it less attractive for investors and job seekers, potentially leading to economic decline over time.
- Job Creation:** Support for businesses is crucial for job creation and protecting existing jobs, especially as Aberdeen transitions from the oil and gas industry.
- City Attractiveness:** The decline in business support may result in fewer reasons for people to visit the city centre, affecting tourism and the overall vibrancy of Aberdeen.
- Support for Small Businesses:** Small businesses, which are already struggling, need incentives and support to survive and grow, contributing to the local economy and community.
- Impact on Retail and Leisure:** Reducing incentives for businesses could further harm retail and leisure facilities in the city, leading to more closures and a less appealing city centre.
- Community Services:** Businesses contribute to funding essential services such as cultural activities and sports facilities, which are vital for the community's quality of life.
- Entrepreneurial Spirit:** Not supporting new entrepreneurs could discourage innovation and reduce hope among people that they can make a difference in their communities.
- Quality of Life:** The reduction in business support will negatively impact the overall quality of life in Aberdeen, affecting employment opportunities, property prices, and community services.

# Promotion & Tourism

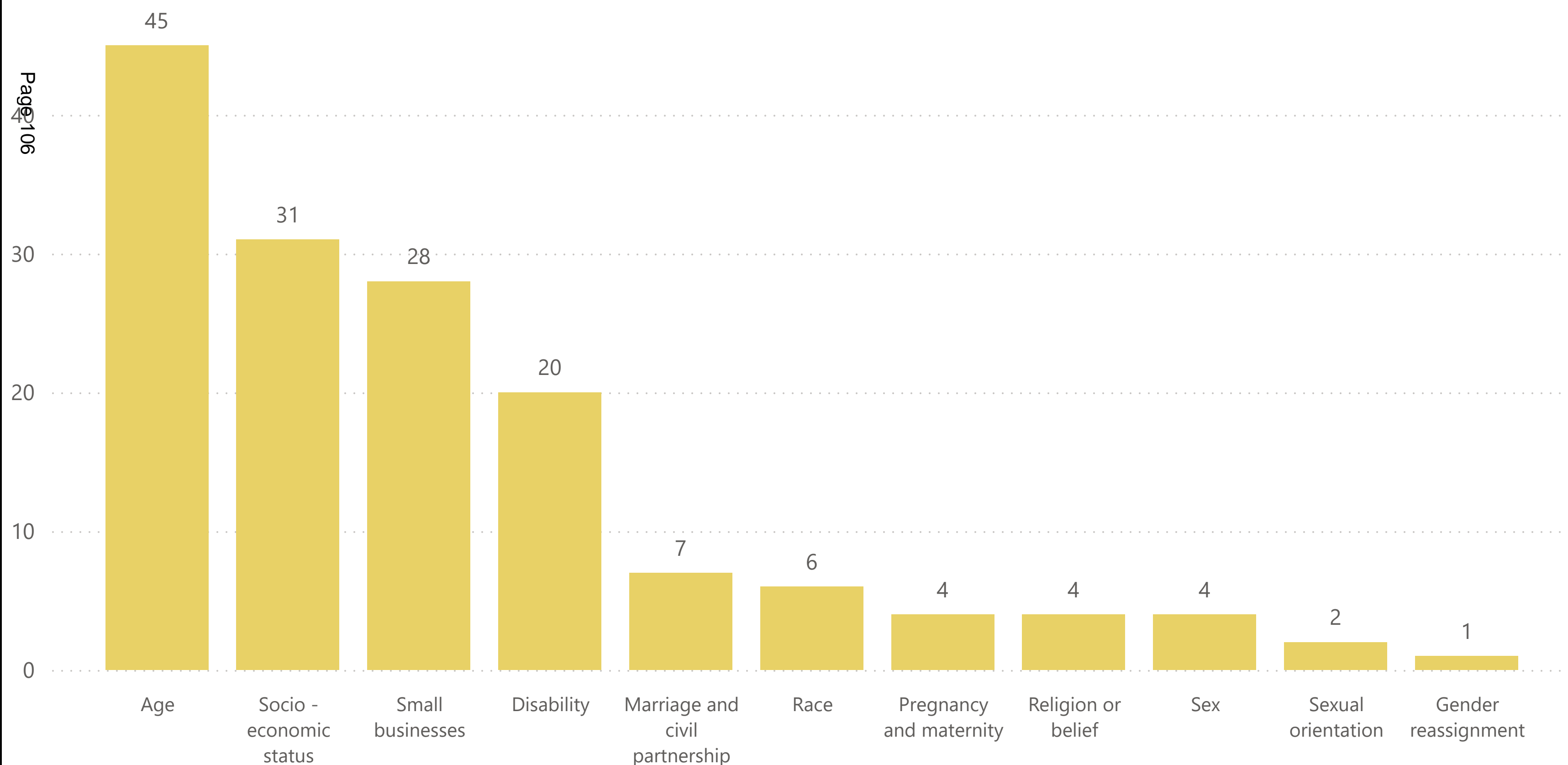
Remove budget allocated for promotion of the city



Stop funding support to Visit Aberdeenshire



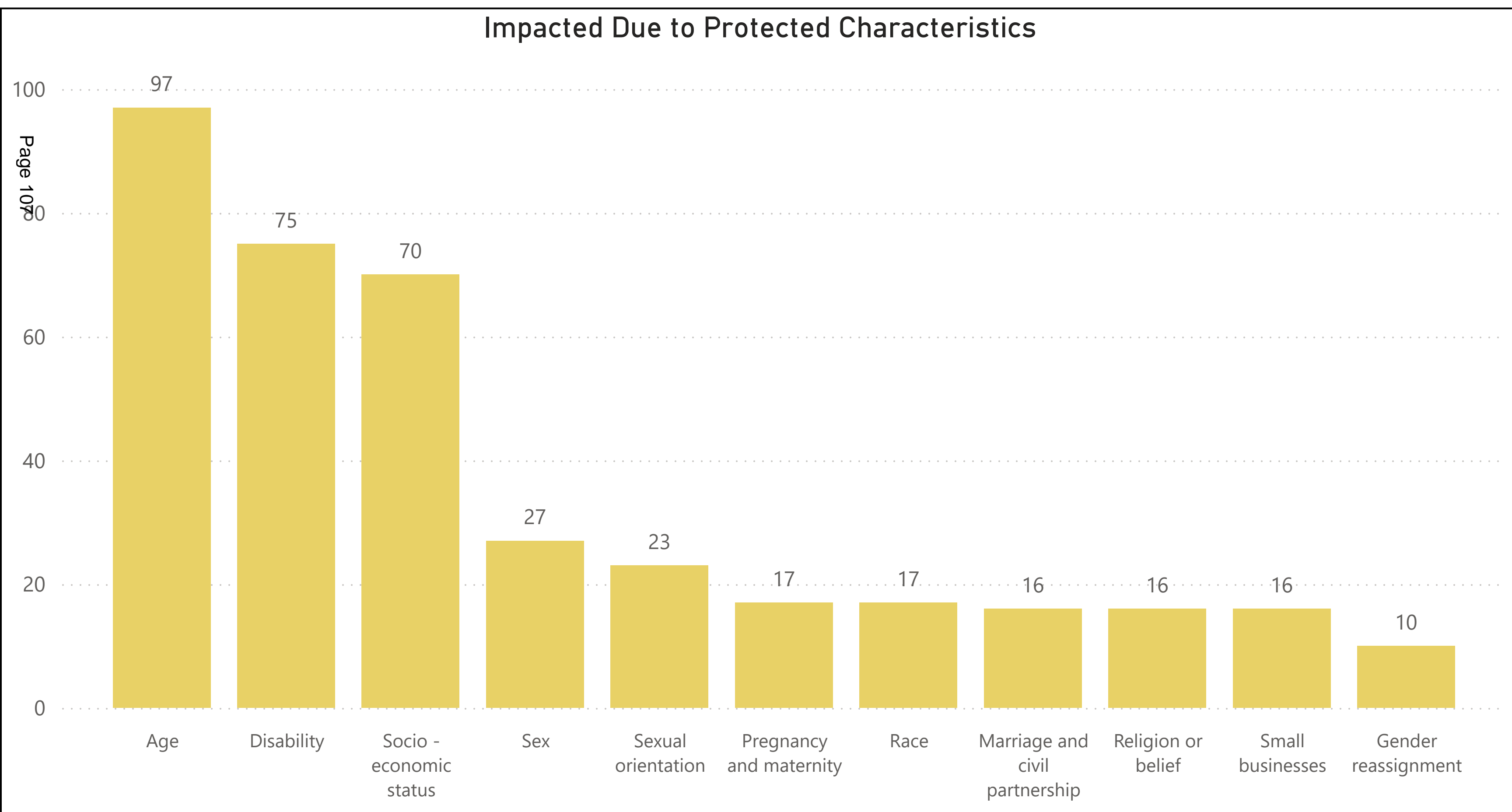
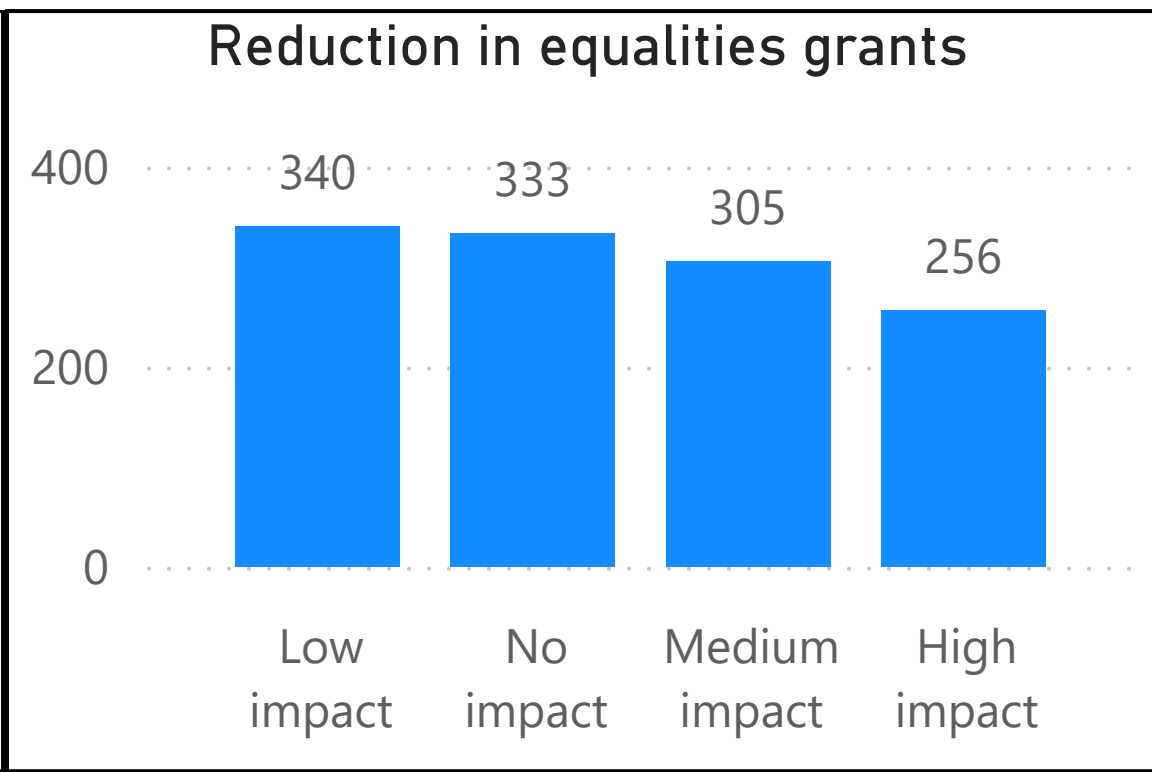
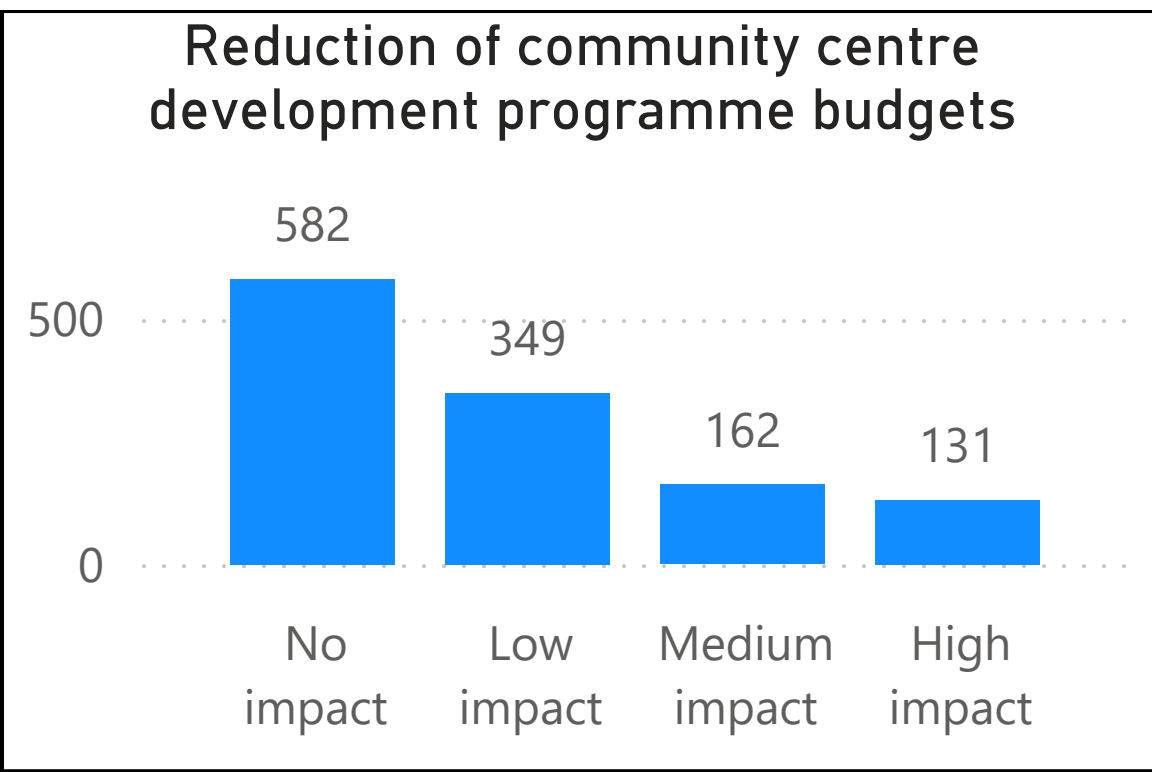
Impacted Due to Protected Characteristics



Summary from 213 comments on personal impact:

- Economic Impact:** Many respondents emphasise that reducing funding for promoting Aberdeen will negatively impact the local economy, particularly the tourism sector which generates significant revenue and supports numerous jobs.
- Employment Concerns:** There is a strong concern that job losses would occur in the tourism and hospitality sectors if funding is cut, affecting young people and increasing social costs for the council.
- Impact on Local Businesses:** Local businesses, especially small and medium enterprises, rely heavily on tourism. Reduced promotion could lead to decreased visitor numbers and subsequent financial struggles for these businesses.
- Social and Cultural Benefits:** Promoting Aberdeen helps to create a vibrant community and supports events that enhance the city's cultural life, which is important for residents' quality of life.
- Criticism of Current Promotion Efforts:** Some respondents believe that current promotional efforts are ineffective and that the city needs more substantial improvements before it can be successfully marketed.
- Need for Investment:** Investing in the city's infrastructure and attractions is seen as essential before any meaningful promotion can take place. This would make Aberdeen a more attractive destination.
- Cruise Ship Tourism:** The arrival of cruise ships in Aberdeen presents an opportunity for tourism growth, but this requires effective promotion to capitalise on the potential benefits.
- Long-term Vision:** Promoting Aberdeen is viewed as part of a long-term strategy to diversify the economy away from oil and gas, making the city more resilient and sustainable.
- Public Sentiment:** There is a mix of opinions among residents, with some feeling that promotion is crucial for economic growth, while others believe it should not be prioritised over other immediate needs.
- Potential for Growth:** Despite current challenges, many believe that with the right investment and promotion, Aberdeen has the potential to become a top-class visitor destination.

# Communities

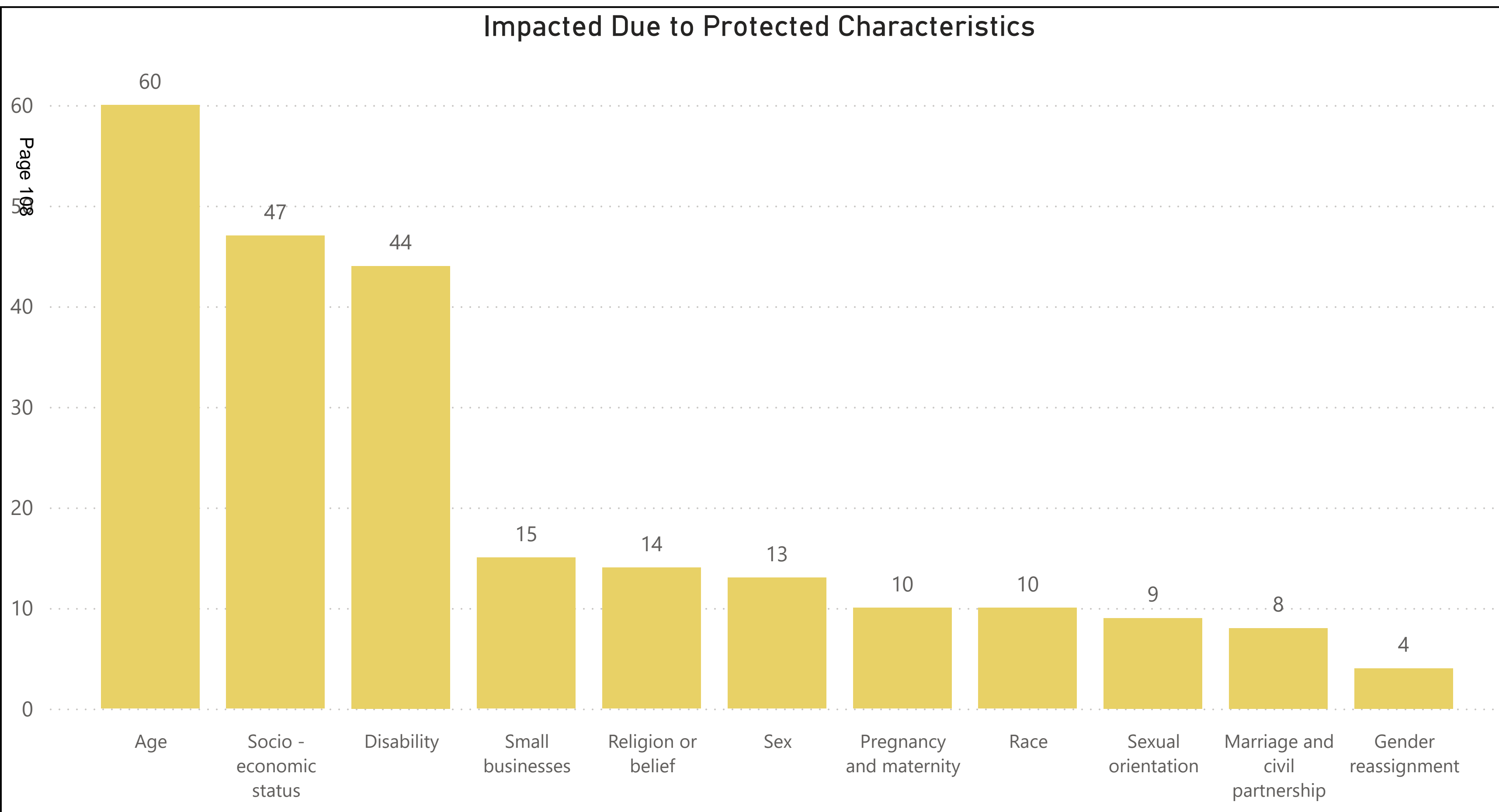
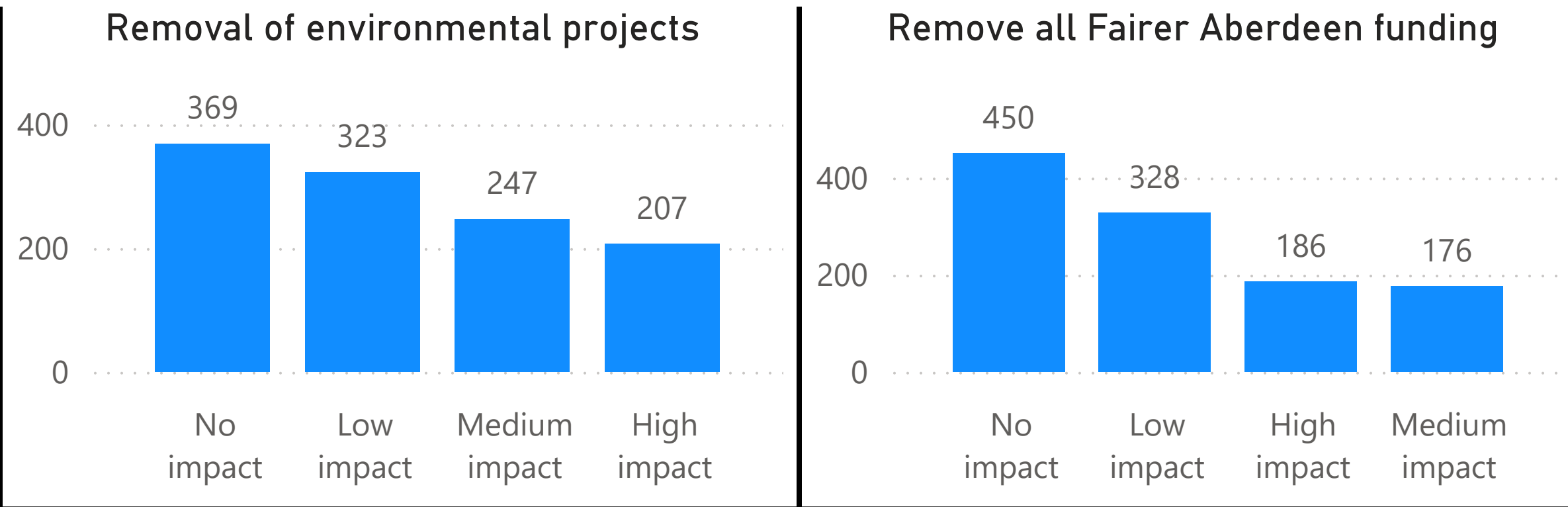


Summary from 229 comments on personal impact:

- Impact on Vulnerable Populations:** Some feel reductions in funding for community centres and equalities grants could severely impact vulnerable populations, including the elderly, disabled, and low-income families, by limiting their access to necessary services and support.
- Role in Supporting Youth:** Community centres provide crucial spaces for youth programs, helping to keep young people engaged in positive activities and reducing the risk of anti-social behaviour.
- Economic and Educational Benefits:** Investment in community centres is seen as vital for the economic and educational development of local communities, providing affordable activities and learning opportunities.
- Concerns About Funding Cuts:** Many respondents express concerns that funding cuts to community centres and equalities grants would lead to increased social isolation, mental health issues, and reliance on other social services.
- Importance for Mental Health:** Community centres are highlighted as important for maintaining mental health, especially for the elderly and those living alone, by providing spaces for social interaction and activities.
- Support for Marginalised Groups:** Equalities grants are crucial for supporting marginalised groups, ensuring they have access to necessary resources and services that promote inclusivity and diversity.
- Community Engagement:** Encouraging community engagement and participation is seen as essential for building strong, supportive local communities.
- Call for Continued Support:** There is a strong call for continued support and investment in community centres and equalities grants to ensure the well-being and cohesion of local communities.



# Environmental & Communities Projects

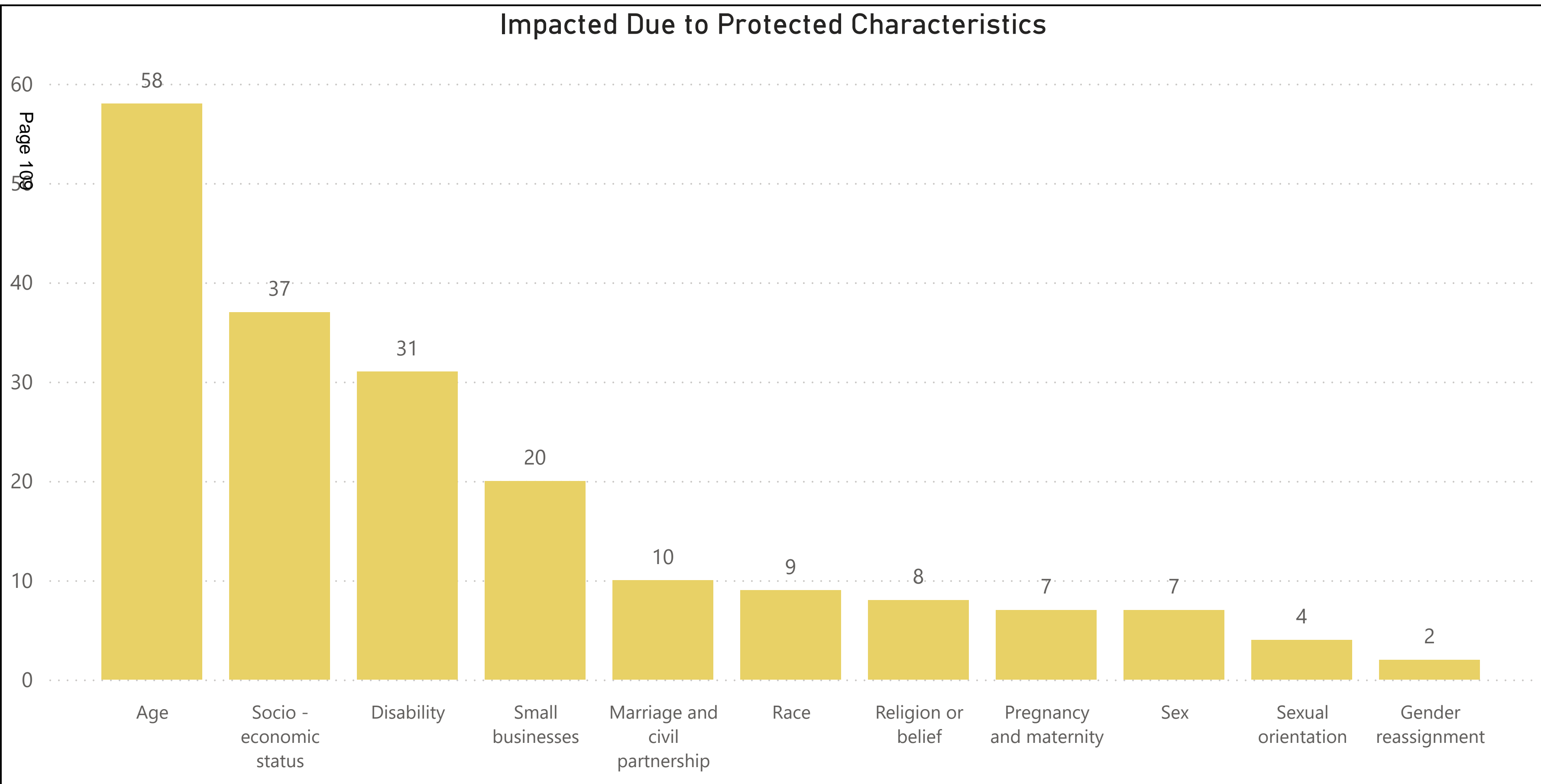
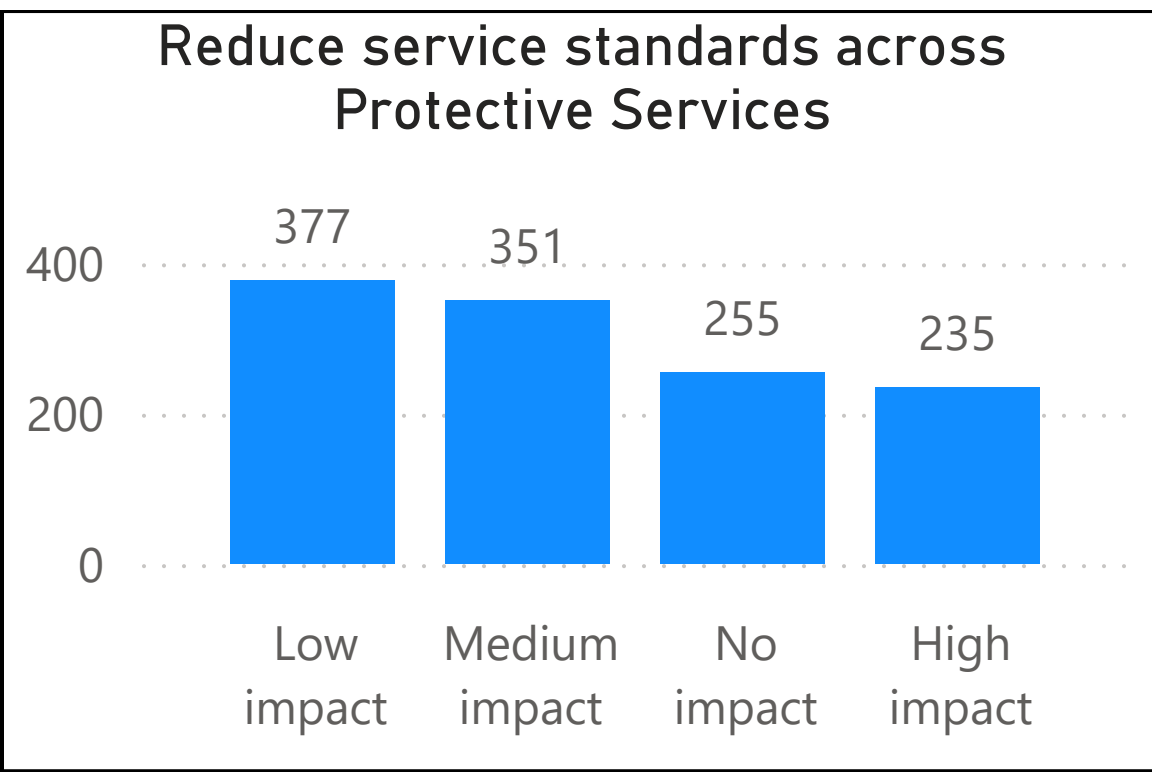


Summary from 216 comments on personal impact:

- Impact on Climate and Biodiversity:** Many comments stress that removing funding for environmental projects will exacerbate climate and biodiversity crises, impacting both global and local scales and negatively affecting communities that benefit from these initiatives.
- Importance of Mental Health Services:** Comments emphasise that cutting the FAF would severely impact mental health services provided by organizations which offer crucial support free of charge.
- Support for Vulnerable Communities:** Several respondents highlight that the FAF supports vulnerable groups, including those in poverty, by funding essential services such as employability support, food banks, and educational programs.
- Community and Youth Programs:** Comments note that the FAF supports community and youth programs that are vital for skill development and positive futures, particularly in deprived areas.
- Environmental Education and Well-being:** Respondents argue that environmental projects contribute significantly to community resilience, health, and well-being, and their removal would have widespread negative effects.
- Economic and Employment Impacts:** Cutting FAF funding could lead to increased unemployment and economic challenges, as these funds support employability services and other economic initiatives.
- Impact on Public Services:** Many comments suggest that cutting these funds would place additional strain on already overstretched public services, such as the NHS and social work.
- Long-term Consequences:** There is a strong sentiment that removing funding for both environmental projects and the FAF would be shortsighted, leading to greater costs and challenges in the long term.



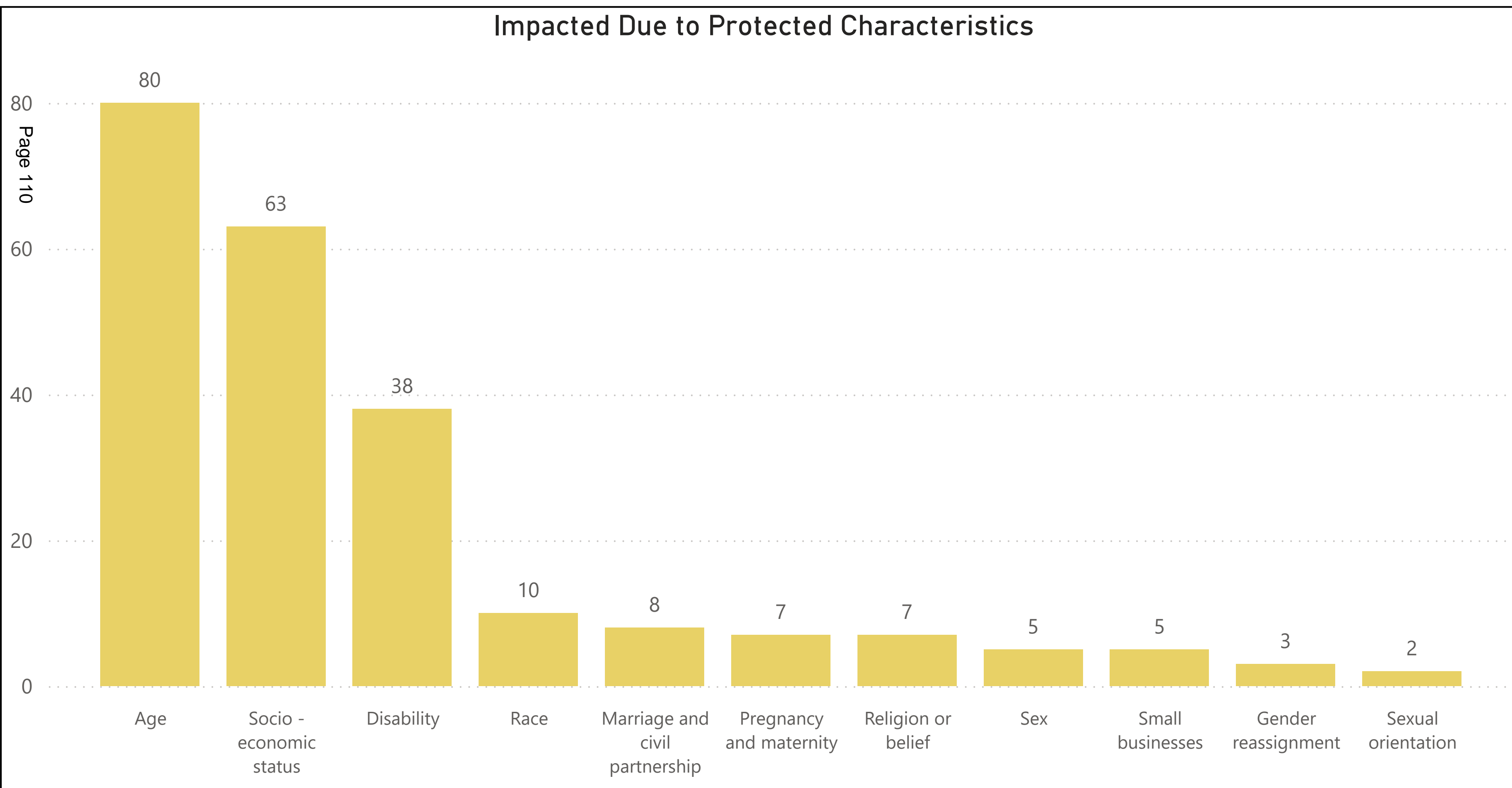
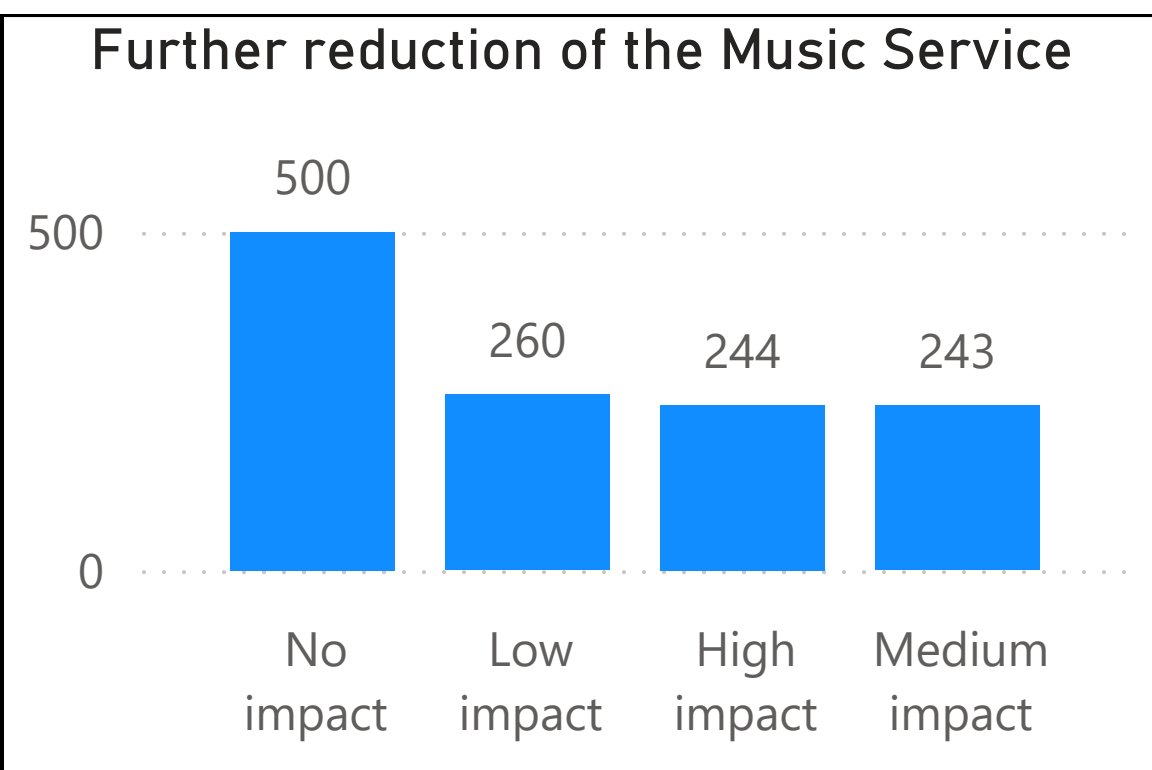
# Protective Services



Summary from 83 comments on personal impact:

- **Economic and Social Impact:** Reducing these services could negatively impact the local economy and increase social costs, particularly affecting vulnerable groups
- **Health and Safety:** There are concerns that cuts could lead to missed vital checks, endangering public health and safety.
- **Public Sentiment:** Many believe that maintaining high standards in these areas is essential for the well-being of the community.
- **Regulatory Role:** Protective services play a key role in early intervention and prevention, supporting healthier lives and well-being.

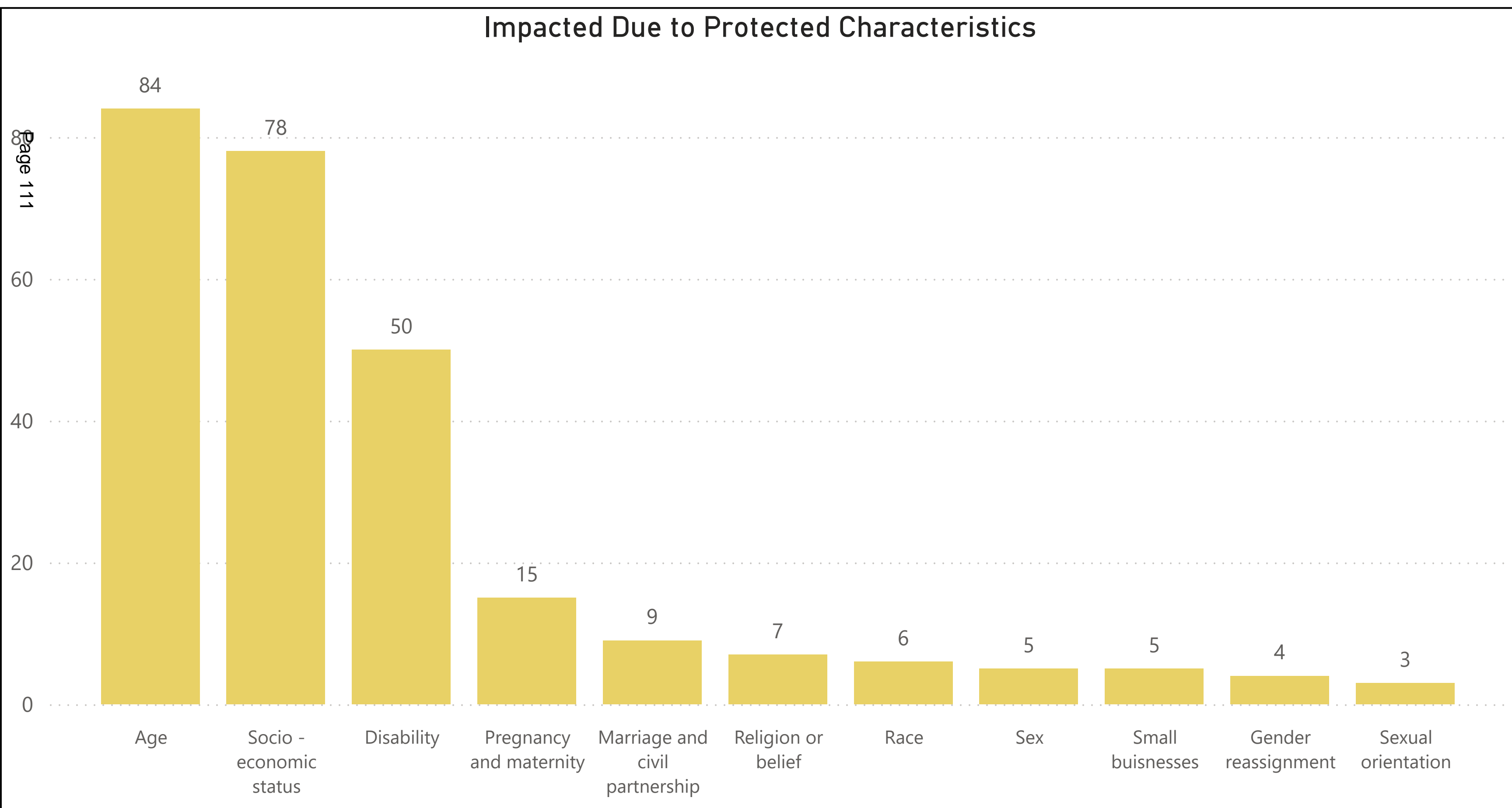
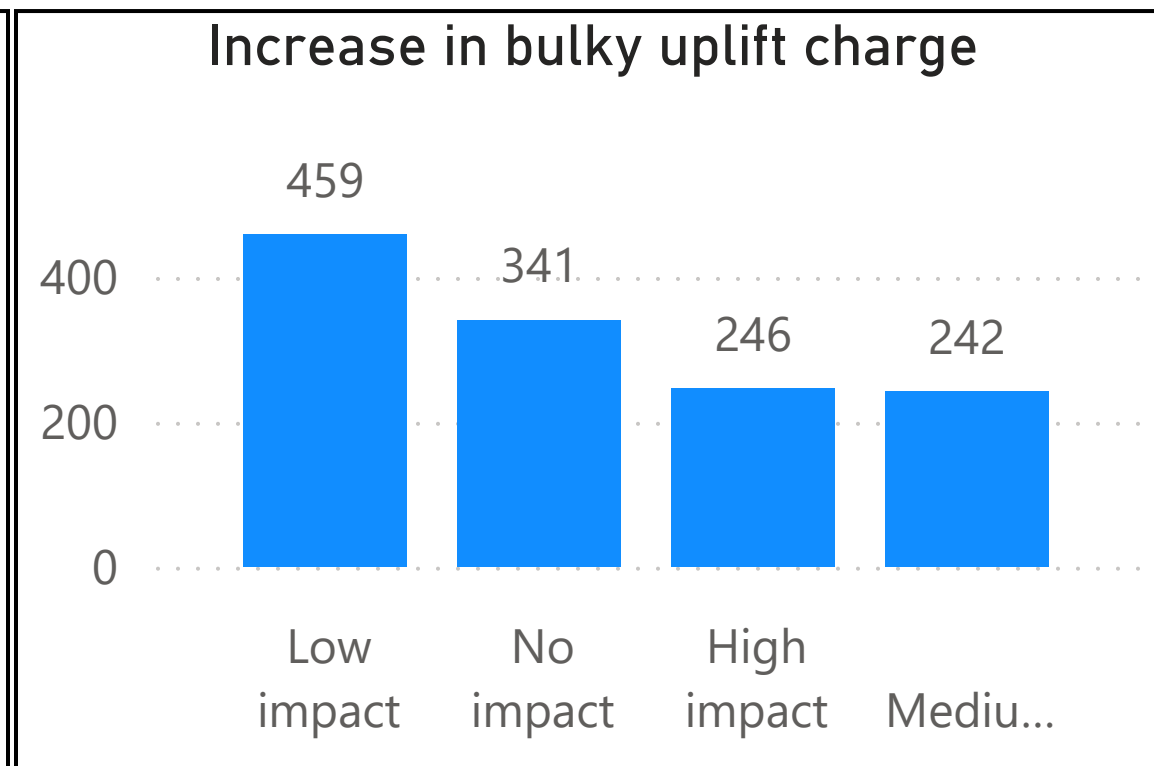
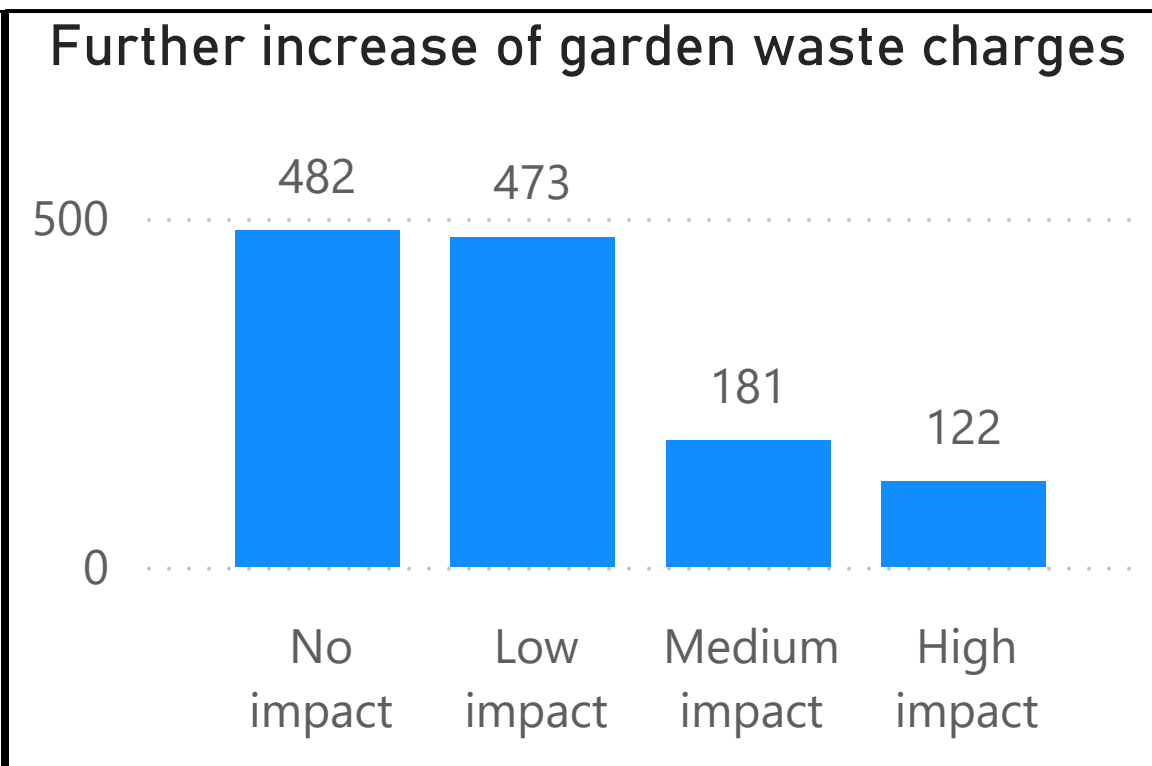
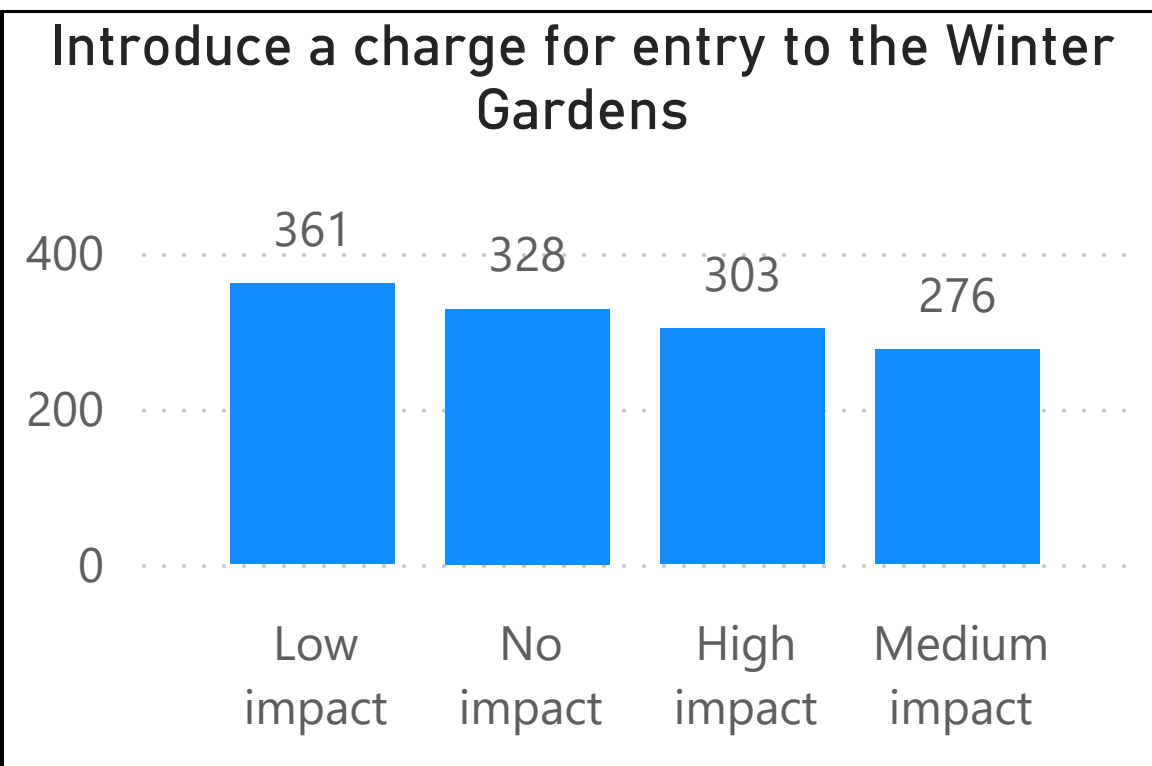
# Music Service



Summary from 279 comments on personal impact:

- Impact on Children's Development:** Music education is seen as crucial for children's overall development, improving motor skills, information retention, and life skills such as teamwork and discipline.
- Accessibility for Low-Income Families:** Many respondents emphasise that music services are essential for children from low-income families, who cannot afford private lessons.
- Mental Health Benefits:** Music education is highlighted for its mental health benefits, providing a therapeutic outlet and improving overall well-being.
- Long-Term Cultural Impact:** Reducing music services is seen as detrimental to the future cultural landscape, potentially limiting the development of home-grown talent and cultural heritage.
- Negative Impact on Social Equity:** Cutting music services is believed to widen the socio-economic gap, making music education accessible only to those who can afford it.
- Importance of Early Exposure:** Early exposure to music is deemed essential for children to develop an interest and aptitude in music, which would be hindered if services are cut.
- Personal Testimonials:** Numerous respondents share personal stories about how music services positively impacted their children or themselves, emphasising its importance.
- Potential Decline in Music Proficiency:** There is concern that reducing music services will lead to a decline in the population's ability to make and enjoy music, affecting community bands and orchestras.
- Educational Value:** Music education is considered an integral part of a well-rounded education, contributing to academic achievement and personal growth.
- Call for Continued Support:** Many respondents call for continued or increased support for music services to ensure that all children have the opportunity to benefit from music education.

# Parks & Waste

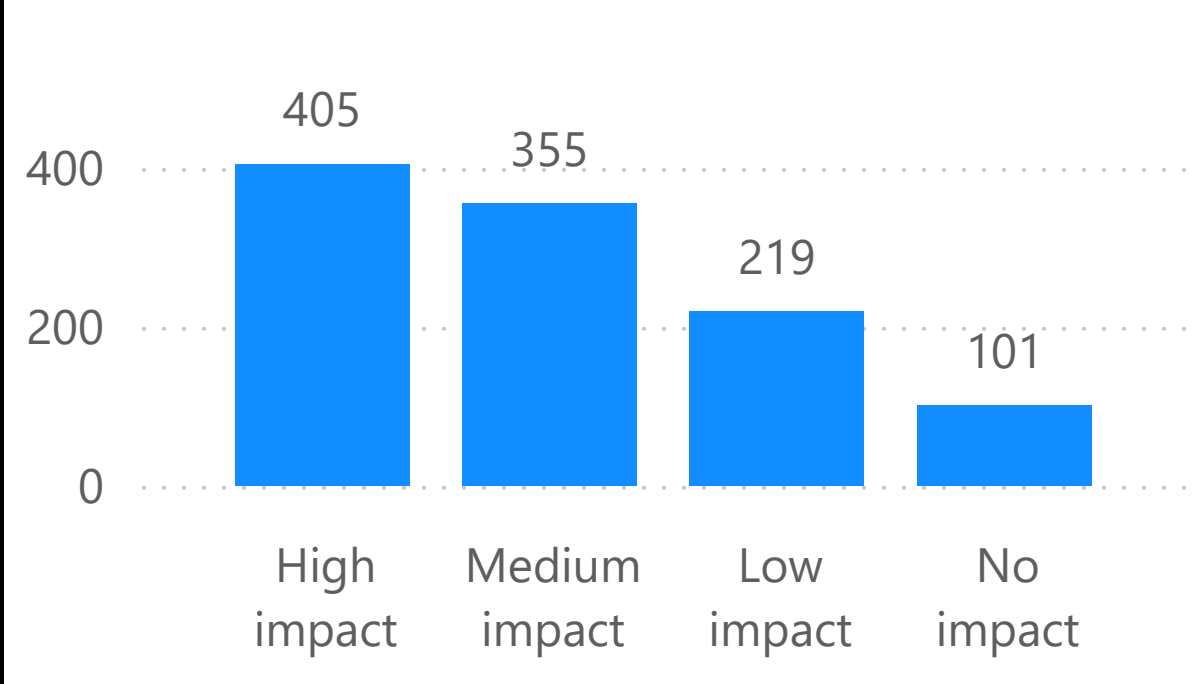


Summary from 364 comments on personal impact:

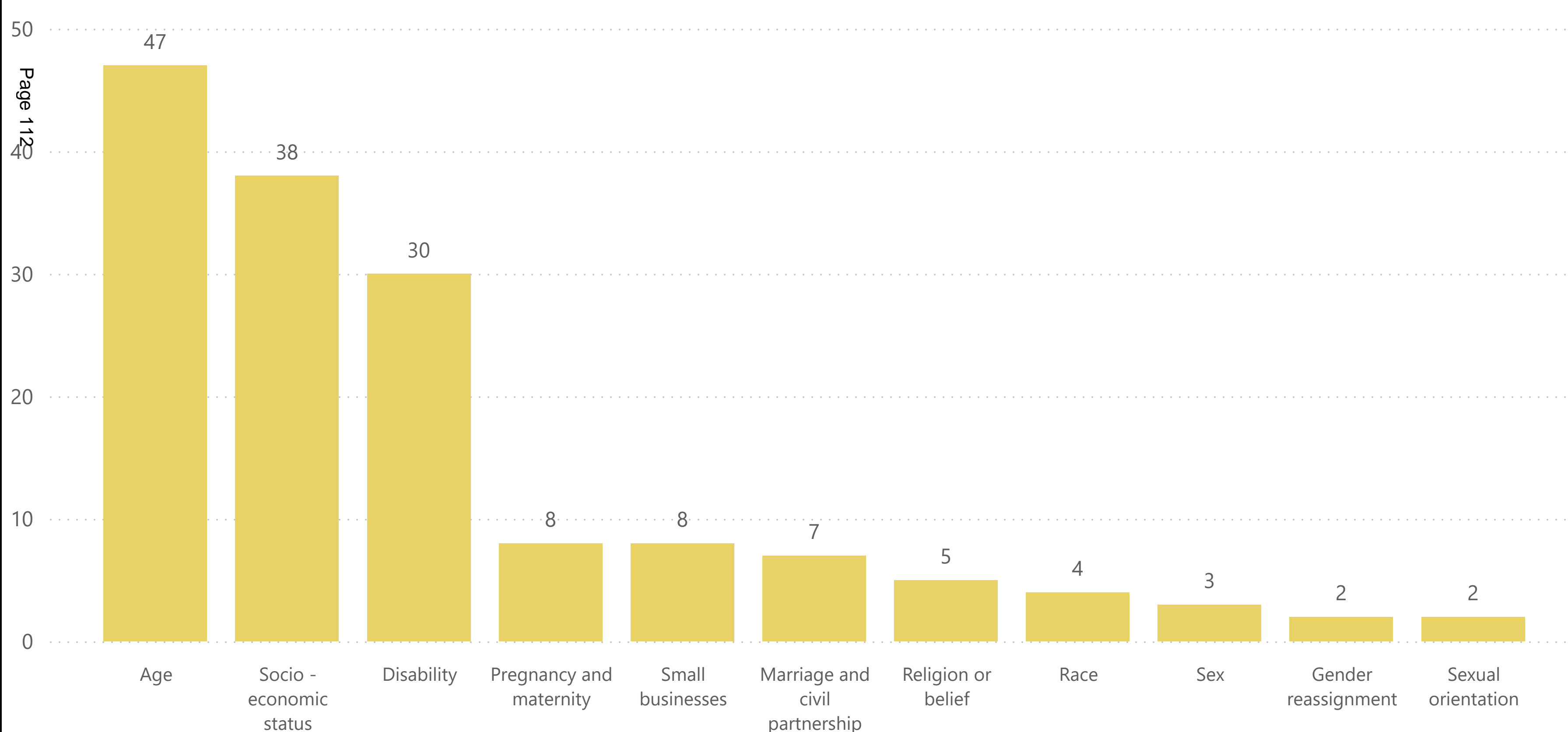
- Opposition to Garden Waste Charges:** Many respondents oppose the reintroduction of garden waste charges, arguing it encourages illegal dumping and misuse of black bins, and penalises those who maintain their gardens.
- Concerns About Increased Fly-Tipping:** There is significant concern that increasing charges for bulky waste uplift will lead to more fly-tipping, which could result in higher cleanup costs for the council.
- Mixed Views on Winter Gardens Entry Fee:** Opinions are divided on charging for entry to the Winter Gardens; some are willing to pay a small fee, while others believe it would exclude low-income families and reduce visitor numbers.
- Impact on Low-Income Families:** Several respondents emphasise that additional charges would disproportionately affect low-income families, potentially restricting their access to essential services and facilities.
- Support for Small Charges:** A number of respondents support small charges for the Winter Gardens and garden waste collection, provided they are reasonable and do not outweigh the costs of administration.
- Historical and Community Value:** The Winter Gardens are valued for their historical significance and as a community resource, with some arguing that charging entry would go against the original intent of the park's donation.
- Suggestions for Alternative Funding:** Some respondents propose alternative funding methods, such as voluntary donations, corporate events, or seasonal memberships, to maintain free access to the Winter Gardens.

# Environmental Services

Further reduction to Environmental Services



Impacted Due to Protected Characteristics

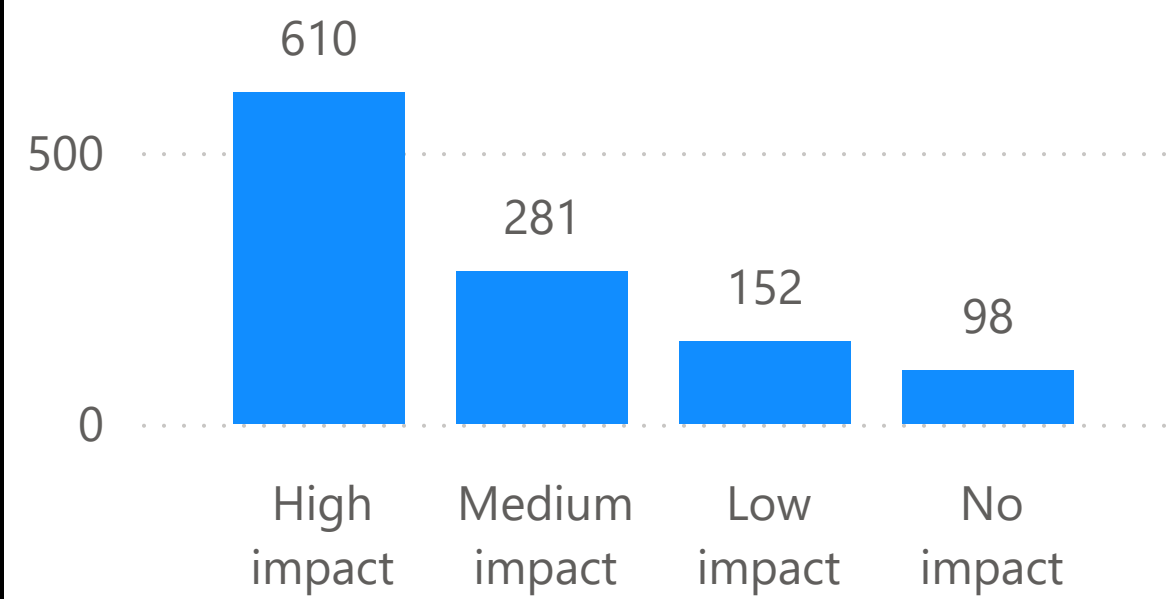


Summary from 310 comments on personal impact:

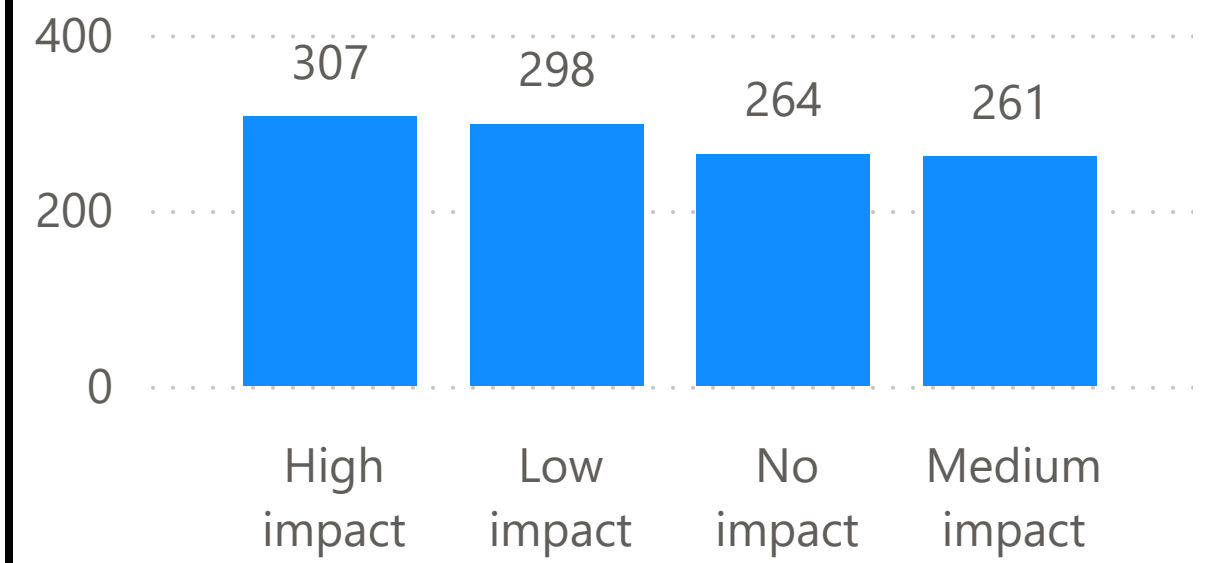
- **Support for Reduced Grass Cutting:** Several respondents support reducing grass cutting, citing benefits for biodiversity and the environment.
- **Concerns About Safety and Cleanliness:** Many people are worried that less street cleaning and grass cutting will increase hazards such as ticks, trip hazards, and dog waste.
- **Impact on City Appearance:** There is a strong sentiment that reducing these services will make the city look unkempt and less appealing to both residents and visitors.
- **Potential Negative Effects on Tourism:** Some respondents believe that a decline in city cleanliness and maintenance could deter tourists and affect the local economy.
- **Public Health Concerns:** Concerns are raised about the potential increase in health risks, such as Lyme disease from ticks, if grass cutting is reduced.
- **Civic Pride and Morale:** Maintaining city cleanliness and green spaces is seen as vital for civic pride and the overall morale of residents.
- **Mixed Views on Graffiti Removal:** While some see graffiti as a problem that needs addressing, others believe it is less of a priority compared to other maintenance issues.

# Toilets and Countryside Rangers

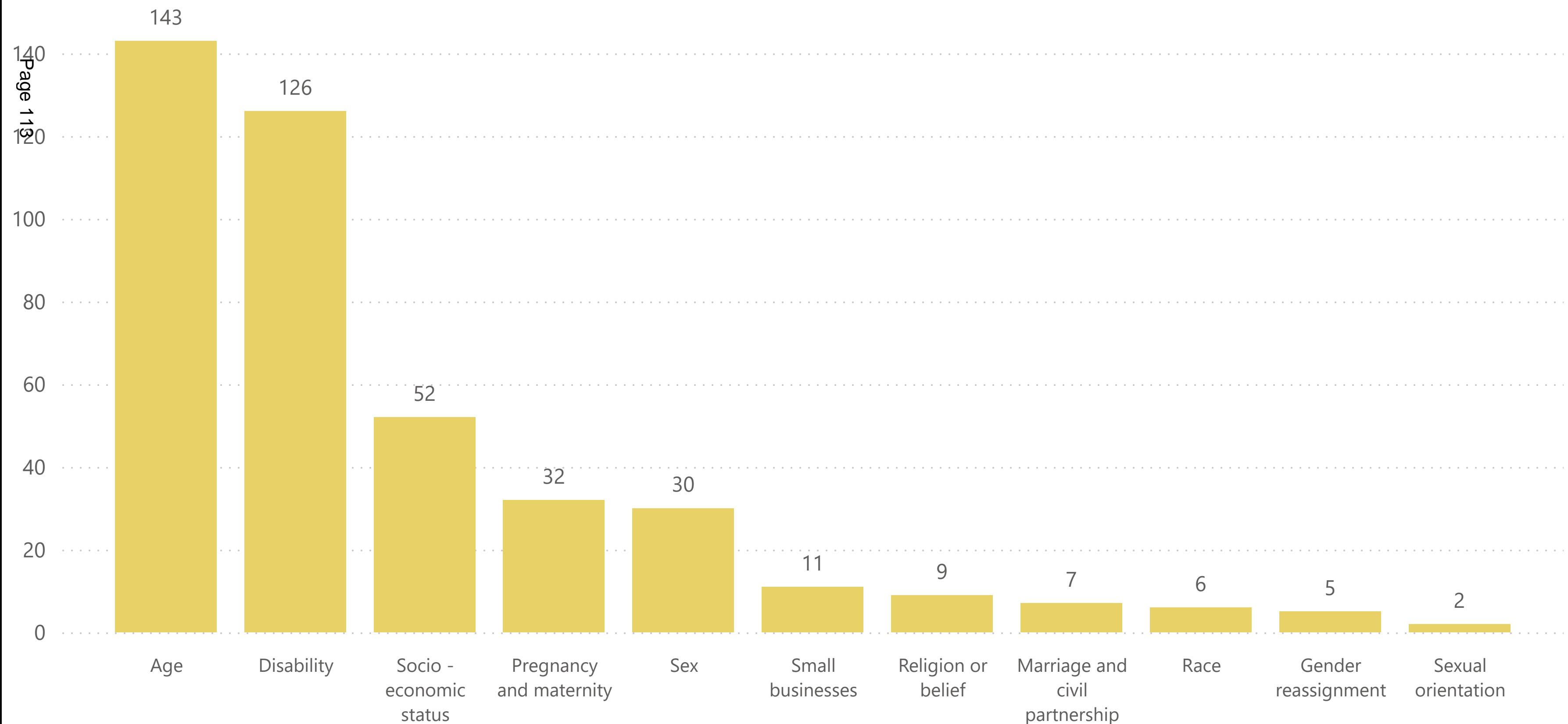
Removal of Countryside Ranger Service



Close all public toilets including Automatic Public Conveniences in Parks



Impacted Due to Protected Characteristics

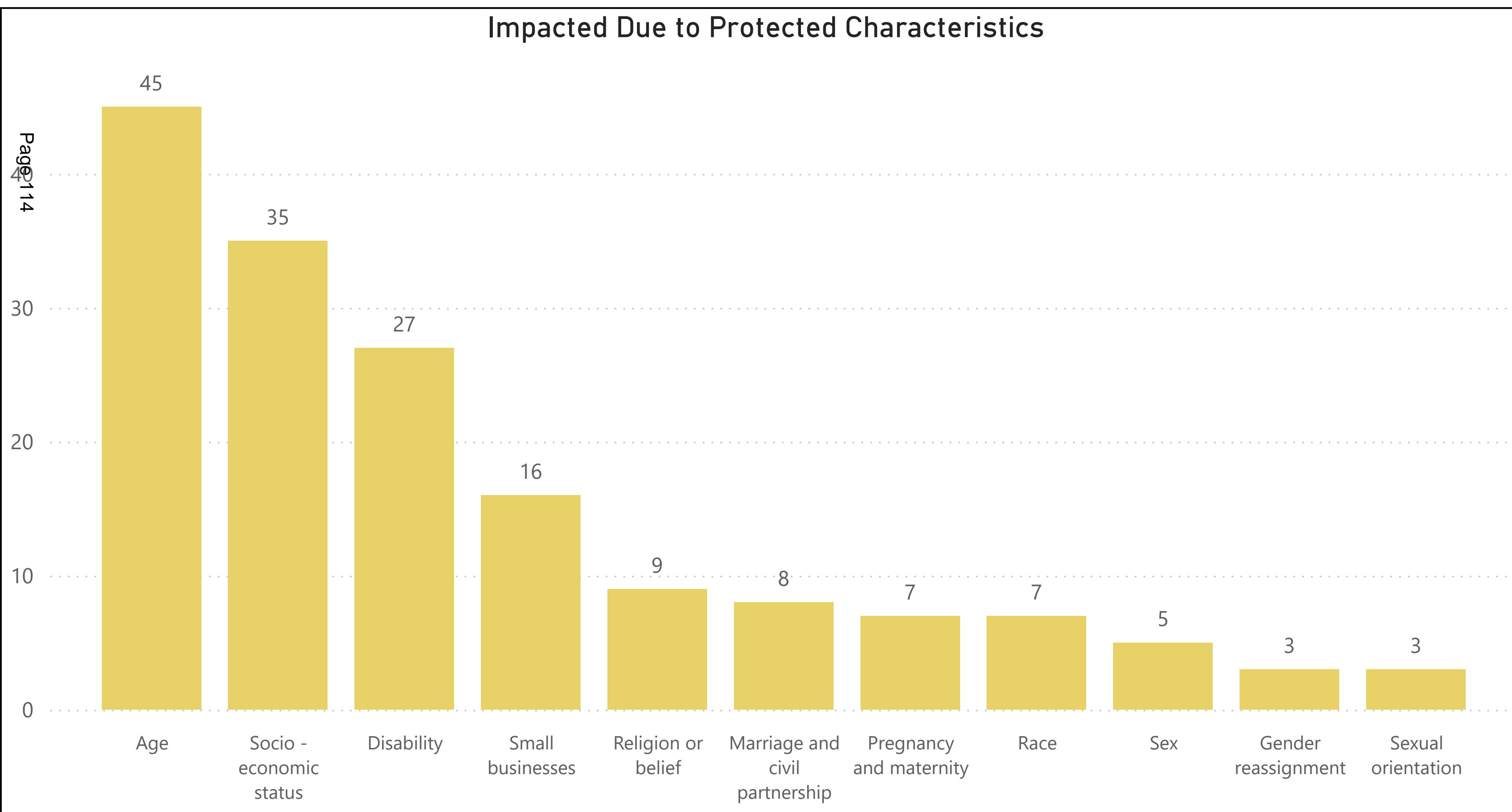
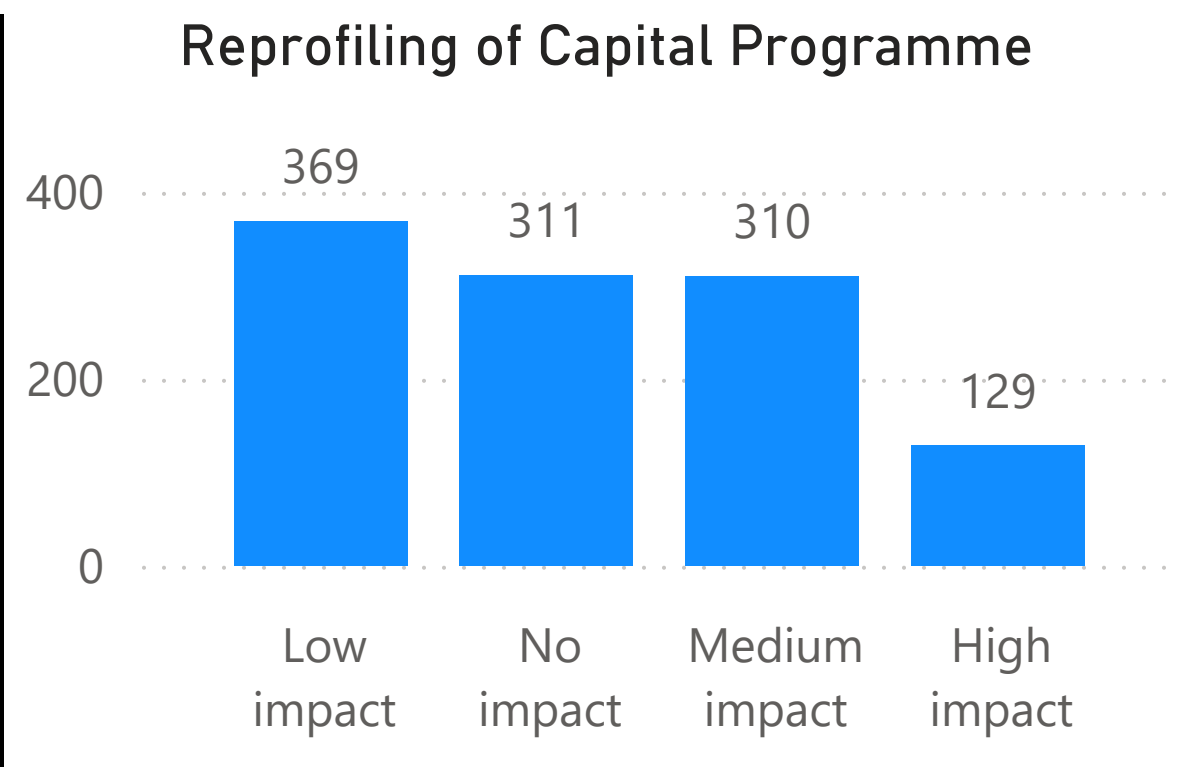


Summary from 407 comments on personal impact:

- Importance of Public Toilets:** Public toilets are deemed essential for the elderly, disabled, pregnant women, families with young children, and those with medical conditions that require frequent access to restroom facilities.
- Health and Hygiene Concerns:** Closing public toilets could lead to increased public urination and defecation, causing health hazards and reducing the cleanliness of public spaces.
- Impact on Mental and Physical Health:** Access to public toilets and green spaces is crucial for mental and physical health, as it encourages outdoor activities and social interactions.
- Role of the Countryside Ranger Service:** The Countryside Ranger Service is vital for maintaining paths, controlling invasive species, and providing environmental education and volunteer opportunities.
- Fire Safety and Prevention:** Rangers play a critical role in fire safety outreach and prevention, which helps reduce the risk of wildfires and related accidents.
- Community Engagement and Education:** The Ranger Service engages with schools and community groups, offering educational programs that foster a connection with nature and promote conservation efforts.
- Economic and Long-term Costs:** Eliminating these services could lead to higher long-term costs due to increased healthcare needs, environmental degradation, and the necessity to hire contractors for maintenance tasks.



# Capital Programme



Summary from 164 comments on personal impact:

- **Lack of Clarity:** Many respondents expressed confusion over the term "reprofile the capital programme" and requested more detailed information to provide informed feedback.
- **Impact on Community:** Some individuals are concerned that changes to capital projects could negatively affect transportation, education, and other essential services.
- **Opinions on Specific Projects:** Several comments highlighted specific projects with mixed opinions on their necessity and impact.
- **Economic and Long-term Considerations:** There is a concern that reducing capital spending could be short-sighted and lead to higher long-term costs due to asset deterioration.
- **Calls for Prioritization:** Respondents suggested prioritising essential services like health, education, and transportation over new capital projects.
- **General Discontent with Survey:** Many participants were dissatisfied with the survey, feeling it lacked clarity and was designed to justify predetermined decisions.

Budget Options - Public Consultation					2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26
Consultation Phase	Engagement Service Category	Engagement Option Category	Cluster	Option Title	£'000 Staff	£'000 Assets	£'000 Spend	£'000 Contracts	£'000 Debt	£'000 Income	£'000 TOTAL
Phase 1 Consultation	Citizen Services	Charge	Corporate	Increase in Council Tax - proposed 7%						(9,800)	(9,800)
Phase 1 Consultation	Citizen Services	Reduce	Corporate Landlord	Reduction of cleaning provision at non-schools establishments	(125)		(25)				(150)
Phase 1 Consultation	Citizen Services	Stop	Governance	Cease webcasting of Council meetings				(44)			(44)
Phase 1 Consultation	Citizen Services	Stop	Governance	Cease the Taxi Marshalls service				(70)			(70)
Phase 2 Consultation	Citizen Services	Reduce	Governance	Reduce service standards across Protective Services	(500)		(495)				(995)
Phase 1 Consultation	Citizen Services	Stop	People and Citizen	Remove the ability to pay council tax at post offices and pay points				(30)			(30)
Phase 1 Consultation	Citizen Services	Reduce	People and Citizen	Review of telephony contact and Customer Service Centre services.	(34)						(34)
Phase 1 Consultation	Citizen Services	Reduce	People and Citizen	Review the working arrangements of the Scottish Welfare Fund	(37)						(37)
Phase 1 Consultation	Citizen Services	Reduce	People and Citizen	Translation and interpretation delivered through Teams (rather than face-to-face) by default							0
Phase 1 Consultation	Citizen Services	Reduce	People and Citizen	Review of External Communications and Customer Development service provision	(94)						(94)
Phase 1 Consultation	Communities	Reduce	Corporate Landlord	Reduce number of stand alone Community Learning Centres.		(20)					(20)
Phase 2 Consultation	Communities	Reduce	Education and Lifelong Learning	Reduction of community centre development programme budgets			(34)				(34)
Phase 1 Consultation	Communities	Reduce	Education and Lifelong Learning	Reduce creative learning team	(120)						(120)
Phase 1 Consultation	Communities	Reduce	Education and Lifelong Learning	Phased removal of funding to Fairer Aberdeen			(767)				(767)
Phase 2 Consultation	Communities	Stop	Education and Lifelong Learning	Remove all Fairer Aberdeen funding			(853)				(853)
Phase 1 Consultation	Communities	Stop	Corporate Landlord	Remove supported X14 Bus Service				(165)			(165)
Phase 2 Consultation	Communities	Reduce	People and Citizen Services	Reduction in equalities grants			(50)				(50)
Phase 2 Consultation	Communities	Stop	Strategic Place Planning	Removal of environmental projects			(44)				(44)
Phase 1 Consultation	Culture and Sport	Reduce	City Development and Regeneration	Reduction in funding to Aberdeen Performing Arts			(46)				(46)

Budget Options - Public Consultation					2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26
Consultation Phase	Engagement Service Category	Engagement Option Category	Cluster	Option Title	£'000 Staff	£'000 Assets	£'000 Spend	£'000 Contracts	£'000 Debt	£'000 Income	£'000 TOTAL
Phase 2 Consultation	Culture and Sport	Stop	City Development and Regeneration	Further reduce funding to Aberdeen Performing Arts			(700)				(700)
Phase 1 Consultation	Culture and Sport	Reduce	City Development and Regeneration	Phased reduction in funding to the cultural development and grants programmes			(420)				(420)
Phase 1 Consultation	Culture and Sport	Change	City Development and Regeneration	Outsource Beach Ballroom	(75)	(75)					(150)
Phase 1 Consultation	Culture and Sport	Change	City Development and Regeneration	Transfer / Sell Beach Ballroom	(75)	(75)					(150)
Phase 1 Consultation	Culture and Sport	Stop	City Development and Regeneration	Mothball Beach Ballroom	(75)	(75)					(150)
Phase 1 Consultation	Culture and Sport	Reduce	City Development and Regeneration	Reduce public opening times of Tolbooth Museum and Provost Skenes House	(20)						(20)
Phase 1 Consultation	Culture and Sport	Reduce	City Development and Regeneration	Phased reduction of funding to Visit Aberdeenshire			(130)				(130)
Phase 2 Consultation	Culture and Sport	Stop	City Development and Regeneration	Stop funding support to Visit Aberdeenshire			(130)				(130)
Phase 2 Consultation	Culture and Sport	Change	City Development and Regeneration	Stop support for business growth and Invest Aberdeen	(406)						(406)
Phase 2 Consultation	Culture and Sport	Stop	City Development and Regeneration	Remove budget allocated for promotion of the city			(93)				(93)
Phase 2 Consultation	Culture and Sport	Reduce	Commercial and Procurement	Further reduce funding to sports organisations			(1,000)				(1,000)
Phase 1 Consultation	Culture and Sport	Reduce	Commercial and Procurement Services	Phased reduction in Sport Aberdeen funding			(450)				(450)
Phase 1 Consultation	Culture and Sport	Reduce	Commercial and Procurement Services	Reduction in Aberdeen Sports Village funding			(62)				(62)
Phase 1 Consultation	Culture and Sport	Charge	City Development and Regeneration	Introduction of the Local Visitor Levy							0
Phase 1 Consultation	Education	Reduce	Education and Lifelong Learning	Reduce the provision of Primary Education from the current level of 25 hours to 22.5 hours per week	(1,800)						(1,800)
Phase 1 Consultation	Education	Reduce	Education and Lifelong Learning	Reduce the provision of Secondary Education from the current level of 27.5 hours to 25 hours per week							0
Phase 1 Consultation	Education	Reduce	Education and Lifelong Learning	Reduce level of delivery from the Music Service to half current level	(459)						(459)
Phase 2 Consultation	Education	Reduce	Education and Lifelong Learning	Further reduction of the Music Service	(400)						(400)
Phase 1 Consultation	Education	Stop	Education and Lifelong Learning	Removal of Counselling for Schools service from all secondary schools from August 2025				(233)			(233)

Budget Options - Public Consultation					2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26
Consultation Phase	Engagement Service Category	Engagement Option Category	Cluster	Option Title	£'000 Staff	£'000 Assets	£'000 Spend	£'000 Contracts	£'000 Debt	£'000 Income	£'000 TOTAL
Phase 1 Consultation	Education	Reduce	Education and Lifelong Learning	Rationalisation of the ELC estate		(150)					(150)
Phase 1 Consultation	Education	Stop	Education and Lifelong Learning	Stop providing Easter, Summer and Autumn of Play provision			(100)				(100)
Phase 1 Consultation	Education	Change	Corporate Landlord	Review of school meals provision						(150)	(150)
Phase 1 Consultation	Education	Reduce	Corporate Landlord	Reduction of cleaning provision at schools	(500)		(100)				(600)
Phase 1 Consultation	Education	Change	Corporate Landlord	Review of school transport provision				(100)			(100)
Phase 1 Consultation	Education	Stop	Corporate Landlord	Phase Out School Crossing Patrols	(15)						(15)
Phase 1 Consultation	Roads, Environment and Waste	Reduce	Operations	Modernise how we deliver environmental services	(50)						(50)
Phase 1 Consultation	Roads, Environment and Waste	Reduce	Operations	Reduce maintenance in parks by 10%	(80)						(80)
Phase 2 Consultation	Roads, Environment and Waste	Reduce	Operations	Further reduction to environmental services	(350)		(200)				(550)
Phase 2 Consultation	Roads, Environment and Waste	Stop	Operations	Removal of Countryside Ranger Service	(167)						(167)
Phase 2 Consultation	Roads, Environment and Waste	Stop	Operations	Close all public toilets including automatic public conveniences (APC) in parks	(169)						(169)
Phase 1 Consultation	Roads, Environment and Waste	Stop	Operations	Remove Salt Bags and Bins across the city			(50)				(50)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase Allotment fees and create more allotments						(1)	(1)
Phase 1 Consultation	Roads, Environment and Waste	Change	Operations	Further commercialisation of the Winter Gardens and key city parks (Duthie Park, Hazelhead Park, Seaton Park, and UTG)to increase income generation						(50)	(50)
Phase 2 Consultation	Roads, Environment and Waste	Charge	Operations	Introduce a charge for entry to the Winter Gardens						(500)	(500)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase costs of burial fees.						(25)	(25)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase costs of cremation fees.						(79)	(79)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase costs of on-street and off street parking charges						(269)	(269)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase costs of Residents parking permits, Business and Contractors permits.						(258)	(258)

Budget Options - Public Consultation					2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26
Consultation Phase	Engagement Service Category	Engagement Option Category	Cluster	Option Title	£'000 Staff	£'000 Assets	£'000 Spend	£'000 Contracts	£'000 Debt	£'000 Income	£'000 TOTAL
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase in Fees and Charges - Roadworks Co-ordination, street occupations and Traffic Management						(67)	(67)
Phase 1 Consultation	Roads, Environment and Waste	Reduce	Operations	Reduce energy costs by reducing street light provision across the city			(1,200)				(1,200)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Increase the hours that on-street and off-street parking is charged for to include Sunday 8am to 1pm.						(160)	(160)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Introduce parking Charges at the Beach						(200)	(200)
Phase 2 Consultation	Roads, Environment and Waste	Charge	Operations	Increase in bulky uplift charge						(45)	(45)
Phase 1 Consultation	Roads, Environment and Waste	Charge	Operations	Reinstate the garden waste charges						(570)	(570)
Phase 2 Consultation	Roads, Environment and Waste	Charge	Operations	Further increase of garden waste charges						(110)	(110)
Phase 1 Consultation	Roads, Environment and Waste	Reduce	Operations	Closure of all Household Waste & Recycling Centres except Hazlehead and Bridge of Don				(100)			(100)
Phase 1 Consultation	Roads, Environment and Waste	Change	Operations	Move collections to 3 weekly (recycling and waste, brown bins remain at 2 weekly).							0
Phase 1 Consultation	Roads, Environment and Waste	Charge	Strategic Place Planning	Introduction of a Workplace Parking Levy							0
Phase 1 Consultation	Capital	Reduce	Capital	Reduction in capital rolling programmes for property, roads and fleet					(720)		(720)
Phase 2 Consultation	Capital	Reduce	Capital	Reprofiling of capital programme					(600)		(600)
					(5,551)	(395)	(6,949)	(742)	(1,320)	(12,284)	(27,241)
					(27,241)						



## ABERDEEN CITY COUNCIL

---

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Housing Revenue Account Budget 2025/26
<b>REPORT NUMBER</b>	CORS/24/356
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Helen Sherrit
<b>TERMS OF REFERENCE</b>	2

---

### 1. PURPOSE OF REPORT

- 1.1 To provide elected members with information to enable the Council to approve a Housing revenue and capital budget for 2025/26, including setting of the rents and other charges on the Housing Revenue Account (HRA) for the financial year.

### 2. RECOMMENDATIONS

That the Council:

- 2.1 Approve the budget as attached in Appendix 1, page 2, of this report;
- 2.2 Approve the setting of the weekly unrebated rents, an increase of 12%, for municipal homes in Appendix 1, page 3 of this report, to take effect from Monday 7th April 2025;
- 2.3 Approve the level of revenue contribution to the Housing Capital budget for 2025/26 as detailed in Appendix 1, pages 22 to 24;
- 2.4 Agree to work towards restoring the working balances to 10% to meet future operational requirements and risks, noting that if the Housing Revenue Account records a deficit and has no reserves then the Council's General Fund must make a contribution to balance the Account;
- 2.5 Approve the level of miscellaneous rents and service charges, including Heat with Rent and the General Fund Support Services Charges as detailed in Appendix 1, pages 18 to 19, to take effect from Monday 7th April 2025;
- 2.6 Approve, based on a rental increase of 12% the Base Capital Programme for the financial year 2025/26 Appendix 1, pages 22 to 24;

- 2.7 Note the inclusion of the tiered trend analysis of the Housing Revenue Account Budget 2025/26, page 4 in Appendix 1, and the current actions to move spend from Tier 2 Early Intervention to Tier 1 Prevention;
- 2.8 Approve the continuation of the £500,000 Rent Assistance Fund pilot in 2025/26;
- 2.9 Instruct the Chief Officer – Housing in consultation with the Chief Officer – Finance and Chief Officer - Digital and Technology to explore the resource and technical implications for moving from a 48 week to a 52 week rent structure, and to consult with tenants thereafter;
- 2.10 Delegate authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to vire monies from the Housing Capital Plan to support any works that may be required for RAAC interventions across the estate, retrospectively reporting any actions to the next available meeting of the Communities, Housing and Public Protection Committee; and
- 2.11 Delegate Authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to approve a business case and thereafter procure external contractor support to manage backlog voids over a three-year period, financed from the proposed repair and maintenance budget (with capital allocation as required) for a value not exceeding £15 million.

### **3. CURRENT SITUATION**

#### **Projected Out-turn 2024/25**

- 3.1 In looking at the position for the next financial year it is useful to put into context the financial estimates for the current financial year.
- 3.2 The HRA budget in 2024/25 has a budgeted deficit of £3.1m (utilising reserves) and is currently estimated to stay within budget. Spend is challenging, as it was in 2023/24, and the HRA continues to plan to utilise its reserves in 2024/25. There are several areas of pressure including potential increases in repairs and maintenance from the cost of materials, voids, and staff costs. The higher costs in these areas will be offset by a reduced contribution to Capital from Current Revenue (CFCR). This is not sustainable and why the tenants were consulted on a 10% rental increase for 2025/26.

#### **Institutional Framework**

- 3.3 The Council is required to give its tenants 28 days' notice of any change in the level of rent. With the decision on rent levels being taken on 10 December 2024, taking account of the various system amendments required, the change in rent levels will start on 7<sup>th</sup> April 2025.
- 3.4 Rent consultation was carried out in October 2024 with a closing date of 3 November 2024 for responses. There were a number of questions asked regarding the level of increases overall, potential changes to the rent of new build and to homes of different sizes. Further details are included in Appendix 1, Pages 10 -14.

- 3.5 It was agreed this year not to consult on a longer term rent policy as the 30 Year Business Plan, which was approved on 11 October 2024, was an interim plan pending completion of the Housing Asset Management Model in 2025. The Model will help provide a clear understanding of the HRA requirements for the next 30 years.
- 3.6 We wish to continue to bring forward future annual rent increase decisions from March Full Council meetings to December. This approach ensures that we are in line with other services, internally and externally, in setting rents at the beginning of financial year in April and reduces the risk of potential failures in the system. It also ensures that we are maximising our rental income and removing potential losses to the HRA.
- 3.7 Schedule 15 of the Housing (Scotland) Act 1987 requires expenditure in the following main areas to be charged to the HRA:
- Capital Financing Costs in respect of monies borrowed for the purpose of providing and improving the Council’s housing stock;
  - Management, administration and maintenance of the Council’s housing stock; and
  - Other expenditure such as loss of rents for vacant periods, insurance, communal lighting and heating, cleaning and security.
- 3.8 Items of income that must be credited to the HRA are:
- Council house rents; and
  - Other income attributable to the HRA. For example, income recovered from tenants for heating, interest on revenue balances and, when available, transfers from working balances generated by the HRA in previous years.
- 3.9 In the absence of any central or local authority financial support for the HRA, the HRA is regarded as “ring-fenced”. In addition, consideration of the level of capital to be financed from CFCR within the HRA budget will have an impact on the Housing Capital Budget. This report, therefore, whilst indicating a proposed HRA Budget, also provides information on the Capital Budget.

**Underlying Strategy**

- 3.10 The 30 Year Business Plan presented to Council in October 2024 stated that to achieve a balanced position each year, a contribution towards the capital borrowing and returning the reserve to a sustainable position, would involve rent increases of the following –

Years	Annual % rent increase
1-5	10
6-10	9
11-12	7
13-15	6
16-25	5
26-30	4

- 3.11 Following a review of the underlying costs in 2025/26 and the potential cost pressures which include pay awards, increased employers contribution to national insurance which were not known at the time of completing the Business Plan, it is now estimated that a rent increase of 12% is required in 2025/26 to achieve a balanced position, make a contribution towards capital borrowing and working towards restating the working balance to 10%.
- 3.12 As part of the consultation ACC asked tenants if for the new build properties, a new build premium could be introduced of 15% for those properties handed over to ACC after 1 April 2025 and amend the differential between the bedroom size. The additional income for differentials, along with the new build premium could reduce the overall rent increase of 12% down to 9.2% in 2025/26, However there should be a recognition certain tenants will be incurring multiple increases in their rent if the Council were to implement these options.

## **Housing Market Overview**

### **Local Housing Strategy**

- 3.13 The Aberdeen City Local Housing Strategy (LHS) 2018-2023 provides the strategic direction to respond to housing need and demand and informs the future investment in housing and housing related services across the city. The LHS identified an affordable housing target of 342 homes per year in 2018/19 and 2019/20 and 385 per year in 2020/21, 2021/22 and 2022/23.
- 3.14 Work on the Local Housing Strategy (LHS) is ongoing with an extensive evidence base collated to inform the strategy. Part of the evidence base for the LHS is the Independent Living and Specialist Housing Provision Market Position Statement (MPS) 2024 – 2034 which has been agreed by the officer Strategy Board. Officers will seek approval from Communities, Housing and Public Protection Committee in early 2025 to begin public consultation on the draft Local Housing Strategy. If production of the LHS continues to progress as anticipated, the final Local Housing Strategy should be published in Autumn 2025.

### **Rental Market**

- 3.15 Average private rents in Aberdeen city stand at £869 per month, up 4.4% year on year at quarter 3 in 2024 however in 10 years the rent has fallen by 18.6%. Within a month 68% of properties are let.
- 3.16 In 1 bedroomed properties the rent has increased by 6.6% and in 4 bedroomed properties the rent has increased by 4.7% year on year.
- 3.17 The current demand for Council housing is borne out by the waiting lists which as of November 2024 have a total of 5613 live applications for a council tenancy. Therefore, this is still an option for many, and demand is the highest for 1 bedroomed properties.

### **Housing (Scotland) Bill- Rental cap proposal**

- 3.18 An amendment to the Housing Bill will set out how rent increases will be capped in areas where rent controls apply, subject to the approval of Parliament, this cap will only apply to Private Rented Properties.
- 3.19 The Scottish Government website states “In response to stakeholder feedback, rent increases would be limited to the Consumer Price Index (a measure of inflation) plus 1%, up to a maximum increase of 6%. If approved, the rent cap will apply to rent increases both during the term of a tenancy and in between tenancies, and will only apply in areas where rent control is applied.”

### **Housing Capital Plan - New Build Council housing**

- 3.20 Reports on the progress of both Council led and Developer led projects, are regularly submitted to the Finance & Resources Committee, the latest summary is provided in Appendix 1, Pages 25-27.

### **Ongoing Capital Expenditure**

- 3.21 The draft budget for 2025/26 is attached as Appendix 1. This shows net expenditure of £127 million financed by £120 million of borrowing along with £2 million by way of a revenue contribution and Other Income of £5 million.
- 3.22 This capital budget reflects and includes a rental increase of 12%. The details of the potential projects to be included in this programme are contained in Appendix 1, pages 22 to 24.

### **Reserves & Risk**

- 3.23 The Council has a working balance, the HRA Reserve, which has been built up over several years created from surpluses achieved by the HRA. This reserve is necessary to ensure the HRA is financially resilient and can meet any unforeseen or exceptional circumstances for example inflationary pressures, or the emergence of new risks like RAAC. In the 2024/25 budget it was agreed to utilise £3.161m of the reserves to approve a lower increase in rents, 4.7% instead of 8.5%.
- 3.24 Where a one-off solution, such as the use of reserves, is filling a budget gap, enabling services to continue as currently delivered, for example, then due consideration of the long-term implications must be taken, identifying where and when they are being used and adjusting future financial planning to reflect the decisions taken. The Council’s reserves statement, as approved by the Council in March 2024, identifies that reserves are primarily for financial resilience and financial risk management. The policy of the Council has been to increase the HRA reserve over time without being excessive. That policy has been challenged in 2024/25 by making use of reserves to support the budget. A rental uplift of 12% would allow a small surplus of £626k which would start to build back the working balance which would then continue to support financial resilience and protect the HRA from financial shocks, recognising inflation is a constant.
- 3.25 Based on projected income and expenditure for 2024/25, the opening figure for 2025/26 should be approximately £8.420 million as detailed below:



<b>Movement in Working Balances</b>	<b>£'000</b>	
Working balance as at 1 April 2024		14,189
Less: Earmarked sums (2023/24)		
Housing Repairs	(2,299)	
House Sales – Non RTB	(309)	(2,608)
Uncommitted Working Balances 1 April 2024		11,581
24/25 Use of working balance		(3,161)
Projected Uncommitted Working Balances 1 April 2025		8,420
25/26 Contribution to working balance		626
Projected Uncommitted Working Balances 1 April 2026		9,046

- 3.26 It is proposed the Council works towards restoring the working balance to over 10%, by operating a surplus budget and making an initial contribution of £626,000 in the next year as demonstrated in the table above. The retention of HRA Reserves cannot be understated given the role they play in good financial management, planning and resilience as well as being mindful of the terms that are set out national guidance:

*From the HRA guidance issued in 2014 “Under paragraph 9(2) of Schedule 15 to the 1987 Act, if a HRA deficit arises in any one year, the local authority must make a contribution to make good the deficit from the General Fund. Scottish Ministers consent is not required for this contribution. Prudent practice is for the local authority to hold HRA reserves (either as a specific reserve or an earmarked part of the General Fund reserves). HRA reserves are the result of years where the HRA income exceeds the HRA expenditure, i.e. a surplus rather than a deficit. These surpluses (reserves) will therefore be available to apply to the HRA in any year when a deficit arises negating the need for the General Fund contribution.”*

### **Prudential Code**

- 3.27 Councils are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government Scotland Act 2003.
- 3.28 In setting a capital programme, members will be aware that under the Prudential Code, the level of capital investment is determined at a local authority level. The base programme for consideration is £127 million. This is attached in Appendix 1 at pages 22 to 24.
- 3.29 The fundamental objective, in the consideration of the affordability of the Council’s capital programme, is to ensure that the total capital investment of the authority remains within sustainable limits and in particular to consider the impact on the “bottom line”.
- 3.30 The Council’s Prudential Indicators were most recently reviewed and presented to the Finance & Resources Committee (CORS/24/307) as part of the Quarter 2 Financial Performance report and will be included within the General Fund Budget report on 5 March 2025.

### **Business Plan**

3.31 An Interim HRA 30 Year Business Plan was presented to Council in October 2024 (link to add) this concluded that the HRA cannot demonstrate that there is financial viability over the 30-year life of the Business Plan without rents increasing by 10% annually in the short term, or a reduced increase in rents paired with changes to the rent value criteria, for example introducing a change to differences in rents between properties and a new build premium. The Business Plan reflects the impact of recent higher than forecast pay, price and construction inflation alongside the continuation of capital investment to upgrade and improve the housing stock. The Plan will be reviewed annually and will be updated to reflect the Housing Asset Management Model that is due to be completed in 2025, which will underpin cost projections for financial year 2026/27 and beyond.

### **Impact of cost pressures 2024/25 and 2025/26 onwards**

3.32 The HRA is coming under pressure from the following and this is why we are looking to take a cost of service approach to rent setting and not an inflation based approach -

- Pay awards of 4.27% in 24/25 compared to the budgeted 3%.
- Increase in Employers National Insurance, of approx. £1,000 per employee.
- Rent freeze in 21/22 & 22/23 resulting in a loss of £360m (in cash terms) over the 30 years. (Appendix 1, Page 15, shows we were one of the few Local Authorities who implemented a rent freeze for two years)
- A continuing high level of spend being required on void properties driven by capital works, catch ups, construction costs, inflation and high turnover of properties.
- Spend on Repairs & Maintenance increasing year on year, some of this can be attributed to inflation and pay award.
- Spend on Management & Administration increasing, principally due to higher than expected pay awards.
- Increasing level of debt charges due to New Build Programme, this could be further stretched by RAAC and the impact of the Business Case for the Multi Storey Flats (as agreed at Communities, Housing & Public Protection Committee on 21 November 2024).
- Future requirements for spend and decisions to be made in relation to the age and profile of the stock including managing outcomes from properties with RAAC roofs, multi-storey investment and other non-traditional properties.
- Reduced funding from the affordable supply programme specifically for Cloverhill and any future New Build's.
- Funding solutions to address the need to achieve / contribute to net zero and other energy performance improvements required to the stock for which no grant funding has been identified.

3.33 It should be noted that in accordance with the Housing (Scotland) Act 1987, section 210 (3) "In determining standard rents to which their housing revenue account relates, a local authority shall take no account of the personal circumstances of the tenants".

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Setting the budget for the HRA enables the housing stock to be managed in an effective and responsible way. The income supports in full the payment of ongoing costs of providing social housing in Aberdeen and incorporated costs of voids, debt charges, rent arrears as well as meeting the costs of repairing and maintaining the housing stock.
- 4.2 Given that the purpose of this report is to set the HRA budget for 2025/26 the financial implications are contained within the report and the attached Appendix.

## 5. LEGAL IMPLICATIONS

- 5.1 The Housing (Scotland) Act 1987 requires local authorities to maintain a Housing Revenue Account.
- 5.2 Section 25 (4) of the Housing (Scotland) Act 2001, states that a local authority: “..to increase the rents or any other charges payable by all, or any class of, its tenants it must, before giving notice under subsection (1)—  
 (a) consult those of its tenants who would be affected by the proposal, and  
 (b) have regard to the views expressed by those consulted”
- 5.3 Aberdeen City Council must comply with the public sector equality duty as prescribed in the Equality Act 2010. An Integrated Impact Assessment has been prepared to assess the impact of the proposed rent increases on persons with relevant protected characteristics and which will include the results of the consultation.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The budget proposed indicates several areas where energy improvements are recommended, or monies set aside to identify sustainable energy solution in the future.

## 7. RISK

- 7.1 The assessment of risk contained within the table below is considered to be consistent with the Council’s Risk Appetite.

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	Management of the Housing Revenue Account not achieving intended	Through the Housing Revenue Account Business Plan	L	Yes

	<p>strategic objectives.</p> <p>Audit, Risk &amp; Scrutiny Committee on 12 Feb 24 refreshed the Risk Appetite Statement. The RAS sets out how the Council will balance its risks and opportunities in pursuit of delivering the outcomes set out within the Local Outcome Improvement Plan and associated strategies.</p>	<p>The recommendations and risk assessment carried out are consistent with the Council's RAS. Should Council be minded departing from the recommendations, it is important in doing so that the Council considers the potential impacts across the organisation and on the Council's pursuit of strategic outcomes.</p>	M	
<b>Compliance</b>	<p>Non-compliance with Housing Revenue Account Guidance.</p>	<p>Review process undertaken as part of budget process</p>	L	<b>Yes</b>
<b>Operational</b>	<p>Housing Revenue Account should be effective in enabling the most efficient method to provide housing to over 23,000 tenancies and maximising the efficiency of the account to provide Best Value.</p>	<p>Ensure Best Value is achieved for the 23,000 tenancies.</p>	L	<b>Yes</b>
<b>Financial</b>	<p>Every organisation</p>	<p>These risks are minimised by the</p>	H	<b>Yes</b>

	<p>has to manage the financial risks inherent in the operation of large and complex budgets.</p> <p>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.</p> <p>As the age profile of the stock increases there will be increasing repair and maintenance obligations and strategic decisions will be required on some property types. Solutions to this risk will be complicated by high levels of owner occupation.</p>	<p>regular review of financial information by services and corporately by Elected Members.</p> <p>Quantification and review of indicative projects costs by suitable qualified staff or external body, where appropriate.</p> <p>Risk will be quantified through future 30 yr business plan and asset management model. Ongoing statutory compliance and stock survey work will manage short term risk.</p>	M	
<b>Reputational</b>	The reputational risks to the Council are minimised by	All staff and Elected Members advised.	L	<b>Yes</b>



	the regular review of financial information by CMT, the Performance Board and Elected members throughout the Financial year.			
<b>Environment / Climate</b>	The budget proposed indicates a number of areas where energy improvements are recommended, or monies set aside to identify sustainable energy solution in the future. Not to proceed with this would create risks.	Risks minimised if report recommendations are approved	M	Yes

## 8. OUTCOMES

<a href="#"><u>COUNCIL DELIVERY PLAN 2024-2025</u></a>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the over 23,000 tenancies and maximising the efficiency of the account to provide Best Value.
<a href="#"><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></a>	
Prosperous Economy Stretch Outcomes	The housing capital programme is delivering works on loft insulation, replacing old/obsolete boilers with modern equivalents, external wall insulation, heat pumps and photo voltaic panels all enhancing the energy efficient of homes which will assist tenants

	with affordable warmth. In addition the HRA Budget in 2024/25 introduced a Pilot Rent Assistance Fund the aim of which is to assist Council tenants facing financial hardship, in 2025/26 looking for approval to continue the Fund.
Prosperous People Stretch Outcomes	<p>The health outcomes for older people, people living with long-term conditions and people with disabilities is enhanced by the provision of accessible and adapted properties. The Strategic Housing Investment Plan includes a wheelchair accessible target of 15% of all new build affordable properties. The council's new build programme has delivered new wheelchair and accessible properties in excess of this target.</p> <p>The Council has a statutory duty to house those who are homeless or at risk of homelessness, with the Council's housing stock playing a key role in providing accommodation.</p>
Prosperous Place Stretch Outcomes	The council new build homes are some of the most energy efficient homes in Aberdeen which will contribute to addressing climate change.
<b>Regional and City Strategies</b>	The HRA is sustainable through the HRA business plan this delivers the sustainability of over 23,000 tenancies.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Completed
<b>Data Protection Impact Assessment</b>	Not required.
<b>Other</b>	Not required.

## 10. BACKGROUND PAPERS

ALACHO Rental uplifts 2425 –and benchmarking from Scottish Housing Regulators data sets

Citylets Quarterly report Q3 2024 – Aberdeen

## 11. APPENDICES

Appendix 1 Draft Housing Revenue Account 2025/26 Budget

Appendix 2 Detailed Draft Housing Revenue Account 2025/26 Budget

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Helen Sherrit
<b>Title</b>	Finance Partner
<b>Email Address</b>	<a href="mailto:hsherrit@aberdeencity.gov.uk">hsherrit@aberdeencity.gov.uk</a>

This page is intentionally left blank

ABERDEEN CITY COUNCIL

APPENDIX 1

HOUSING REVENUE ACCOUNT



## Rental increase

The analysis below shows the original budget for 24/25, the forecast budget for 25/26 presented in the October 2024 30 year Business Plan papers and the revised budget forecast for 25/26 taking into account known potential increases. The 30 Year Business Plan forecast a rental uplift of 10% would be required, due to the increase in costs, including the recently announced increase in Employers National Insurance contributions, this is now forecast to be 12%, therefore to maintain current service standards rent would need to increase by this percentage.

HRA Summary	Budget	30 Year Business Plan	Budget	Reasons for Uplift and revision
	2024/25	2025/26	2025/26	
	£'000	£'000	£'000	
Housing Staff Management & Operations	15,852	17,929	18,408	Confirmation of pay award and NI changes
Property Planned & Response Maintenance	41,040	43,092	43,462	Confirmation of pay award and NI changes
Other Operational Costs (Grounds/Cleaning etc)	15,350	14,908	18,251	Confirmation of pay award, NI changes and increase in Council Tax payments related to void properties
Cost of Repaying Borrowing	20,767	24,621	24,621	
Loss of Rent – Voids and Bad Debt	12,941	15,779	14,505	
<b>Total Expenditure</b>	<b>105,950</b>	<b>116,328</b>	<b>119,245</b>	
Council House Rents	(104,189)	(114,608)	(116,692)	Reflects uplifts in rents from 10% to 12%
Misc Rental (Including Heat with Rent, Garages etc)	(7,647)	(4,900)	(5,639)	
<b>Total Income</b>	<b>(111,836)</b>	<b>(119,508)</b>	<b>(122,331)</b>	
<b>Net Expenditure/(Income)</b>	<b>(5,886)</b>	<b>(3,180)</b>	<b>(3,086)</b>	
This enables the following to be made -				
Contribution to Capital Investment (CFOR)	9,048	2,460	2,460	
Contribution to/(from) HRA Reserve	(3,162)	720	626	

Further details are contained in Appendix 2.

In the table below are the main assumptions in the 2025/26 budget -

Assumptions	% uplift	Reason
Repairs and Maintenance	5	Pay and material increases
Maintenance of Grounds	3	Pay Increase
Cleaning Services	3	Pay Increase
Utilities	8 & 10	Anticipated increase
Admin and Management	3	Pay Increase

## Impact of the rent increase

Below is the proposed rent increases based on a 12% rental increase.

<b>2024/25 rent levels</b>	<b>0 Bedrooms</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>
	£	£	£	£	£
Multi/flat/maisonette	70.98	84.63	91.46	98.29	105.11
Four in a block	77.81	91.46	98.28	105.12	111.94
Cottage/house	84.65	98.29	105.12	111.96	118.78
<b>Proposed 2025/26 rent levels</b>	<b>0 Bedrooms</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>
<b>12% increase</b>					
	£	£	£	£	£
Multi/flat/maisonette	79.50	94.78	102.43	110.09	117.72
Four in a block	87.15	102.43	110.08	117.73	125.37
Cottage/house	94.81	110.09	117.73	125.39	133.03

The increase in weekly rent (48 weeks) is as shown below:

<b>Weekly Increase for 2025/26</b>	<b>0 Bedrooms</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>
	£	£	£	£	£
Multi/flat/maisonette	8.52	10.16	10.97	11.80	12.61
Four in a block	9.34	10.97	11.79	12.61	13.43
Cottage/house	10.16	11.80	12.61	13.44	14.25

## Tiered trend analysis

Similar to the HRA Budget papers in 2024/25 included is the tiered trend analysis for 2025/26 -

HRA Budget 2025/26	Tiers		
	1	2	3
	£'000	£'000	£'000
Housing Staff Management & Operations	5,344	11,122	1,941
Property Planned & Response Maintenance	8,692	34,769	-
Other Operational Costs (Grounds/Cleaning etc)	12,591	2,068	3,593
Cost of Repaying Borrowing	24,621	-	-
Loss of Rent – Voids and Bad Debt	-	67	14,437
<b>Total</b>	<b>51,248</b>	<b>48,026</b>	<b>19,971</b>

### Summary of the tiers

1 – Prevention - Taking action to prevent the occurrence of harm through universal measures

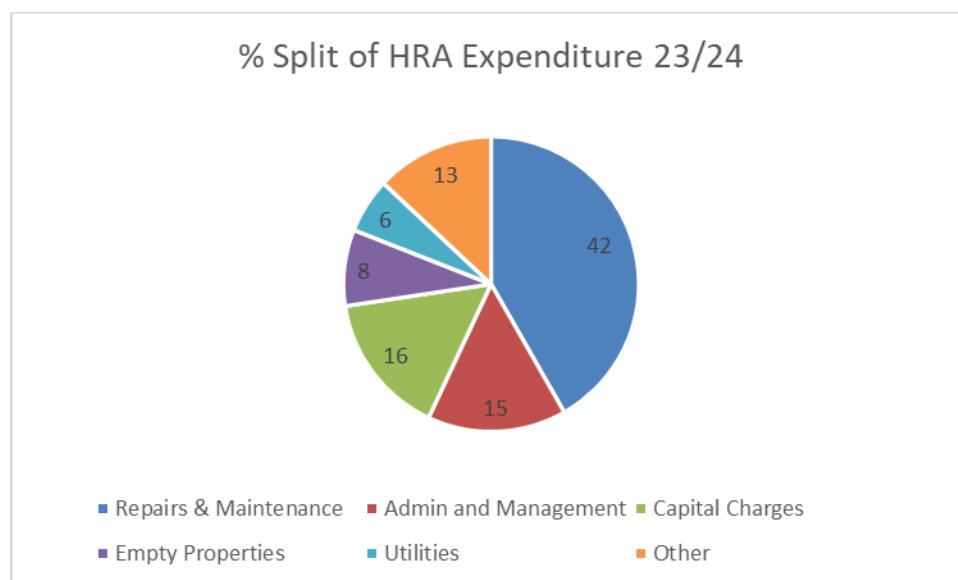
2 - Early intervention - Interventions that ward off the initial onset of harm and create empowered resilient communities and staff (human demand) Intervening before further harm takes place in a way that avoids the later costs in both human and financial terms of handling the consequences of that harm (resource demand)

3 – Response - "Significant harm has occurred or is assessed as being imminent, significant resource is required to provide specialist and / or intensive support to reduce harm and demand.

During 2025/26 the aim is to move spend in premises costs from tier 2 to 1, this is detailed in the section on Repairs and Maintenance page 5 and to reduce the spend on voids within tier 3 detailed on page 5.

## Where we spend the money

We keep all of the income and expenditure for our council houses in a separate account, called the Housing Revenue Account (HRA). In 2023/24 the greatest proportion (42%) of revenue spend is on repairs and maintenance, followed by Capital charges (16%).



Repair & Maintenance	Ongoing maintenance costs of properties
Admin & Management	Staff costs including salary, national insurance and pension
Capital Charges	HRA borrowing costs for the spend on new build and capital programme.
Empty Properties	When a property is empty we can't charge rent this is the cost.
Utilities	The vast majority of this cost is covered by heat with rent charges, the balance is for the heating of communal areas.
Other	Includes grass cutting around your homes, pest control, cleaning.

## Repairs and maintenance

The cost of repairs has increased significantly as detailed in the 30 Year Business Plan, this is a challenge felt by many other local authorities due to the level of price and wage increases over the last few years triggered by inflation, COVID, BREXIT and the war resulting from the Russian invasion of Ukraine. The level of repairs also reflects the aging nature of the stock.

## **Voids**

As of 14 October, there were 1,766 housing voids without an offer, of which 509 are ready for occupation, and 221 were completed buy backs. 175 properties were under offer and 42 progressing to lease signing, therefore voids remain a significant issue.

In the period 1 April 2024 to 30 September 2024 spend on void properties was in excess of £14million pounds with over 1,300 properties being taken through the process. This has been through internal teams with a range of external contractor support. This volume is considered financially unsustainable in relation to both the level of spend and local contractor capacity.

As detailed above the Council is revising the Minimum Letting Standard this should reduce the period of time a property is void, this will be closely monitored, it is estimated this would improve the 2025/26 losses by approximately £1m (based on 200 fewer voids), with the position being reviewed during the year and updated as part of next 30 Year Business Plan.

It is recommended that external contractor support is engaged to support dealing with the level of backlog voids to support existing internal teams. Approval to retender this and secure delivery through one supplier is sought with this being managed over a 3 year period. This will allow a more robust sub-contractor supply chain to be developed. Approval is sought to commit approx. £5 million of spend per annum from the repair and maintenance and capital budgets (where capital works are required) for the next 3 years.

A number of voids require significant works, which would not demonstrate value for money in relation to the rental return. Initially a gateway has been introduced to ensure that work that exceeds £20,000 is undertaken only where there is strong demand for properties to ensure that resources are used in the most effective manner at this time. This will be reviewed as the Asset Management model for the stock is developed and finalised in 2025.

Properties with excess spend requirements, low demand, high management requirements (cost and time) or functional obsolescence will be managed through the revised Acquisitions and Disposals Policy approved by the Communities Housing and Public Protection Committee in November 2024. Disposals will allow debt to be repaid but will also allow properties to be brought back into use more efficiently helping to support housing supply. Similarly sites held on the HRA which are now unlikely or unviable to develop will be reviewed and taken to the market if deemed the most appropriate outcome.

Consideration has also been given to implement reduced rental levels in void properties that have been available for let but not let for a 12-month period. It is not proposed to proceed with this, at this time, until works around the review noted in the paragraph above. This will continue to be reviewed.

## Rent Policy

There is currently no rental policy in place as the previous rental policy of 4% ended on 31 March 24.

In December 2023 the Council took the decision to increase rents for 2024/25 by 4.7%, which was below the recommended rent increase of 8.5%. For this to be affordable the Council is using £3.161m of HRA reserves. This meant a reduced cost to tenants, but did not address the underlying costs being experienced by the HRA.

It is not recommend fixing the rent policy for 4 or 3 years as work is currently being undertaken on the Asset Management Plan which will form part of a refreshed 30 Year Business Plan in 2025. However, this could be reviewed next financial year once this work has been undertaken.

We must consult on a rent policy for 25/26 as per the Housing (Scotland) Act 2001 below:

- S.25(4) states:

Where the landlord under a Scottish secure tenancy proposes to increase the rents or any other charges payable by all, or any class of, its tenants it must, before giving notice under subsection (1)—

- (a) consult those of its tenants who would be affected by the proposal, and
- (b) have regard to the views expressed by those consulted.

In 2024/25 there was a move by local authorities to adopt a fixed rent policy, for example Edinburgh City Council agreed a 7% rent increase for each of the next 5 years in 2024/25 to 2028/29. There are no restrictions on setting rent in 25/26 from either COSLA or the Scottish Government.

Although inflation has started to slow down/stabilise with CPI reducing from 4.6% in October 2023 to 1.6% in October 2024, the impact of a 2 year rent freeze and below inflation rent increases in the following two years has resulted in the costs of delivering the service increasing at a faster rate than the rental income expected for the HRA.



## **Removal of Free Weeks (moving from a 48 to 52 week rent year)**

Currently ACC's Housing system (NEC Housing) is set up for tenants to pay rent (including car parking, garages, heat with rent, insurance) on a 48-week basis with a rent free week at the end of each quarter. Officers have started to investigate a move to a 52 week basis (annual rent charge spread over the full year) for all housing charges.

We believe further work is required to ensure such a change would benefit the tenants and the internal resources required as intensive system testing will be required therefore the recommendation is to instruct the Chief Officer – Housing in consultation with the Chief Officer – Finance and Chief Officer - Digital and Technology to explore the resource and technical implications for moving from a 48 week to a 52 week rent structure, and to consult with tenants thereafter.

The existing tenancy leases allow ACC to make variations to the number of weeks in a rent year provided tenants are given 4 weeks' notice of the change.

By moving to a 52 week rent year it should help tenants budget their money better, avoid getting into debt, simplify the administration of benefits and manage the monthly Universal Credit payments.

Both Edinburgh and Dundee City Council have recently moved successfully to a 52 week rent year, while other Councils, such as Falkirk and South Ayrshire Councils maintain the 48 week rent year and are not looking to change.

Edinburgh City Council provided feedback on their removal of the free weeks through the Rent Forum, they highlighted the following lessons that could be learnt from their experience –

- Ensure that tenants are consulted / made aware
- Include in the communication how rent will be calculated monthly as this can cause major confusion.
- Universal Credit claimants as tenants continued to report the free weeks which affected their housing cost payments. This took a lot of work to resolve but tenants correctly report rent increase with prompting.

## **National Insurance changes**

UK Government on 30 October 2024, as part of the new government's first budget, increased employers' national insurance contributions with effect from April 2025.

National Insurance is a tax on earnings that is paid by both employees (from their wages) and by employers (on top of the wages they pay out), as well as by the self-employed (from their trading profits).

The government are making four changes to employer National Insurance contributions (NICs), all of which take effect at the start of the next tax year (6 April 2025). Reducing the threshold from £9,100 to £5,000, which means an additional

£4,100 is now exposed to the 15% Employer's NI rate, so £615 each (or 6.8% change up to £9,100).

Above the £9,100 there is a change from 13.8% to 15% which creates the cost impact of an additional 1.2%.

The HRA will receive no funding to cover the additional cost of the employers' NI changes, as this change was only announced in the October 2024 budget this cost was not included in the 30 year Business Plan.

It is estimated that this change will cost the HRA £863k as listed below -

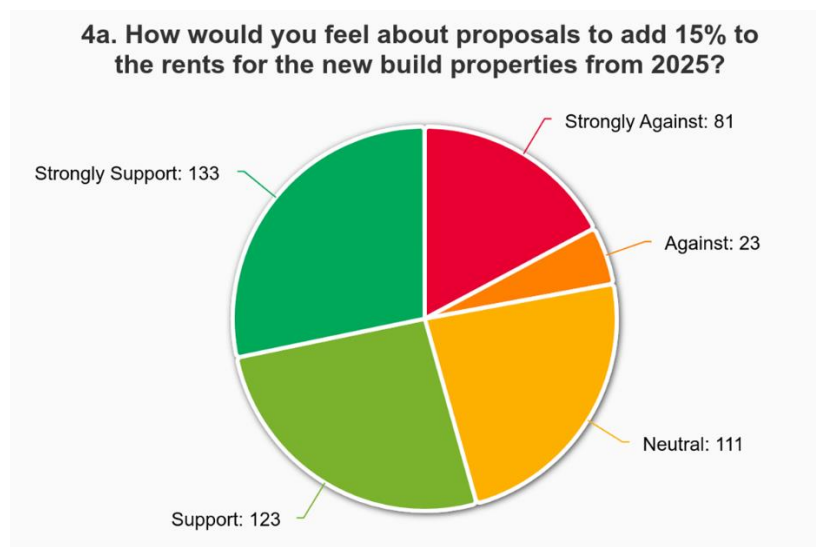
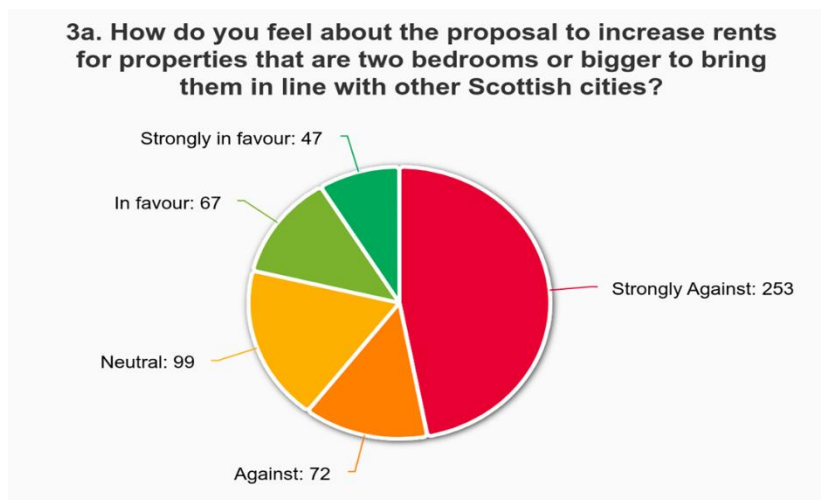
	<b>£'000</b>
Grounds Maintenance	67
Cleaning - Multi's	29
Cleaning - Sheltered	28
Building Services	369
Management & Admin	352
Environmental Health	4
Refuse Collection	14
<b>Total NI Change</b>	<b>863</b>

## Tenant Consultation

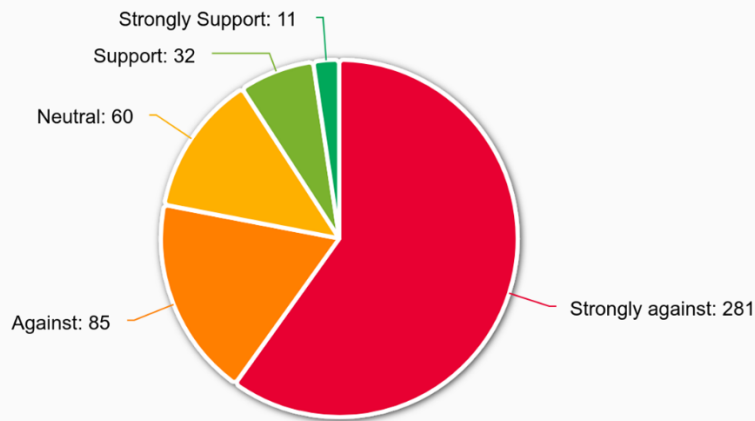
A full consultation process for rent setting for 2025/26 was agreed in October 2024 as part of the 30 Year Business Plan approved at Council on 11 October 2024. This process involved notifying tenants that the rent consultation was live with the option to complete online via Common space on the Council's website or at one of the various drop in events at various centres/hubs. The consultation was carried out in October with a closing date of 3 November for responses. In total there were 538 responses.

In summary of the responses tenants were against increases in the differentials and a 10% increase however in favour of a 15% premium for new build.

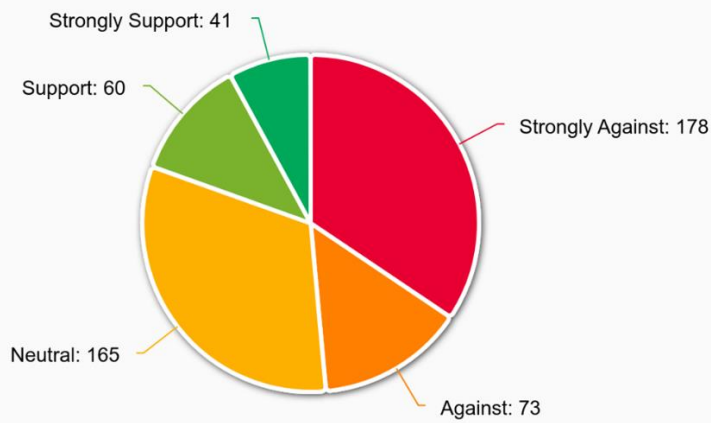
Responses and questions-



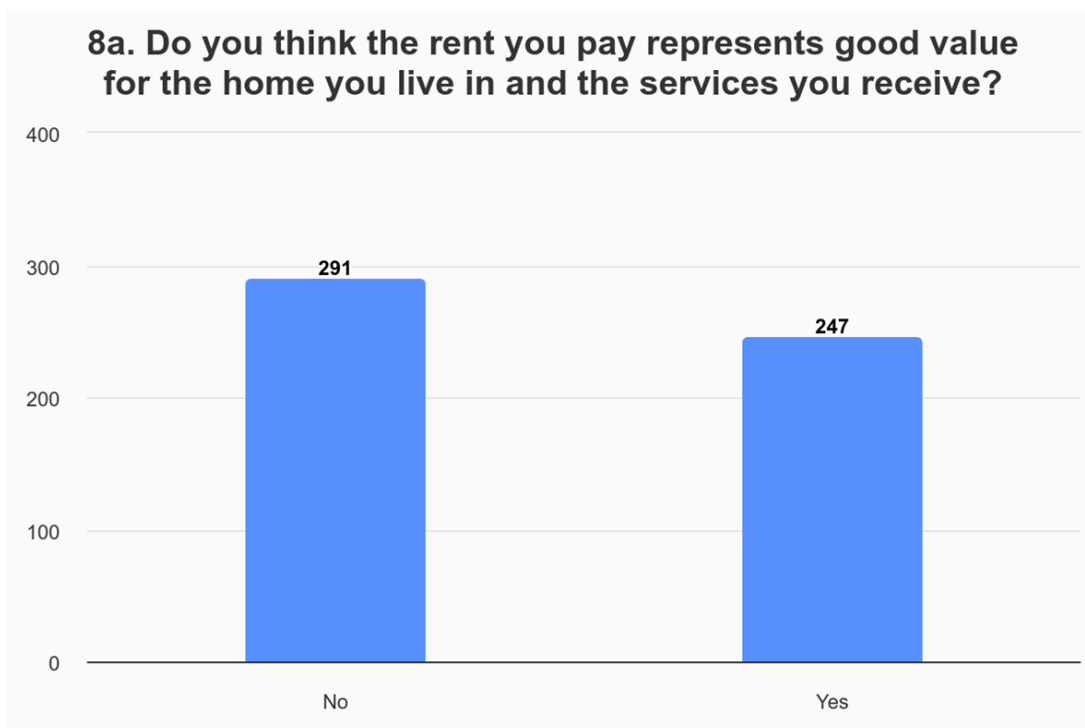
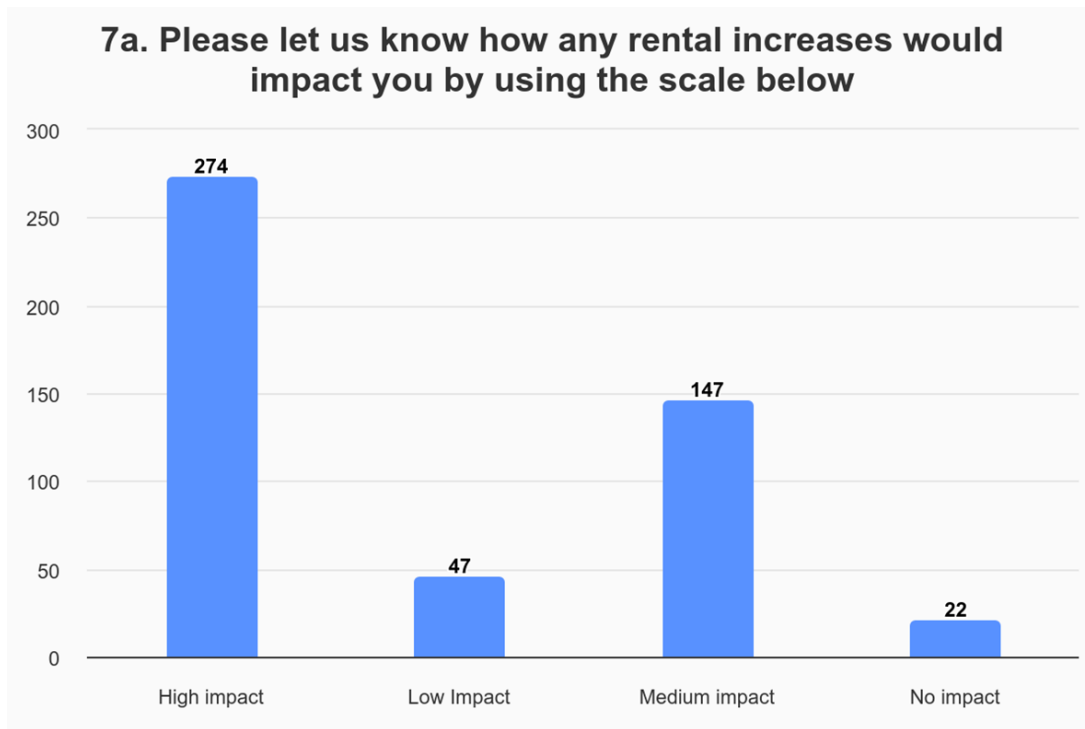
**5a. How would you feel about the proposal of an annual rent increase of up to 10% from April 2025?**



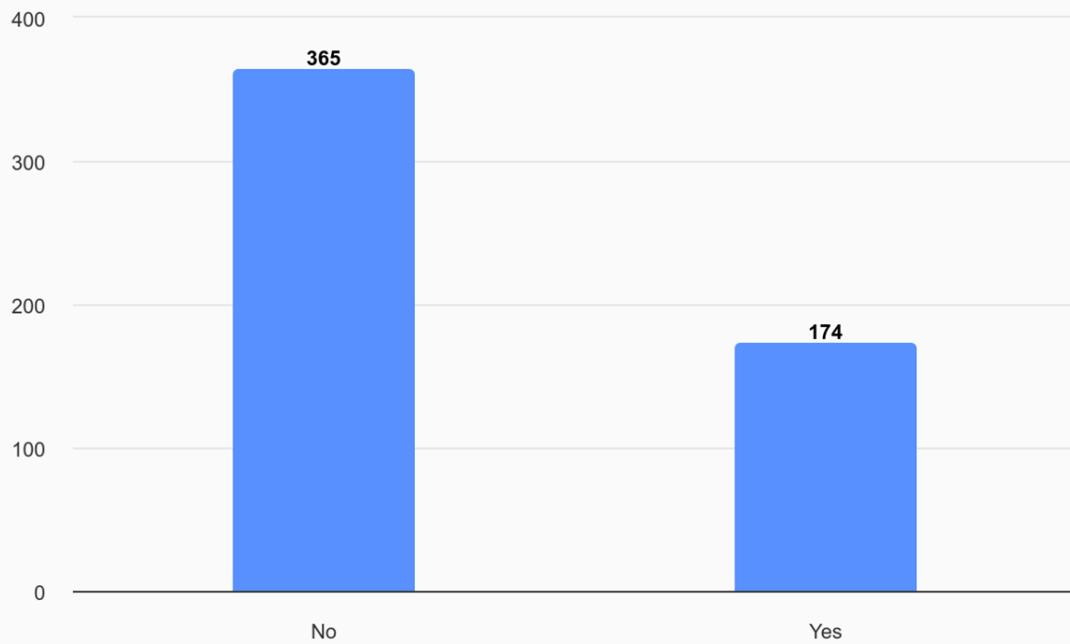
**6a. How would you feel about proposals to increase kitchen replacements to every 25 years and bathrooms every 35 years?**



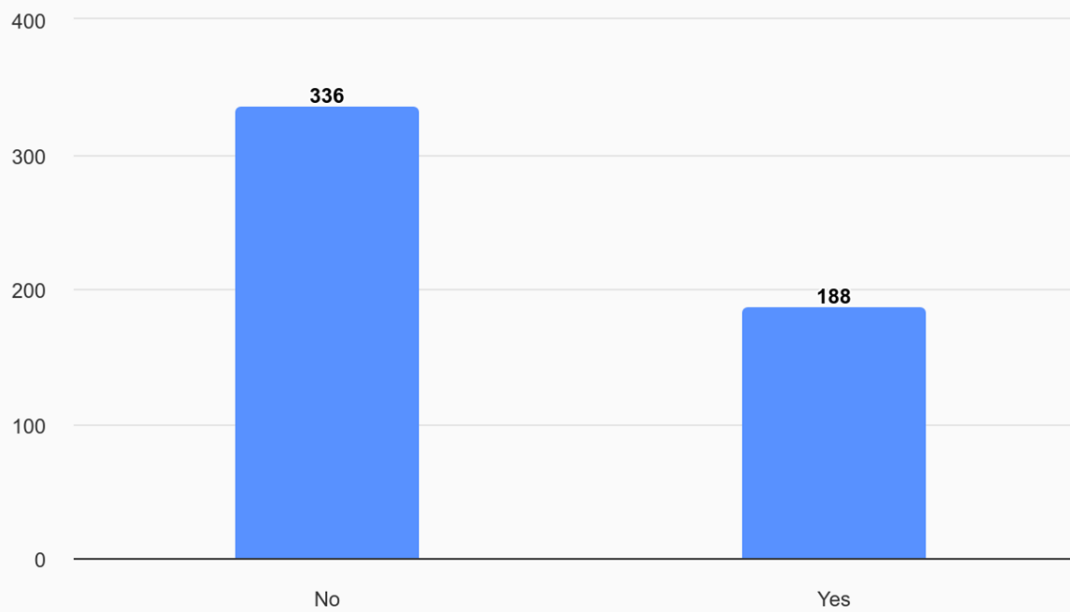
In addition to the above we also asked about the impact of the increases on them as tenants, ability to pay their rent and the support provided.



### 10. Are you claiming Housing Benefit or Universal Credit?

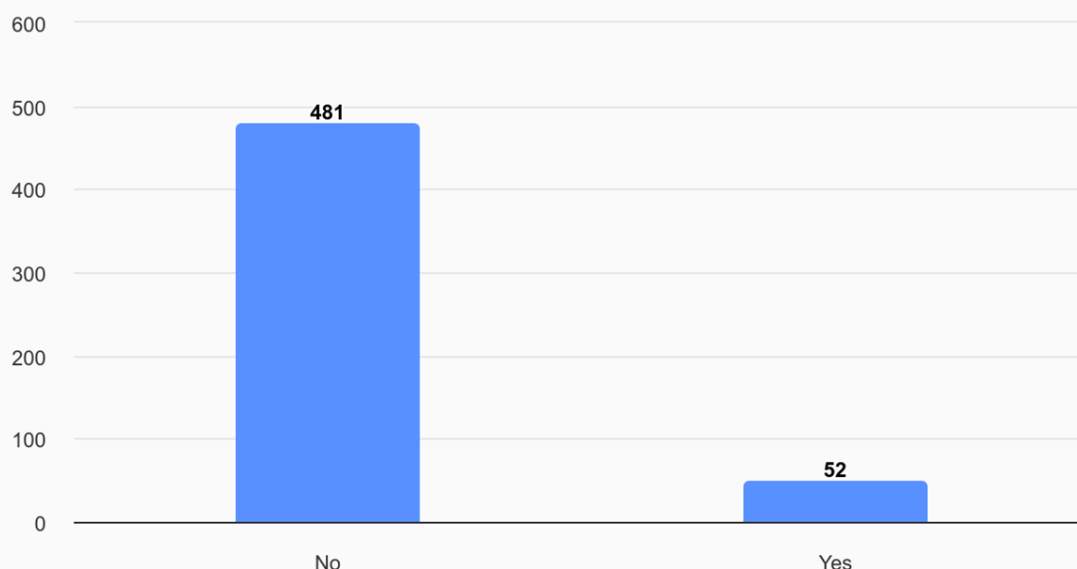


### 11. Are you finding it difficult to pay your rent due to financial pressures?





### 12a. Have you had discussions with your Housing and Support Officer about financial pressures or accessed any other support?



The consultation also allowed for free text to be added. Below is a summary of the feedback -

1. **Concerns about Rent Increase:** Many tenants feel that the 10% increase is excessive, especially given the current cost of living crisis.
2. **Housing Conditions:** Tenants have expressed dissatisfaction with the maintenance and repair of their properties. Issues such as leaking windows, faulty boilers, and inadequate insulation are common complaints. They feel that the proposed rent increase is not justified given the condition of their homes.
3. **Financial Strain:** Many tenants, particularly pensioners and those on fixed incomes, are struggling to make ends meet. They worry that the rent increase will force them to cut back on essentials like food and heating.
4. **Council's Financial Position:** Some tenants are sceptical about the council's justification for the rent increase. The Council has a strong credit rating, questioning why additional funds are needed from tenants.
5. **Suggestions for Fairness:** Several tenants suggest that a smaller, more manageable increase (e.g., 3% or 5%) would be fairer and more democratic. They also propose that rent increases should be based on the condition of the property and the tenant's ability to pay.

Overall, the comments highlights significant tenant dissatisfaction with the proposed rent increase and the current state of housing maintenance. Tenants are calling for more equitable and considerate approaches to rent adjustments. The feedback will reflect the age of the stock, with those in the older stock being more dissatisfied.

## Comparison with other Local Authorities

For the last four years ACC HRA rents have increased by an average of 2.18% a year, this is the lowest increase of all the local authority landlords as can be seen in the table below.

Year and Rent Increase	21/22	22/23	23/24	24/25	Total increase over the 4 years	Average Increase for each of the 4 Years
Local Authority	%	%	%	%		
<b>Aberdeen City Council</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4.7</b>	<b>8.7</b>	<b>2.18</b>
Aberdeenshire Council	2.8	1.5	2.5	5	11.8	2.95
Angus Council	2	1	4.1	6.6	13.7	3.43
City of Edinburgh Council	0	0	3	7	10	2.50
Clackmannanshire Council	0	3.1	3	6.7	12.8	3.20
Dundee City Council	1.5	1.5	3	3.5	9.5	2.38
East Ayrshire Council	1.5	1.5	4	6.5	13.5	3.38
East Dunbartonshire Council	0.5	2.5	4.2	4.8	12	3.00
East Lothian Council	0	0	5	7	12	3.00
East Renfrewshire Council	1	1	5	3.5	10.5	2.63
Falkirk Council	2	2	2	5	11	2.75
Fife Council	1.5	2.5	5	5	14	3.50
Midlothian Council	0	0	4.8	4.8	9.6	2.40
North Ayrshire Council	1.9	2.5	6.42	6	16.82	4.21
North Lanarkshire Council	5	3	5	7	20	5.00
Orkney Islands Council	2	2	3	6.7	13.7	3.43
Perth & Kinross Council	1	3	2.2	6	12.2	3.05
Renfrewshire Council	1.5	2	5.5	6	15	3.75
Shetland Islands Council	1	0	4.5	5	10.5	2.63
South Ayrshire Council	1.5	1.5	1.5	4.5	9	2.25
South Lanarkshire Council	2.2	2.2	3.5	6.5	14.4	3.60
Stirling Council	1.3	1.1	2.9	6	11.3	2.83
The Highland Council	2	1	4	7.95	14.95	3.74
The Moray Council	3	1.5	3.5	7.7	15.7	3.93
West Dunbartonshire Council	1.5	2	5	6.7	15.2	3.80
West Lothian Council	3	3	3.5	3.5	13	3.25

In order to mitigate the impact of the previous rent freezes and the below inflationary increases in 2023/24 and 2024/25, officers are recommending rent to be increased by 12% in each of the next 5 years in order to provide the HRA the financial capacity needed to continue to deliver services.

## Rent Assistance Fund

On 14 December 2023 Council approved the creation of a £500k Rent Assistance Fund (RAF) pilot as part of the HRA Budget 2024/25. The Pilot was requested to respond positively to tenants who, through no fault of their own, have difficulty in meeting all of their rental obligations. The aim of the Pilot Rent Assistance Fund is therefore to assist Council tenants facing financial hardship where it has been identified that their tenancies may be at risk. The criteria and management of this fund is detail in the report 'Rent Assistance Fund 2024/25' to Communities, Housing and Public Protection Committee report on 28 March 2024 ([Rent Assistance Fund](#)). The evaluation covering the full 12 months of the pilot will be presented to the Communities, Housing and Public Protection Committee after one full year of operation. Other LA's with our 'family group' have more established rent assistance funds, many at significantly higher levels.

Since going live on the 22 April 2024 (as at 27 November 2024)

There have been –

- 251 referrals made
- 168 referrals approved
- Average award £740.47
- Total paid £124,398.41
- 20 referrals declined

It is estimated that the final spend for 2024/25 will be £250,000.

The RAF has had a significant impact in reducing rent arrears and homelessness risk, delivering critical financial support across cases. The RAF directly prevented homelessness in 15 cases, with an estimated savings of £348,975 by avoiding the high costs associated with eviction, temporary housing, and resettlement.

Additionally, RAF interventions supported 136 tenants at risk of escalating arrears, yielding estimated savings between £244,800 and £748,000 in potential rent escalation costs. In September 2024, Cyrenians reported the average cost of homelessness in Edinburgh at £23,265 per case, underscoring the value of preventative support in avoiding these expenses.

Local authorities bear significant costs when handling arrears, including administrative and legal fees up to £2,500 per case, lost rent revenue, and additional support services. With each arrears case potentially costing £1,800 to £5,500, RAF's intervention reaches tenants early, helping to avoid further escalation. Through targeted interventions like the RAF, vulnerable households receive necessary support to maintain their tenancies, directly reducing the financial strain on public systems and ultimately fostering long-term housing stability.

It is anticipated that the full £500,000 will not have been spent during 24/25. Using lessons learnt from the RAF pilot during 24/25 it is proposed that a review of the award

criteria and associated processes is undertaken with the aim of increasing the number and value of awards. The review will also explore how best to identify suitable cases for an award.

This would be notified to committee via a service update as agreed by Communities, Housing and Public Protection Committee on 28 March 2025.

As part of the 2025/26 Budget we are recommending the Rent Assistance Fund is continued to support tenants.

<b>ABERDEEN CITY COUNCIL</b>				
<b>HOUSING REVENUE ACCOUNT</b>				
<b>Miscellaneous Rents</b>				
<b>2025/2026</b>				
	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>	<b>Percentage</b>
	<b>Rental</b>	<b>Rental</b>	<b>Per Week</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
<b>Miscellaneous Increases - HRA</b>				
Garages	13.75	15.40	1.65	12.00%
Denburn and West North Street Spaces	6.30	7.06	0.76	12.00%
Denburn and West North Street Spaces	22.75	25.50	2.75	12.09%
Garages Sites	5.35	6.00	0.65	12.15%
Car Ports	5.85	6.55	0.70	12.00%
Car Parking Spaces - Local	4.95	5.55	0.60	12.12%
Car Parking Spaces - Non Local	22.75	25.50	2.75	12.09%
Window Cleaning	1.00	1.12	0.12	12.00%
Meals at Denmore & Kingswood	46.50	52.00	5.50	11.83%
Guest Rooms (per night)	12&18	14 & 20	2.00	16% & 11%
House Garden Scheme (annual)	90.00	101.00	11.00	12.22%
<b>General Fund charges - Support Services</b>				
Service Charge for Supported Flats	53	66	13	24.53%
Provision of temporary accommodation as per legislative duty	95	97	2	2.11%
Service Charge for Hostel - West North Street	810	869	59	7.28%
Hotels/B&B (new charge)	0	570	570	

The above proposed prices for 2025/26 have been increased broadly in line with the proposed 12% rent increase.

Also included are the General Fund Charges for Support Services, although these are not HRA charges they are linked to the rent setting, by setting these charges in December it will allow the relevant systems to be updated and tenants to be updated prior to 1 April 25. These charges are based on actual costs and forecasts for pay awards. This year a new charge has been added for the use of hotels previous the charge for Hostels has covered this area but this no longer reflects the costs incurred.

## Heat with Rent calculations for 2024/25

A review of consumption and costs is required each year. As Heat with Rent is not available to all tenants, therefore not rent pooled the cost must be recovered by the charge. The increased energy costs continue to result in a cost pressure in 2023/24.

This year the consumption has been taken for the last three years to even out any potential peaks and troughs. A reduction has been made for communal areas.

Heat with Rent provides a number of benefits to the tenants principally the charge is the same every week therefore no unexpected large bills in cold winters and the 5% VAT charge is not passed onto the tenants.

From 1 July 2023, households without a pre-payment meter no longer receive an Energy Price Guarantee discount on their gas and electricity bills. This is because the Ofgem price cap is lower than the Energy Price Guarantee level, meaning households will pay rates capped by the price cap.

From 1 October to 31 December 2024, the Ofgem price cap has been set at £1,717 for a typical household per year. This represented an increase of 10% compared to the cap set between 1 July to 30 September 2024 of £1,568.

<b>Heat with Rent – 48 week basis</b>			<b>Increase</b>
	<b>Previous</b>	<b>Proposed</b>	<b>per week</b>
	£	£	£
<b>Gas Heated Properties</b>			
Bedsits	11.64	13.25	1.61
1 bed roomed flats	13.41	17.43	4.02
2 bed roomed flats	15.25	17.35	2.10
3 bed roomed flats	17.03	19.38	2.35
<b>Electrically Heated Properties</b>			
Bedsits	12.81	14.48	1.67
1 bed roomed flats	14.49	16.38	1.89
2 bed roomed flats	16.30	18.43	2.13
3 bed roomed flats	17.98	20.33	2.35
<b>CHP Properties</b>			
All 1 Bed roomed Properties	13.61	15.69	2.08
All 2 Bed roomed Properties	15.38	17.73	2.35



## **Housing Capital 25/26**

This year we are asking for the approval of the 2025/26 Housing Capital Programme instead of 5 years this because an Integrated Asset Management model is currently being developed which will be presented to members in early 2025.

The Integrated Asset Management model will be incorporated in the HRA Business Plan in 2026/27 refresh.

The 2025/26 Capital plan is shaped by the following key factors:

- Council commitments, statutory compliance and government targets
- lifecycle and health and safety – maintenance and improvements to keep our homes safe and continue meeting the Scottish Housing Quality Standard (SHQS).

The level of spillage has been set at 11% to allow flexibility in the programme.

### **Reinforced Autoclaved Aerated Concrete (RAAC)**

The presence of Reinforced Autoclaved Aerated Concrete (RAAC) panels within roofs has been confirmed at circa 504 addresses in the Balnagask area of Aberdeen. This is the only area where RAAC has been identified across the Council's housing estate.

The 504 addresses are made up of 372 individual buildings which are a mix of houses and ground/first floor flats. In the case of the flats, although it is only the top flat which has the RAAC panels in the roof, it is evident and accepted that the bottom flat will also be impacted in terms of any potential planned remedial works.

Our records show that the RAAC impacted properties are a mix of council ownership (366) and private ownership (138).

[Council on 21 August](#) agreed to proceed with the option of demolition and the future redevelopment of the site for housing and Chief Officer – Capital was instructed to proceed with the demolition aspect of this, and report back to the next appropriate meeting of the Communities, Housing and Public Protection Committee on the initial phasing of demolition and landscape details.

The Council also agreed to -

- Undertake a detailed master planning exercise assuming the site is vacant to determine future redevelopment;
- Look at a range of delivery options for new housing on the site including opportunities to work with partners to meet the masterplan aspirations, and the requirement of the Housing Revenue Accounts 30 year business plan;
- Take forward negotiations with private owners to acquire their properties voluntarily at their current Market Value. . In addition to Market Value the Council would be willing to meet reasonable legal and professional costs along with home loss and disturbance payments;

The full recommendations are found in the following link - [Full recommendations](#).

It should be noted that in 2025/26 we will continue to vire funding from the mainstream housing capital programme to support appropriate costs associated with managing the RAAC situation as instructed in the committee report.

The voluntary acquisition and re-homing programme continues and as the cost and full financial implication develop it is likely that the Council may request that the Scottish Government consider a statutory dispensation to permit the Council certain flexibilities for borrowing and repayment timescales. The Chief Officer - Finance has been instructed to request that dispensation, where required.

### **City Centre Multi-Storey Buildings and other non-traditional stock**

The Housing stock continues to contain a disproportionate number of properties of non-traditional housing types including 59 multi-storey buildings, many of which have high levels of owner occupation. All these building types will have a limited life expectancy and will have a requirement for ongoing and increasing repair and maintenance costs in coming years.

8 of these buildings are in the city centre and have been subject to an option appraisal exercise and initial engagement with residents. Work to date has indicated that the buildings represent a significant financial cost to the HRA and owners in future years and the asset management model will require to consider future spend requirements on the sites in consultation with all stakeholders. No specific allowance has been made in the 2024/25 budget until costs are updated and further consultation undertaken.

<b>Housing Capital Budget</b>		
		<b>2025/26</b>
	<b>PROJECT</b>	<b>£'000</b>
<b>SCOTTISH HOUSING QUALITY STANDARDS</b>		
<b>1 Compliant with the tolerable standard</b>		
1.1	Major Repairs-	
	Pitch Roof Replacement (Flats, Houses and Cottages)	8,744
		<b>8,744</b>
<b>2 Free from Serious Disrepair</b>		
2.1	Primary Building Elements	
	Structural Repairs Multi Storey	3,930
	Structural Repairs General Housing	2,500
	Secondary Building Elements	
2.2	Upgrading of Flat Roofs General Flats	1,700
	Upgrading of Flat Roofs General Housing	168
2.3	Upgrade Flat Roofs Multi Storey	3,150
2.6	Window Replacement General	14,446
	Window Replacement General –Communal	533
		<b>26,427</b>
<b>3 Energy Efficient</b>		
	Effective insulation	
3.1	Cavity Wall Insulation	708
3.2	General Houses Loft Insulation	788
	Efficient Heating	
3.3	Heating Systems Replacement	6,367
3.6	Energy Efficiency Sheltered	690
3.7	SCARF	35
3.8	Solid Wall Insulation	3,000
		<b>11,588</b>

<b>Housing Capital Budget</b>		
		<b>2025/26</b>
	<b>PROJECT</b>	<b>£'000</b>
	<b>Modern Facilities &amp; Services</b>	
	<b>Bathroom and Kitchen Condition</b>	
4.1	Modernisation Programme – Bathroom	3,444
	Modernisation Programme – Kitchen	17,175
		<b>20,619</b>
	<b>5 Healthy, Safe &amp; Secure</b>	
	<b>Safe</b>	
5.3	Rewiring	1,087
5.4	Lift Replacement Multi Storey/Major Blocks	1,935
5.5	Smoke Detectors – Common Areas Major Blocks	274
5.6	Services	
	Cyclical maintenance/replacement of the following services	1,092
	Secure	
5.11	Door Entry Systems	45
5.12	Replace Door Entry Systems - Major Blocks	401
5.13	Other Initiatives including FD 60 Doors	560
		<b>5,393</b>
	<b>NON SCOTTISH HOUSING QUALITY STANDARDS</b>	
	<b>6 Community Plan &amp; LOIP</b>	
6.2	Community Initiatives	1,890
6.7	Adaptations Disabled	1,000
6.8	Special Initiatives/Barrier Free Housing	150
6.9	Housing For Varying Needs- Amenity/Adaptations	150
6.1	Housing For Varying Needs- Extra Care/Adaptations	340
6.17	New Build	50,868
6.19	206 Union Street	700
		<b>55,098</b>

<b>Housing Capital Budget</b>		
		<b>2025/26</b>
	<b>PROJECT</b>	<b>£'000</b>
	<b>8 Service Expenditure</b>	
8.1	Other Departmental Fees	8,954
		<b>8,954</b>
	Gross Programme	136,823
	Less 11% Slippage	(9,634)
	<b>Net Programme</b>	<b>127,189</b>
	<b>Financed by:-</b>	
	Borrowing	(119,729)
	Other income eg Affordable Homes Reserve	(5,000)
	CFCR	(2,460)
	<b>Total Funding</b>	<b>(127,189)</b>

## **New Housing Investment Programme**

As at 14 November the following new builds have been completed -

<b>Site</b>	<b>Units</b>
Summerhill	369
Wellheads	283
Auchmill	92
Tillydrone	70
Kaimhill	35
Cloverhill	258
<b>Total as at 14/11/24</b>	<b>1,107</b>

Work remains ongoing on three sites – Craighill, Kincorth and Cloverhill, progress detailed below

### **Craighill**

The enabling works (ground works) are complete, value engineering has been carried out, and a new planning application was submitted and approved which required re-design of tender documentation for the outstanding construction works.

The tender documents have been issued to the market and following completion of the tender process, CHAP Construction were appointed as the Principal Contractor . The final contract documents are now being put in place with work on site commenced.

This project will deliver 87 new units.

### **Kincorth**

The enabling works (ground works) are complete, value engineering has been carried out, new planning application submitted and approved which required re-design of tender documentation.

The tender documents have been issued and due back at the end of December, and allowing for due diligence and financial affordability test to be carried out. The earliest that works could commence is Quarter 4 2024/25.

### **Cloverhill New Build Housing**

The project continues to progress well on site with a total of 258 units have been handed over to ACC out of the total 538 units.



## **Complex Care**

Individuals with learning disabilities and complex care needs require the provision of suitable, robust accommodation, which is currently unavailable within our existing housing stock. Unsuitable environments can lead to challenges in the management of need and communication, often resulting in challenging behaviour. This requires the development of sustainable and robust accommodation which will meet the profile of need for those with complex care requirements. These requirements are evidenced through good practice and wider learning on a local and national basis.

This project aims to deliver:

- 8 individual homes which meets the environmental specifications for individuals with complex care needs through a new build delivery approach as considered within the project options appraisal. In addition, this accommodation will provide adequate office/respite space for care provider employees who will provide 24/7 onsite support.
- Adequate community and service links to allow individuals with complex care needs to integrate and participate in their local community.
- Learning and a model for further development for unmet and future need that will allow the operating model to be as flexible as possible for the unknowns' future delivery.

Progress over the next period should see the substructure works drawing to a conclusion and the commencement of the erection of the timber kits.

## **Buy Backs**

Buy backs have been scaled back this year to only include those that had been approved last year due to the reduction in AHSP funding, ACC has reviewed the acquisition and disposal policy of Council Houses (as approved at Communities, Housing and Public Protection Committee on 21 November 24), this gives clear guidance on the properties which meet the key criteria in order to buy back –

- There is an identified specific demand that requires a property of a particular size or type.
- There is demonstrable demand for the property type: and
- The property gives the HRA a majority interest in a building or full ownership of a block
- The Property has not been subject to a tenancy which has been brought to an end to allow a sale.
- Vacant possession is available.
- The property can be brought to minimum letting standard/ meets HFVN, SHQS and EESSH 2 requirements at reasonable costs.
- The purchase is affordable for the HRA in both capital and revenue (maintenance and management) costs.

- There is a proven urgent need for a property size, or property with specific adaptations/facilities, which cannot be currently met from the existing housing stock.

This page is intentionally left blank

## APPENDIX 2

Housing Revenue Account		Budget 2025/26
		£000's
<b>Premises Costs</b>		
1	Rates	67
2	Rent	78
3	Repairs and Maintenance	43,462
4	Maintenance of Grounds	4,250
5	Gas	1,719
6	Electricity	5,151
7	Cleaning Service	1,202
8	Security Service	250
9	Window Cleaning	3
10	Refuse Collection	489
11	Cleaning- Sheltered Housing	1,073
12	Other Property Costs - Council Tax	2,823
		<b>60,567</b>
<b>Administration Costs</b>		
13	Tenants Incentive Scheme	397
14	Legal Expenses	25
15	Office Tel / Rent	18
16	Former Tenants Arrears	4,180
17	Rent Assistance Fund	500
18	Admin & Management	17,484
19	General Consultancy	60
20	Training for Front Line Staff	102
21	Tenants Participation	109
22	Environmental Health	213
		<b>23,088</b>
<b>Supplies &amp; Services</b>		
23	Provision of Meals	289
24	Television Licence	5
25	Integrated Housing System	322
		617
<b>Agencies</b>		
26	Energy Advice	92
27	Disabled Persons Housing Service	61
		153

Housing Revenue Account		Budget 2025/26
		£000's
<b>Transfer Payments</b>		
28	Aberdeen Families Project	376
29	Void rent loss - Council Houses	8,698
30	Void rent loss - Garages, Parking etc	992
31	Void rent loss - Modernisation Works	135
32	CFCR	2,460
		<b>12,661</b>
<b>Capital Financing Costs</b>		
33	Loans Fund Instalment	4,186
34	Loans Fund Interest	20,435
		<b>24,621</b>
<b>Total Expenditure</b>		<b>121,705</b>
<b>Income</b>		
35	Ground Rentals	(12)
36	Dwelling Houses Rent Income	(116,692)
37	Housing - Heat with Rent Income	(3,275)
38	Housing - Garages Rent Income	(1,342)
39	Housing - Parking Spaces Rent	(208)
40	Housing - Other Service Charge	(561)
41	Legal Expenses	(72)
42	Revenue Balance Interest	(170)
<b>Total Income</b>		<b>(122,331)</b>
<b>Net Expenditure</b>		<b>(626)</b>

This page is intentionally left blank

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	North East Scotland Investment Zone
<b>REPORT NUMBER</b>	CR&E/24/355
<b>EXECUTIVE DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Julie Wood
<b>REPORT AUTHOR</b>	Stuart Bews
<b>TERMS OF REFERENCE</b>	12 and 21

### 1. PURPOSE OF REPORT

- 1.1 To update Council on the allocation of Investment Zone status to the North East of Scotland (Aberdeen City and Aberdeenshire Council administrative areas) and progression through the Gateway Process, seeking approval of a proposed governance structure.

### 2. RECOMMENDATIONS

That Council:-

- 2.1 Agree to Establish a Joint Committee in terms of sections 56 and 57 of the Local Government (Scotland) Act 1973 with Aberdeenshire Council, to be known as the North East Scotland Investment Zone Joint Committee and to be effective following submission of Gateway 4 (February 2024).
- 2.2 Note the Investment Zone Steering Group endorsement for a North East Scotland Investment Zone was Option C, the Joint Committee Members being the co-signatories plus ETZ Ltd. At the Steering Group meeting Aberdeen City Council representative abstained from the vote as Council had not yet had the option to review the models.
- 2.3 Approve the Joint Committee's Terms of Reference contained within Appendix 3 to the report, which are based on Option B, the Investment Zone Co-signatories being the members of the Joint Committee.
- 2.4 Approve the Joint Committee's Standing Orders contained within Appendix 3 to the report.
- 2.5 Approve the proposed membership of the North East Scotland Investment Zone Joint Committee to be Aberdeen City Council (x3), Aberdeenshire Council (x3),



Opportunity North East, University of Aberdeen and The Robert Gordon University. This is illustrated at Option B.

- 2.6 Agree that a North East Scotland Investment Zone Programme Board should be established to support the Joint Committee and agree its Terms of Reference in Appendix 4.
- 2.7 Approve the initial proposed membership of the North East Scotland Investment Zone Programme Board as contained within Appendix 4; Aberdeen City Council, Aberdeenshire Council, Opportunity North East, University of Aberdeen, The Robert Gordon University, Scottish Enterprise and Energy Transition Zone Ltd.
- 2.8 Appoint three named members and up to three named substitute members to the North East Scotland Investment Zone Joint Committee.
- 2.9 Agree that Aberdeenshire Council will act as the Accountable Body for the Investment Zone as they have done for the City Region Deal.

### **3. CURRENT SITUATION**

- 3.1 Council instructed in October 2023 the Chief Officer - City Growth to “report back to Council on the developed proposals, City Council commitments e.g. financial or resource and future governance proposals for final approval”. This report provides an update on progress across those areas as work is ongoing to further develop the proposals following the re-commitment to the Investment Zone policy from the UK Government on 30<sup>th</sup> October. The report also stated that Council approval would be sought prior to submission of Gateway 3 (Governance) and Gateway 4 (Interventions). This report covers Gateway 3, and a further report will be brought before Council for approval prior to Gateway 4. The report in October 2023 also stated that a short term Investment Zone Steering Group and Working Group would be established until the Regional Economic Partnership was established. As the Regional Economic Partnership is now formed and chaired by Sir Ian Wood on behalf of Opportunity North East since February 2024, it is timely to establish a more permanent Investment Zone Governance structure as set out within this report.
- 3.2 The [Investment Zones in Scotland Technical Document](#) was published on 8 December 2023 and largely mirrors the key objectives of the [Investment Zone Policy Prospectus](#) published in March 2023. The Scottish Policy is founded on long-term partnership and collaboration, ensuring co-development between Scottish Government, UK Government and regional partners.
- 3.3 This has led to the development of 3 core principles for engagement between the Scottish and UK Governments:
  - Partnership – Scottish and UK Governments will play a joint role in co-design, decision-making and overseeing delivery of Investment Zones

- Parity – The offer in Scotland is on equivalent value to the offer in England

- Strategic Fit – Investment Zones will align with Scottish and UK Government policy frameworks, be a good fit for the regional landscape, and reflect devolution settlements.

3.4 The fiscal offer to Glasgow and the North East of Scotland is similar to the offer to English Investment Zones that was expanded in the UK Government's Autumn Budget. Subject to Investment Zone proposals being agreed across all parties, each Investment Zone in Scotland will receive a total funding envelope of £160 million over 10 years and a single 5-year tax offer, that is scalable based on the number of tax sites within the Zone. The Investment Zone funding envelope comprises:

- £70 million flexible spend, split 40:60 between resource spending (RDEL) and capital spending (CDEL), to use across a portfolio of interventions based on the opportunities of each cluster; and

- £90 million tax incentives, which can cover up to 600ha across up to three sites, lasting for five years. Where places choose not to opt for the maximum tax offer of 600ha, tax incentives can be exchanged for a greater amount of spend. If a place chooses not to take up the full extent of tax reliefs available, they will have access to a larger spending envelope.

3.5 The Scottish and UK Governments are offering the following tax reliefs in designated tax sites within each Investment Zone. These will be available for 5 years and include:

- Land & Buildings Transaction Tax
- Non-Domestic Rates Relief
- Enhanced Capital Allowance
- Enhanced Structures and Buildings Allowance, and
- Employer National Insurance Contributions relief.

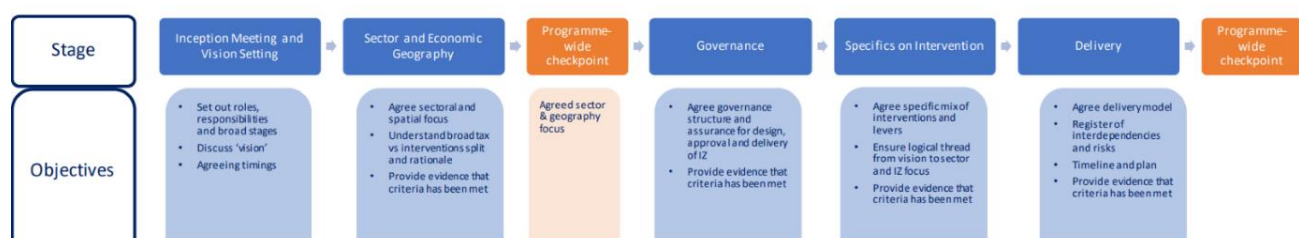
3.6 The precise costs of tax sites will vary by site, however the estimated cost of 600 hectares of tax reliefs is £90 million, to be deducted from the overall £160 million envelope available to an Investment Zone. Any tax sites must be tightly defined and located on underdeveloped land.

3.7 Investment Zone sites will be able to benefit from 100% retention of non-domestic rates growth over an agreed baseline for 25 years. In drawing up proposals for Investment Zones, there will be a need to demonstrate how non-domestic rates retention will provide for inclusive economic growth within the region, support each priority sector within the Investment Zone, and represent value for money for the Scottish and UK Governments should this be incorporated into the Investment Zone model for North East of Scotland.

- 3.8 In recognition of the variations across regional economies the governments have committed to flexibility throughout the financial elements of the policy offer to respond to evidenced regional priorities. Further, all proposals should include a degree of secured and anticipated match funding from the private sector and research institution partners.
- 3.9 The [Investment Zones in Scotland Technical Document](#) outlines the processes underpinning the establishment of an Investment Zone and provides guidance on the tax incentives, rate relief offer and capital/ revenue funding available. One Local Authority is required to undertake the role of Accountable Body.

### Investment Zones in Scotland Process

- 3.10 The process proposed for developing Investment Zones in Scotland comprises 5 stages/ gateways as detailed in the diagram below:



- Stage/ Gateway 1 Vision setting – covering the overall vision for the proposal.
- Stage/Gateway 2 Sector and economic geography – agreeing a sector focus and spatial focus for the Investment Zone, understanding the broad approach to tax and flexible spend interventions, and reviewing evidence that the criteria have been met.
- Stage/Gateway 3 Governance – agreeing the governance structure and assurance processes for the design, approval, and delivery of the Investment Zone and reviewing evidence that the criteria have been met.
- Stage/Gateway 4 Interventions – agreeing the specific mix of interventions and levers to be deployed and where, ensuring a logical link from the vision to the key opportunities and challenges identified, the portfolio of interventions selected and outputs, intermediary and overall outcomes for interventions and reviewing evidence that the criteria have been met.
- Stage/Gateway 5 Delivery – agreeing the delivery model or models, including any delivery vehicles for planning interventions, register of interdependencies and risks, finalising timelines and plans, and reviewing evidence that the criteria have been met.

### Gateway 1: Vision

- 3.11 The UK and Scottish Governments approved the North East of Scotland Investment Zone Gateway 1: Vision template on 26 February 2024 following submission in October 2023. The template had previously been completed using the UK Government's Investment Zone policy and technical guidance documents and was submitted in October 2023. However, due to the changes in Scottish Investment Zone policy and process the Governments instructed that Gateway 1 be revised to account for the changes. The revised Gateway 1 template was submitted to the Governments in January 2024 and was approved on 26 February 2024.
- 3.12 The Gateway 1 template outlines the vision for the North East of Scotland Investment Zone and highlights that our focus will be on 2 key sectors- Green Energy and Digital and Tech. In addition, the template also outlines initial thinking around the location of Tax sites, the introduction of non-domestic rates relief and retention schemes as well as the important role that further and higher education institutions within the region will play in delivering an Investment Zone that will fulfill the aims and objectives of the Policy. A copy of the approved Gateway 1: Vision template is included within Appendix 1.

### **Gateway 2: Sector and Geography**

- 3.13 The Gateway 2: Sectors and Geography template was submitted to Government on 10 May 2024 and forms Appendix 2 to this report. Gateway 2 provides a detailed analysis of how focus on the Green Energy and Digital and Tech sectors will accelerate investment, growth and high value job creation across the region and deliver the key outcomes of the Investment Zone policy. As such, the North East of Scotland Investment Zone boundary is defined by the administrative boundaries of Aberdeenshire and Aberdeen City. This is in part due to the geographic spread of businesses engaged in the Green Energy and Digital and Tech sectors of the regional economy but also to ensure equity of opportunity for businesses engaged in these sectors to benefit from the available funding.
- 3.14 Despite there being an allowance for up to 3 x 200ha of tax site allocations within Investment Zones there is not sufficient areas of contiguous underdeveloped land within the region that meets the criteria for Tax Site allocation. As such, 2 x 200ha Tax Sites are proposed within the Investment Zone. One in Peterhead and the other located at the Energy Transition Zone in Aberdeen City. The locations of both Tax Sites are detailed in Appendix 2.
- 3.15 Following the announcement of the UK General Election on 22 May 2024, the UK Government confirmed that no formal feedback on Investment Zone submissions would be provided during the pre-election period and that formal communication with Civil Servants would be suspended until after the election. However, informal feedback would be provided where additional information was required to enable Government to evaluate the Gateway 2 submission.
- 3.16 Informal feedback has been received from the Governments requesting further information as to how the Energy Transition Zone area of Aberdeen City meets the underdeveloped criteria of the Investment Zone policy while a

request for information on the constraints impacting investment in Green Energy supply chain development in Peterhead and the surrounding area was received. A further information request was received prior to the General Election relating to how the Digital and Tech and Green Energy sectors would complement each other as a strategic focus of the Investment Zone to deliver the policy outcomes.

- 3.17 Detailed responses to the information requests were submitted to Government on 2 July 2024. Discussions are continuing with the Governments as to how the proposed tax sites meet the criteria for formal designation. However, following the change in UK Government, Ministerial approval to recommence formal communication and engagement with Civil Servants on the development of Investment Zones in Scotland and Wales has only recently be provided. A revised Gateway 2 template will be submitted to Government for approval. This will trigger the submission of Gateway 3: Governance.

### **Gateway 3: Governance**

- 3.18 Work has commenced on the completion of Gateway 3: Governance. A Governance Workstream has been established involving the Council's External Partnerships Service Manager with support from colleagues in legal. Group membership also comprises the Universities, Aberdeenshire Council, Scottish Enterprise and representatives of ONE and ETZ Ltd. Different governance and operating models for the Investment Zone have been identified through mapping the key functions and operational activities that the Investment Zone governance body will undertake and appraising them against the policy criteria. This has been converted into an options appraisal by the Governance Workstream and reported to the Investment Zone Steering Group who endorsed the recommendation to incept a new Joint Committee to effectively govern the North East Scotland Investment Zone. In line with the approach taken in City Region Deal, it is considered appropriate that a programme board for the Investment Zone should also be established to ensure further scrutiny and monitoring of progress. The Governance group have developed a set of proposals which provide terms of reference and proposed composition for both a Joint Committee (Appendix 3) and Programme Board (Appendix 4)

- 3.19 The work undertaken to identify different governance options has evidenced that there are significant similarities between the governance, scrutiny, assurance and fiscal requirements of the Scottish and UK Governments' City and Growth Deal, and Investment Zone policies. Taking account of the evidence collated and having researched the governance models utilised by the existing Investment Zones in England the options available were appraised and a summary of the appraisal is shown below
- 3.20 Aberdeenshire Council is the accountable authority for the Aberdeen City Region Deal and the fiscal decision-making responsibilities are discharged by the Joint Committee for the Aberdeen City Region Deal. The Joint Committee is a reflection of the Regional Economic Partnership with voting rights afforded to both Aberdeenshire and Aberdeen City Councils and Opportunity North East.
- 3.21 As the Aberdeen City Region Deal has matured the requirements of Government have changed placing additional responsibilities on the accountable authority to provide assurance that all of the interventions delivered by Aberdeen City Region Deal funding have complied in full with the requirements of the Deal. This also includes all the interventions delivered by private sector partners, including ONE and Net Zero Technology Centre. The recent audit of the Aberdeen City Region Deal highlighted areas where governance procedures could be strengthened. An action plan to address the concerns raised by the audit has been developed and is being implemented. The learnings from that process will be used to ensure strong governance surrounds the Investment Zone and officers from Aberdeen City Council continue to engage with the Chief Internal Auditor to ensure that Governance models proposed for Investment Zone are robust and effective.

## Governing options – appraisal summary

Following the identification of the long list of options and the selection of appraisal criteria, the Governance Group appraised each option and we have summarised high risk flags for discounting an option and identifying a preferred governance option.

Outline Option	Criteria A - Facilitate IZ Objectives	Criteria B Efficient to setup and run	Criteria C - Accountable body role fulfilled	Criteria D – Liabilities and Conflicts	Criteria E – Collective Decision-making	Criteria F- Understood by external stakeholders	High Risk Flags For Discussion	Proceed as a viable option?
<b>Option 1:</b> Extending existing ACRD Joint Committee to include IZ	x	~	✓	~	✓	✓	A - The IZ and ACRD objectives are not sufficiently delineated. A - The existing ACRD delivery timeline does not align with the IZ. A – Decisions must be made in the context of the existing governance processes. B – The breadth of existing and new delivery objectives may lead to inefficiencies and complexity. D – Conflicts across ACRD Partners complex to manage	No
<i>Option progressed to detailed design</i> <b>Option 2:</b> New Joint Committee inception for the NESIZ	✓	✓	✓	✓	✓	✓	The option does not fail any of the viability tests, but detailed design must take place to ensure that the final model continues to meet all the criteria.	Yes
<b>Option 3:</b> Advisory Group endorsing decisions for approval at ACRD Joint Committee	x	~	✓	~	✓	✓	A - The IZ and ACRD objectives are not sufficiently delineated, or relevant to all ACRD Partners. B - ACRD already has a significant agenda and workload to cover against existing pipeline. B – Potential conflicts and efficiencies between the role of a NESIZ Advisory Group and ACRD Programme Board. D – Conflicts management across ACRD Partners complex.	No
<b>Option 4:</b> Evolving the REP to deliver NESIZ powers and decision-making	✓	~	x	~	✓	~	B – The REP is emergent, and there is a risk it will not have clear accountable functions by 1 <sup>st</sup> April. C – Current setup of REP does not allow S95 officer responsibilities to be enacted or understood. D – Conflicts management across Partners would require definition. D - The option does not clearly allow for public sector decision making and the ability for the public pound to <u>used</u> in transparent manner.	No
<b>Option 5:</b> Establishing a newly formed company or special purpose vehicle (NewCo/SPV)	✓	x	~	~	✓	~	B - The option involves more significant incorporation requirements, including additional commercial and administrative responsibilities. C – S95 officer responsibilities remain unclear in this model. D – Liabilities would require detailed consideration and potential commitments. F – Transparency and familiarity less well understood by wider stakeholders.	No



3.22 Further work is required to identify the resource implications of a Programme Management function. In Aberdeen City Region Deal this function is undertaken by officers from both Aberdeen City and Aberdeenshire Council. From the information available and recognising that Investment Zone funding is public sector finance, Officers recommend that a new Joint Committee comprising Aberdeenshire and Aberdeen City Council Councillors, Private Sector Partners and Higher Education Institutions is formed and supported by a Programme Board comprising public and private sector regional economic partners to oversee the operation and governance of the Investment Zone (Option 5). To provide assurance to Aberdeenshire Council as accountable authority that the Investment Zone will operate in full alignment with the Investment Zone Policy, the processes underpinning operation and decision making responsibility will require to be designed in full cognisance of the findings of the Aberdeen City Region Deal Audit.

3.23 Following the preference of Investment Zone Steering Group to establish a new Joint Committee, consideration was given to the composition of this Joint Committee, and the supporting Programme Board. Three options were identified as shown in the table below. Options B and C were the preferred options of Investment Zone Governance Group partners. The Investment Zone Steering Group endorsement was given to option C.

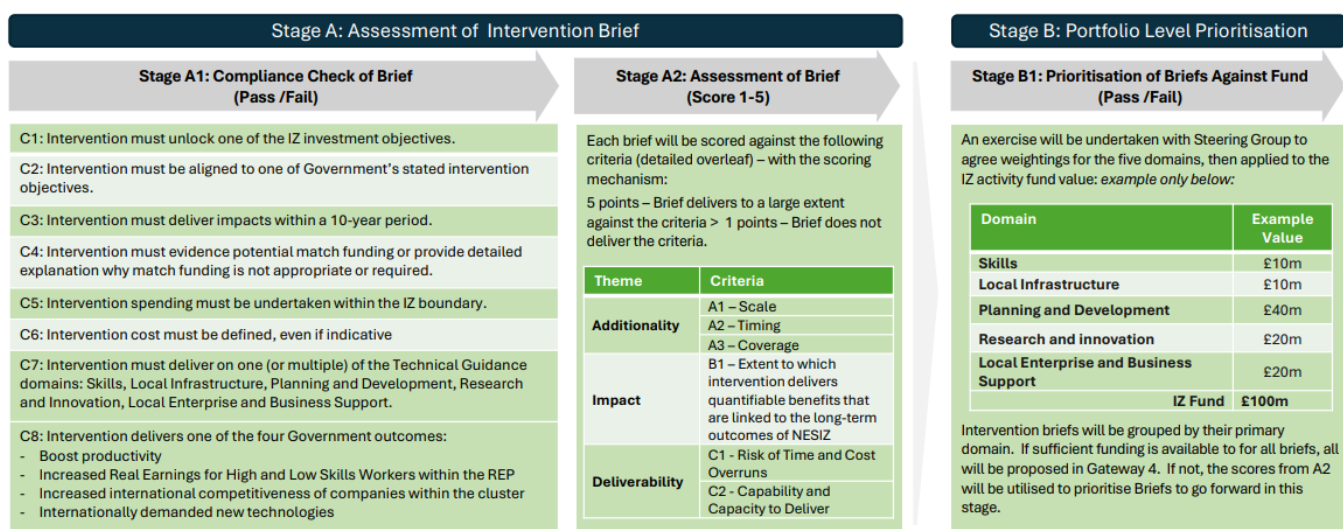
	Option A – Council led JC	Option B – IZ signatories led JC	Option C – IZ Signatories PLUS ETZ Ltd
<b>Level 1 - Joint Committee</b>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Elected Members x 3</li> <li>Aberdeen City Council - Elected Members x 3</li> </ul>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Elected Members x 3</li> <li>Aberdeen City Council - Elected Members x 3</li> <li>ONE x 1</li> <li>RGU x 1</li> <li>University of Aberdeen x 1</li> </ul>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Elected Members x 4</li> <li>Aberdeen City Council - Elected Members x 4</li> <li>ONE x 1</li> <li>RGU x 1</li> <li>University of Aberdeen x 1</li> <li>ETZ Ltd x 1</li> </ul>
<b>Level 2 – Programme Board</b>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Council Officers</li> <li>Aberdeen City Council – Council Officers</li> <li>ONE</li> <li>RGU</li> <li>University of Aberdeen</li> <li>ETZ Ltd</li> <li>Scottish Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Council Officers, inc. S95 Officer</li> <li>Aberdeen City Council – Council Officers</li> <li>ONE</li> <li>RGU</li> <li>University of Aberdeen</li> <li>ETZ Ltd</li> <li>Scottish Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Aberdeenshire Council (Accountable Body) – Council Officers, inc. S95 Officer</li> <li>Aberdeen City Council – Council Officers</li> <li>ONE</li> <li>RGU</li> <li>University of Aberdeen</li> <li>ETZ Ltd</li> <li>Scottish Enterprise</li> </ul>

#### Gateway 4: Interventions

3.23 As well as work commencing on Gateway 3: Governance, work is also underway to identify interventions required by Gateway 4. This work package entails identifying interventions that will address the identified constraints and barriers to investment, sector growth and high value job creation in the Green Energy and Digital and Tech sectors.

3.24 The Sector and Geography and Tax Site workstream leads have developed an outline business case proforma using the logic model within the Investment Zones in Scotland Technical Document. To be considered a valid intervention submission each outline business case must demonstrate full compliance with eligibility criteria identified within the Investment Zone logic model. For the avoidance of doubt, this includes the requisite costings for delivery of the intervention and availability of match funding. Match funding is set at 60% by the Investment Zones in Scotland Technical Document. As such for every £1 of Investment Zone flexible funding there must be £0.60 match funding.

- 3.25 The outline business case proforma was circulated to members of the Sector and Geography and Tax Site workstreams, Tax Site landowners and members of the Investment Zone Working Group for submission. 48 Intervention submissions have been received with a total value of £956M (£282.3M Investment Zone funding and £673.7M match funding).
- 3.27 The funding allocated to Tax Sites will be reduced proportionately from £90M to £60M resulting in an increase in flexible funding to £100M. The available funding would not be sufficient to deliver all of the proposed interventions. As such, an intervention prioritisation process has been developed alongside a conflict-of-interest protocol. The prioritisation process is detailed in the diagram below.



- 3.27 Noting that the same Regional Economic Partners are engaged in Investment Zone as well as Aberdeen City Region Deal and the delivery of the Regional Economic Strategy, it is imperative that the prioritisation process accounts for conflicts of interest. As such, it is proposed that Stage A2 of the prioritisation process is completed by Ernst & Young (EY), the NESIZ appointed consultant support.
- 3.28 Any decision on the allocation of Investment Zone funding will only be taken by the proposed Joint Committee once incepted, and following submission and review of a full business case for each proposal.

### Resourcing

- 3.29 The Investment Zone funding envelope includes an allowance of 4% of the total funding envelope to be used to create capacity and cover the costs of administration of the Investment Zone. This equates to £640K for each year of the Investment Zone.
- 3.30 As the operating model and governance structure of the Investment Zone is developed the resource implications will be modelled with a view to resourcing the operation of the Investment Zone from the 4% allowance. This will be utilised by the Local Authorities to meet any resource implications arising to

ensure compliance with governance measures, including the provision of a Programme Management Office.

3.31 A skills and capacity audit of Investment Zone partners confirmed that there was insufficient resource or capacity within the region to complete the Gateway process. To ensure sufficient resource was in place to maintain momentum and complete the Gateway process EY were appointed as consultancy support following a public sector procurement process. The Governments confirmed that the costs of engaging consultant support to complete the Gateway process could be drawn down from the 4% allowance in Year 1.

3.32 In June 2024, Scottish Enterprise, who had been providing Programme Management support to the Investment Zone, withdrew their support in this capacity. EY agreed to extend their contract to provide programme management support from June through to the completion of the Gateway process.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report. Financial implications may arise as the North East of Scotland Investment Zone proposal develops with officers likely to support the programme management functions, any tax zone setup and planning proposals. However, there is provision within the 4% administration allowance of the funding envelope to create the necessary staffing capacity to recover any costs incurred.

#### 5. LEGAL IMPLICATIONS

5.1 The inception of a North East Scotland Joint Committee would require to be done in accordance with the Local Government (Scotland) Act 1973.

#### 6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no 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	Proposal does not	Proposal will align to the Regional Economic	L	Yes

	meet Council priorities	Strategy and Inward Investment Plans.		
<b>Compliance</b>	Proposal does not meet statutory or regulatory requirements	As part of the development of the proposal, legal implication relating to subsidy control, trade, tax and planning will be considered.	L	<b>Yes</b>
<b>Operational</b>	Conflict of interests	Conflict of interest protocol developed	L	<b>Yes</b>
<b>Financial</b>	No significant risks identified	At proposal development stage just now. Financial risks will arise at a later date with governance processes in place to mitigate	L	<b>Yes</b>
<b>Reputational</b>	Failure to agree a governance model	Options analysis on the 5 identified models to identify a recommended model	L	<b>Yes</b>
<b>Environment / Climate</b>	No significant risks identified	N/A	L	<b>Yes</b>

## 8. OUTCOMES

<u><a href="#">Council Delivery Plan 2024</a></u>	
	<b>Impact of Report</b>
<p style="text-align: center;"><b>Aberdeen City Council Policy Statement</b></p> <p style="text-align: center;"><u><a href="#">Working in Partnership for Aberdeen</a></u></p>	<p><b><u>A City of Opportunity</u></b></p> <ul style="list-style-type: none"> <li>The focus on priority sectors such as Green Industries, Digital and Technology, Advanced Manufacturing, Creative Industries and Life Sciences will have the potential to ensure everyone has the best potential start in life, creating opportunities for employment, innovation and economic growth.</li> </ul> <p><b><u>Building a Greener and Sustainable City</u></b></p> <ul style="list-style-type: none"> <li>The likely emphasis on Green Industries as a priority sector aligns with the goal of promoting sustainability and environmental responsibility.</li> <li>The proposal will seek to attract investment that contributes to a sustainable and low-carbon future.</li> </ul> <p><b><u>A Prosperous City</u></b></p>

	<ul style="list-style-type: none"> <li>• The proposal aims to stimulate economic growth by supporting existing and emerging clusters, creating new jobs and attracting new investment.</li> <li>• The proposal will encourage collaboration between industries, research institutions, and local partners to drive prosperity in the region.</li> </ul> <p><b><u>Supporting People with the Cost of Living</u></b></p> <ul style="list-style-type: none"> <li>• While the direct impact on this aspect may be limited, the creation of new job opportunities and the economic growth attributed to Green Industries, could indirectly contribute to supporting people by increasing job creation and supporting the just transition away from the predominant oil and gas sector.</li> </ul> <p><b><u>Empowering Aberdeen’s Communities</u></b></p> <ul style="list-style-type: none"> <li>• The proposals seek to ensure collaboration with local partners, research institutions and involve any regional stakeholder, this proposal development process aligns with the concept of empowering communities and engaging with them in shaping the economic future of the region.</li> </ul>
--	--

[Local Outcome Improvement Plan 2016-2026](#)

<p>Prosperous Economy Stretch Outcomes</p>	<p><b><u>No one will suffer due to poverty by 2026:</u></b> The focus on developing priority sectors such as Green Industries, Digital and Technology, Advanced Manufacturing, Creative Industries and Life Sciences can lead to increased economic opportunities, potentially reducing poverty by creating more jobs and boosting regional income levels for residents. The focus on potential tax sites and business rates retention zones being in underdeveloped areas will aid in this.</p> <p><b><u>400 unemployed Aberdeen City residents supported into Fair Work by 2026:</u></b> The proposals emphasis on job creation, supporting business and economic growth through targeted interventions in the priority sectors align with the goal of supporting unemployed residents into Fair Work. The focus on upskilling and reskilling could enhance employability and create pathways for fair work opportunities.</p> <p><b><u>500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026:</u></b> The proposals commitment to upskilling and reskilling by investing in skills development, will equip residents with the necessary competencies to</p>
--	--

	<p>access and transition within various economic opportunities that may arise in the coming years</p>
<p>Prosperous People Stretch Outcomes</p>	<p><b><u>90% of children and young people report they feel listened to all of the time by 2026:</u></b>  The proposals emphasis on community engagement and collaboration, especially with educational institutions, can contribute to a more inclusive and participatory environment, where children and young people feel their voices are being heard.</p> <p><b><u>95% of children living in our priority neighbourhoods (Quintiles 1 &amp; 2) will sustain a positive destination upon leaving school by 2026:</u></b>  The focus on creating economic growth and attracting investment, can potentially lead to increased opportunities and positive destinations for children in priority neighbourhoods, especially in the potential tax sites and business rates retention zones as these are to be in underdeveloped areas. Whilst the focus on collaborating with research institutions will support children reaching positive destinations.</p> <p><b><u>83.5% fewer young people (under 18) charged with an offence by 2026:</u></b>  The proposal's emphasis on economic growth, job creation, and skills development can contribute to reduced youth unemployment and potentially lead to lower rates of youth offending.</p> <p><b><u>25% fewer people receiving a first-ever Court conviction and 2% fewer people reconvicted within one year by 2026:</u></b>  The proposal's focus on creating economic opportunities and improving overall well-being can potentially lead to reduced social issues and, indirectly, contribute to lower rates of convictions and reconvictions. The focus on local collaboration should ensure the proposals are to the communities benefit.</p> <p><b><u>Healthy life expectancy (time lived in good health) is five years longer by 2026:</u></b>  While the proposal's primary focus is on economic growth, the potential increase in job opportunities and improved overall well-being can have positive impacts on healthy life expectancy.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p><b><u>Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate:</u></b>  The proposals likely focus on Green Industries and on building a greener and sustainable region aligns with efforts to reduce carbon emissions, promote climate adaptation measures and support the</p>



	regions transition away from the predominant oil and gas sector.
<b>Regional and City Strategies</b>	The proposals are not developed enough at this time to determine the impact these will directly have on regional city strategies. However it is clear that proposals will support the key sectors as identified in the refreshed Regional Economic Strategy, especially around Green Industries. The proposal clearly states that places are expected to build on their existing local strategies for the area to develop the Investment Zone. Proposals should evidence what strategies, funding and infrastructure, is already in place and focus on how interventions will build on this to attract new investment and additional growth.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	It is confirmed by the Chief Officer - City Development and Regeneration on 15 November 2024 that no Integrated Impact Assessment is required at this stage.
<b>Data Protection Impact Assessment</b>	N/A
<b>Other</b>	N/A

## 10. BACKGROUND PAPERS

- 10.1 COM/23/316 North East of Scotland Investment Zone Proposal (11<sup>th</sup> October 2023)

## 11. APPENDICES

- 11.1 Appendix 1 – Investment Zone Gateway 1: Vision Template  
Appendix 2 - Investment Zone Gateway 2: Sectors and Geography Template  
Appendix 3 – North East Scotland Investment Zone Joint Committee Draft Terms of Reference and Membership Composition  
Appendix 4 – North East Scotland Investment Zone Programme Board Draft Terms of Reference and Membership Composition

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Stuart Bews
<b>Title</b>	Interim Service Manager – External Partnerships
<b>Email Address</b>	<a href="mailto:stbews@aberdeencity.gov.uk">stbews@aberdeencity.gov.uk</a>
<b>Tel</b>	



This page is intentionally left blank

# North East Scotland

## Investment Zones Vision Form 20 February 2024

### Primary Contact Details

Name: Paul Macari

Email address: paul.macari2@aberdeenshire.gov.uk

Phone number: 01467 534408

Organisation name: Aberdeenshire Council

### Secondary Contact Details

Name: Martin Barry

Email address: martin.barry@scotent.co.uk

Phone number: +44 (0)141 468 5886

Organisation name: Scottish Enterprise

## **Information to complete this document**

This document will be used by government to understand a place's emerging thinking on their IZ proposal. You do not necessarily have to provide all the detail requested if it is still in development – at this stage we are largely interested in understanding the direction of travel and shape of your proposal before detailed discussions begin.

We have provided word counts throughout the document - in the interest of proportionality you should aim to not expand beyond these word counts.

This document has several specific sections which are briefly summarised ahead of each section, but broadly cover:

- **The Vision** - A high level and initial strategic overview of your Investment Zone proposal.
- **Tax Sites** - To understand if you intend to take forward the tax offer and if so your initial thinking on the number of tax sites and approximately what size. The tax offer is set out in the policy document and can only be used as a single package made up of 5 tax incentives. This offer can only be used as a single package made up of 5 tax incentives. An Investment Zone will offer a total funding envelope of £160m over ten years, which can be used between spending and a single five-year tax offer, scalable based on number of sites and their size.

- **Non Domestic Rates Retention** - to understand your initial thinking on whether you intend to submit a proposal for billing authorities to retain 100% of any growth in business rates over an agreed baseline for 25-years as part of your Investment Zone.
- **Planning** - a brief overview of your early thinking on the potential planning offer and how it will support the growth of the target sector/cluster.
- **Research Institutions** - proposed partner research institutions to engage in co-design and delivery of the IZ proposal. All Investment Zone proposals must be co-signed by at least one research institution.

## The Vision

Please note that the information provided here is to support and guide the structured conversations that HMG and SG will be undertaking in partnership with regions selected for an Investment Zone. All information submitted at this point is considered as your initial thinking as a basis for further discussion.

We know that you will have existing economic plans, priorities and strategic investments which will inform your thinking on Investment Zones. We expect that Investment Zones will go with the grain of existing and future plans, and as such at this stage **we do not expect the production of new evidence bases or plans**. We will set out specific metrics as part of detailed criteria ahead of future gateway reviews.

### WHAT VISION DO YOU HAVE FOR YOUR INVESTMENT ZONE? (1,500 words)

**Outline your initial strategic pitch for your proposed Investment Zone, with reference to how it will support the stated programme objectives. Please draw on existing evidence as appropriate.**

*In this section, it would be helpful to set out:*

- *The overall strategic pitch including the priority sector you wish to support, with reference to existing local strengths and potential for growth, and the proposed geography of the Investment Zone. Please include any early thoughts on the specific sites or areas of spatial focus / existing clustering (where known)*
- *The challenges and opportunities an Investment Zone could unlock, with reference to the programme's overall objectives.*
- *Any early thinking on interventions you intend to fund through the IZ offer, including specific tax, business rate retention and planning interventions.*
- *Your initial sense of how this vision will leverage and crowd in private sector investment, including potential companies you expect to be interested in investing in support of the vision (where known)*

#### **North East Scotland Investment Zone Vision and Ambition 2035 Vision**

North East Scotland is home to highly innovative companies, two leading Universities, and a high performing research base across its key sectors. The region is a centre for enterprise, innovation and developing world-class solutions.

North East Scotland's vision is for a regional economy that enables its people, communities, businesses and key sectors to thrive. The region will lead a just transition, diversify its economy, stimulate entrepreneurship and innovation, and deliver a wellbeing economy for its people to secure the skills and high value jobs and achieve a successful post-fossil fuel future.

*“By 2035, the region’s economy will lead in the production of and transition to future energy solutions, green energy and will be diversifying through growth in key sectors, including digital technology. It will be an economy that values place, people, the natural environment, wellbeing and be innovative, entrepreneurial, and outward-looking and international.”*

### **Innovation Cluster Ambition**

Innovation will maximise the growth opportunities in its sectors of green energy and digital tech. To stimulate and leverage research, innovation, and commercialisation in its extensive academic, research and industry base, drive innovation-led entrepreneurial growth stimulating the growth of new start-ups and spinout businesses and scale up and accelerated growth of established enterprises through innovation and internationalisation to secure inward investment.

Prioritising action and investment to support the region’s innovation ambition will achieve a successful just transition for the region, create more high-growth businesses and high-value jobs in key industries, increase exports, diversify the economy, and increase productivity, and make a significant contribution to national sector targets and economic performance.

*“Investment in north east Scotland’s innovation cluster will stimulate research and digital innovation and accelerate the commercialisation of new products, processes and services to generate more innovation-led high-growth enterprises and create new, high-skills jobs.”*

### **Green Energy**

The region is an established global hub for the energy industry: the operational centre for the UK oil and gas industry with world-class expertise in offshore energies, including offshore wind, and an extensive and globally active supply chain, all supported by a highly skilled workforce, higher education, and research institutes. The region’s energy sector is entrepreneurial and innovative. It is actively evolving to maximise the energy transition opportunity through developing offshore renewable solutions and driving digital transformation to maximise efficiency, productivity, and sustainability gains.

The ambition for the energy sector is to reposition the North East of Scotland to become a globally recognised renewable and low carbon energy cluster and to build on the region’s reputation for offshore energy technology development and innovation. There is an opportunity to accelerate research output to influence industry solutions and drive digital innovation to deliver transformational growth in the supply chain. This will maximise competitive advantage in the development, deployment and operation of offshore wind, hydrogen and CCUS. The resulting products and services will accelerate the deployment of offshore energies, support the growth of innovation-led high-growth businesses, deliver high-value jobs, and increase exports to global markets.

### **Digital Tech**

The region’s digital tech cluster of 300 companies employs 4,400 people with a turnover exceeding £520 million a year. These businesses work across markets including energytech, agritech, clean tech, health tech, tech bio and sustainability. Energy tech is the dominant focus, with 42% of companies, 59% of the employees and 59% of the total sector turnover, and businesses are increasingly targeting new market opportunities in renewable energy-related fields and climate tech.

The ambition for digital tech is to accelerate research and innovation in deeptech, AI and robotics to build on the research base and accelerate start-up and spin-outs, secure investment and take new products, services and solutions to a global market, grow the



number of high-growth innovation-led businesses in the digital tech cluster and drive digital transformation within the region's growth sectors, including food and drink manufacturing, agriculture and life sciences.

### **Delivering Impact**

The Investment Zone aligns with the region's broader economic strategy, amplifies existing action and investment in entrepreneurship, research and commercial innovation within the regions Universities and research institutes, key industries and leverages the benefits of established ecosystems, funding and investment and private and public sector economic development delivery in the region.

Regional and national government, the private sector and academic and research interests already collaborate on innovation-led economic development activity within the region. The government recognises the region's economic partnership model as an exemplar. The Regional Economic Strategy prioritises growth sectors and innovation and has helped to shape concerted action and investment in the region since 2015, including the Aberdeen City Region Deal (NZTC, ONE Biohub, ONE Seedpod, ONE Tech-hub National Decommissioning Centre, National Subsea Centre). The Deal was the first in the UK to focus on delivering industry innovation projects.

The Investment Zone will accelerate and expand the region's innovation, investment and delivery.

## **Tax Sites**

As you complete this section, please bear in mind that tax sites must be "underdeveloped" so that the tax measures support areas with economic potential, rather than already economically successful sites. Under this broad, economic definition, empty land, brownfield land, under-utilised land with some construction and vacant premises are some examples of what might be considered "underdeveloped" so long as a good case is made. We expect areas to demonstrate a compelling economic geography when determining the most effective location of tax sites. We will be setting out more detail on these criteria in due course alongside a timeline for when we expect tax sites to be formally submitted. The government reserves the right to reject tax sites or request amendments to sites that do not meet these requirements and any further criteria it sets out [such as alignment with the Investment Zone's objectives and robust delivery plans]

### **TAX SITES**

**Will you be proposing tax sites?**

Yes

No

<b>If yes, how many tax sites are you proposing?</b>
One <input type="checkbox"/> Two <input type="checkbox"/> Three <input checked="" type="checkbox"/>
<b>What is the estimated size and location of this site/each of these sites, where known. If you already have specific locations in mind please provide maps and/or postcodes, this will be purely to inform our initial discussions.</b>
<p><b>Site 1 Energy Transition Zone 288.5ha</b></p> <p><b>Site 2 Peterhead 200ha</b></p> <p><b>Site 3 tbc</b></p>

## Non Domestic Rates Retention (NDR retention)

The accountable body will need to demonstrate how NDR retention will provide for local economic growth within the region, support the priority sector within the Investment Zone, and represent value for money for the government. This should be done in collaboration with the lower tier authority who will continue to take operational responsibility for collecting these rates. Local authorities will need to work together to agree a share of the non domestic rates growth to go to lead local authority, as well as to develop a strong reinvestment strategy for the revenue stream. SG and UKG will assess applications for the use of the NDR retention offer on these criteria. Government reserves the right to reject sites based on cost and deliverability.

<b>BUSINESS RATES RETENTION</b>
<b>Will you be proposing sites within which 100% of non domestic rates growth is retained over an agreed baseline for 25-years?</b>
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>If yes, how many non domestic rates sites are you proposing?</b>
Indicatively all 3 tax sites will be non domestic rates sites.
<b>What is the provisional location and estimated size of these sites?</b>
The provisional locations of the ETZ and Peterhead non domestic rates sites are shown on the attached plans with each having a respective area of 288.5ha and 200ha. A third non domestic rates site is still to be identified.
<b>We would be interested to know if you have engaged relevant billing authorities and their initial feedback to your proposals, if available.</b>
<i>Engagement with Aberdeen City and Aberdeenshire Councils, Grampian Assessor and ERO and Government is ongoing to establish the viability of non domestic rates sites within the North East of Scotland Investment Zone.</i>
<b>At this stage do you intend for these sites to be located on the same site as your tax sites?</b>
Yes

## Planning

Investment Zones should have a credible and ambitious planning offer to accelerate the development necessary to support the cluster while maintaining high environmental standards. There must be a single point of contact for investors to support proactive and constructive engagement on planning matters. Regions should look at proactive master-planning, bespoke engagement and support to applicants, and the use of Local Development Orders and other innovative routes to permission, where appropriate, to deliver exemplar development faster and to support the long-term success of the Zone.

**PLEASE OUTLINE YOUR EARLY THINKING ON THE PROSPECTIVE PLANNING OFFER FOR THE INVESTMENT ZONE (250 words)**

**You should briefly set out what planning you intend to take forward as part of the Investment Zone and how you will ensure it accelerates progress.**

*In this section, please set out any early thinking on what your planning offer will be, based on the requirements in the IZ policy prospectus, including consideration of how SG can support your ambitions.*

To accelerate investment and growth within our Investment Zone it is proposed to introduce masterplan consent areas for each Tax Site and within Peterhead the surrounding strategic housing sites. The delivery of masterplan consent areas will commence when this part of the Planning(Scotland) Act 2019 is enacted. In the meantime delivery of development within designated tax sites will be regulated through a planning protocol.

The ETZ and Peterhead Tax Sites have been designated National Development status by National Planning Framework 4 with Peterhead also being designated Industrial Green Transition Zone status. Furthermore, each Tax Site has been designated by the respective Aberdeen City and Aberdeenshire Local Development Plans as areas where development within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes)(Scotland) Order 1997 as amended will be supported. As such, Consistency of approach to consenting by both Aberdeen City and Aberdeenshire Planning Authorities through establishing a planning protocol for tax sites will remove delay and risk from the development and investment processes

## Partner Research Institutions

At a minimum, a relevant local research institution should co-sign the final proposal. Each Investment Zone is expected to ensure strong collaboration between industry and research institutions. We will expect participating Universities to adopt best in class standards to increase the volume of innovative R&D and adoption. This could include nurturing and supporting local talent, building knowledge networks, collaborating on research commercialisation, and supporting scaleup and adoption of promising innovations following spinout to raise the productive potential of the whole area.

**WHICH RESEARCH INSTITUTION(S) WILL CO-SIGN YOUR PROPOSAL? (250 words)**

**Please provide details of proposed partner research institution(s), why they are appropriate and how you envisage they could support the proposal.**

*In this section, we would like to understand:*

- *Which research institution(s) you are considering working with to co-design your IZ and who will co-sign your proposal (it can be more than one)*
- *Why they are appropriate, considering your proposed sector, cluster and geographic focus*
- *How they will meaningfully support the development and delivery of the vision*

The University of Aberdeen and Robert Gordon University (RGU) are both located within the investment zone region and are fully committed in their support of the regional economic strategy. As key delivery partners they are represented on the Investment Zone steering and working groups and are already supporting its co-design through evidence gathering around research and innovation capacity and skills provision. Both universities have agreed to act as co-signatories on the proposal.

The University of Aberdeen is a broad-based research-intensive (TRAC Group A) university with significant research and innovation capacity across the sectors identified in the vision statement. In REF 2021, it returned 420 researchers across a range of STEM disciplines and has several key assets that can support the investment zone, including: Centre for Energy Transition, National Decommissioning Centre, Rowett Institute, Centre for Data & AI.

RGU has a strong reputation for its partnerships with industry, particularly in the proposed sectors, as evidenced by its high knowledge exchange collaborations. It delivers innovative research solutions for business and industry providing economic, societal, environmental and cultural impact. RGU's Energy Transition Institute; National Subsea Centre; Entrepreneurship and Innovation Group; and Digital Innovation Lab will all play a key role in supporting the Investment Zone.

The universities are supporting development of the vision by contributing time of senior institutional leaders and academic experts. Their contribution to delivery will take many forms; for example, by enhancing industrial engagement to support knowledge exchange, through entrepreneurial campuses driving growth in startups/spinouts, future workforce development.

In addition to the regions Higher Education institutions the development and delivery of the North East of Scotland Investment Zone will also be influenced by the work of North East Scotland College and The Hutton Institute with regards to the provision of a skilled workforce, research and innovation.

This page is intentionally left blank

North East Scotland Investment Zone

Scottish Investment Zones Gateway 2

Sector and Geography Template

Primary Contact Details

Name: Martin Barry

Email address: martin.barry@scotent.co.uk

Phone number: +44 (0)141 468 5886

Organisation name: Scottish Enterprise

Secondary Contact Details

Name: Paul Macari

Email address: paul.macari2@aberdeenshire.gov.uk

Phone number: +44 (0)146 753 4408

Organisation name: Aberdeenshire Council

# FINAL

## Information to complete this document

At this stage of the co-development process, we want to work together to choose the priority sector(s) the Investment Zone (IZ) will support, the cluster you will focus on developing, and how this could support IZ objectives. You should also consider how you might locate and use spatially specific interventions such as Tax sites and Non Domestic Rate Retention (NDRR) sites in your proposed IZ.

You will be required to provide the detail requested at each question to proceed. **Please refer to the draft criteria you have been provided with as you complete these questions.**

We have provided word counts throughout the document - **in the interest of proportionality you should not expand beyond these word counts. We expect you may have developed much of the information required to answer these questions as part of your wider economic strategies and encourage you to draw on that existing evidence base wherever possible.**

The criteria set out the expectations for the detail of your response at each question including the information/evidence your response should contain. It also highlights potential examples of the types of information you should include where this would benefit the answer provided. **To be clear, we do not expect you to provide information against all the examples listed in the criteria.** You should be guided by the nature and focus of your proposal.

The responses to questions at this gateway should build upon the work you have done thus far to assess the economic landscape of your region and align your proposal with existing Regional Economic Strategies, as well as relevant strategic frameworks published by both Governments such as the Scottish Government's National Strategy for Economic Transformation, and the UK Government's Levelling Up White Paper. This will provide a useful and known context within which proposals can be developed further.

Please note that information submitted at this point will be shared with other UKG and SG departments (OGDs) as part of the co-development process to help UKG and SG appraise proposals and consider how they could be strengthened. Advice from other UKG and SG departments could result in UKG and SG requiring you to revise and/or update answers during this process. We will consider proposals against:

- UKG and SG understanding of regional sectoral strengths, clusters, and specific challenges/opportunities;
- Alignment with UKG and SG policy, strategies, and investment;
- Opportunities to go further and consider if the proposed options are credible ways of addressing the stated issues;
- Opportunities to drive additional private sector investment and meet UKG's Levelling Up ambitions across the UK, and SG's inward investment priorities.



## FINAL

- How well the options embed Wellbeing Economy approaches such as Fair Work and Community Wealth Building as means to contribute to reducing economic inequality across the region.

**We do not expect the answers here to be final, and REPs will have the opportunity to update and iterate returns as they advance through the IZ gateways.**

The guidance from the criteria document has been included in each of the text boxes below, please remove this when returning your first draft of this document.

We will advise Ministers as proposals develop, to allow them to consider the whole IZ programme as it develops and will provide feedback to REPs at regular intervals.

### Questions

We have split the questions into thematic sections to help guide thinking and set them out in a structured way, in line with the programme's Theory of Change. However, please do consider these questions in the round and how this Gateway will influence the development of your proposal through future Gateways.

As we co-develop these proposals and proceed through future Gateways, we expect that previous templates might need to be iterated to reflect on-going and evolving discussions.

As set out in correspondence to date, UKG and SG will reserve the right to not take forward proposals if agreement cannot be reached and proposals will only be formally signed off in full at the conclusion of the process.

### Sector and Cluster

At this gateway REPs are expected to identify the priority sector(s) they intend to support through their IZ; the nature and geography of the existing target cluster, and the key challenges and opportunities IZ tools could address.

These questions set out the evidence a place will need to provide if it wishes to pursue a focus on more than one priority sector, to support a coherent economic cluster.

**SECTOR**

**Question 2.1: What priority sector will your IZ support and why is it a strength?**

Please tick one of the boxes below. If you are proposing more than one priority sector, subject to evidence that these sectors intersect as part of a coherent economic cluster, please tick all the relevant boxes.

- Advanced Manufacturing
- Creative Industries
- Digital and Tech
- Green Industries
- Life Sciences

**Your answer should not be longer than 500 words.**

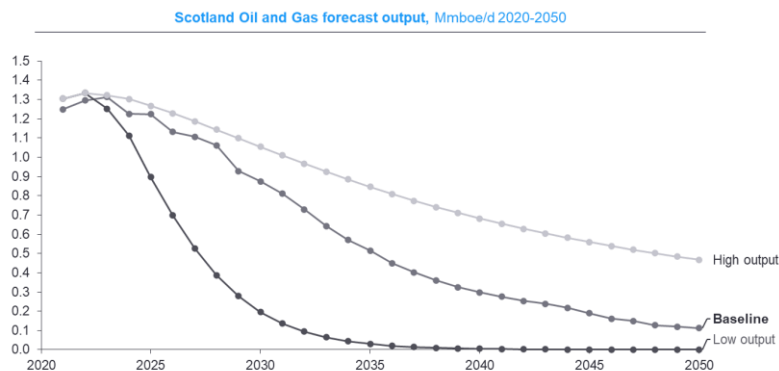
**North-East Scotland Investment Zone (NESIZ) Vision and Ambition 2035 Vision**

North-East Scotland’s (NES) vision is for a regional economy that enables its people, communities, businesses and key sectors to thrive. The IZ will be integral to the region’s economic diversification by embracing entrepreneurship and innovation and leading its transition to net zero. This will deliver a just, sustainable, and prosperous economy for residents and business founded upon two interlinked priority sectors to transition from an oil and gas economy and transform and lead in digital technology:

1. A clear economic growth story in **Green Energy**, unlocked by NESIZ status and the regions natural and geological characteristics to transition the regions significant and unique legacy oil and gas supply chain, and skills-base into a hotbed of Green Energy supply chain innovation and investment that delivers both transitional and new jobs and growth.
2. Capitalising on the regions industrial **Digital Technology** revolution and latent potential to unleash the deep, applied Digital Technology expertise in creating and scaling new high growth innovation-led international businesses including EnergyTech, ClimateTech, HealthTech and AgriTech to deliver the high productivity, high value jobs that will underpin the NES economy of the future.

**Exposition of the Green Energy sector**

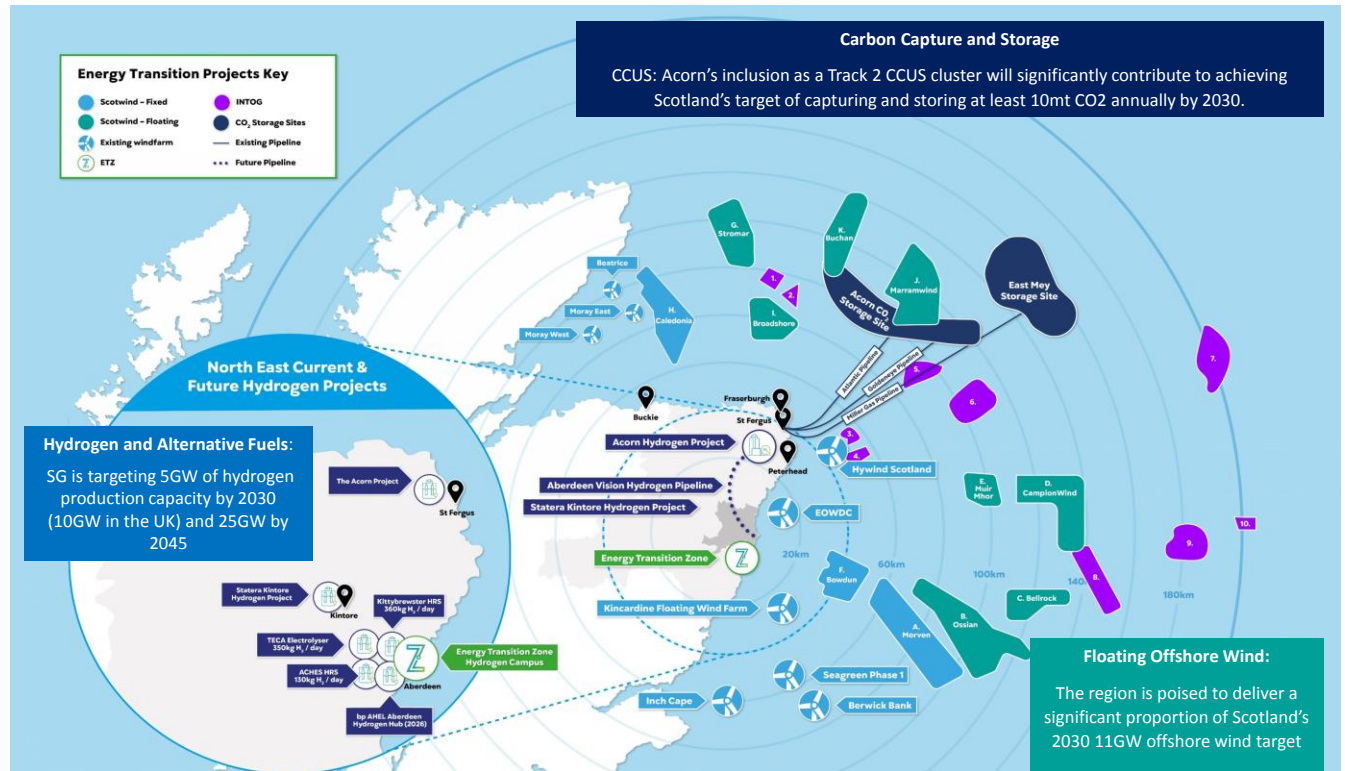
With the majority of Scotland’s 79,000 Oil and Gas jobs based in NES<sup>1</sup>, the region risks significant job losses of 26,500 and gross value added (GVA) reduction of £10.4bn by 2050<sup>2</sup> due to forecast declining output. NESIZ will underpin NES’s strategic realignment towards the green energy sector as both an environmental imperative and to safeguard the region and Scotland’s economic sustainability.



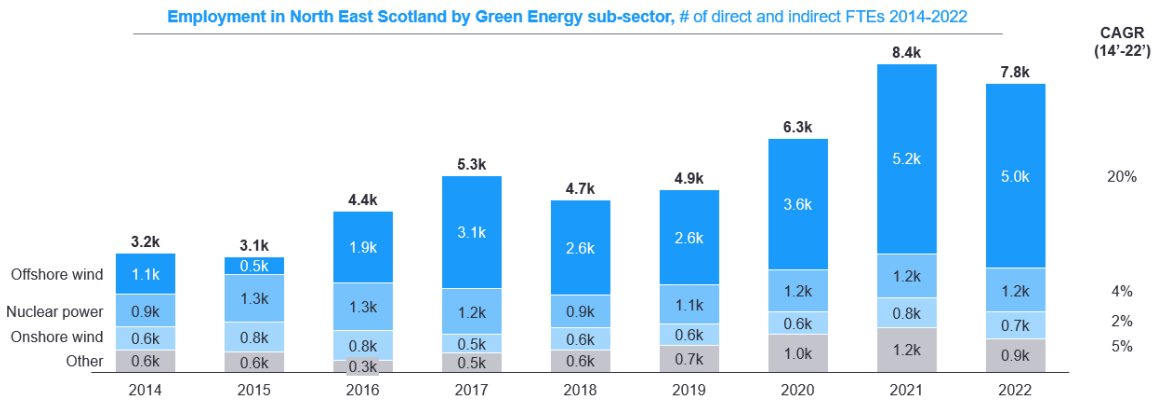
<sup>1</sup> Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [\[link\]](#)

<sup>2</sup> Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [\[link\]](#)

The IZ will empower three core complementary energy sub-sectors: Offshore Wind (particularly floating), Hydrogen and Alternative Fuels, and Carbon Capture and Storage, integrated across the value chain from production to end use as illustrated in the diagram overleaf<sup>3</sup>:



NES's green energy sector employed 7,800 full-time equivalents (FTEs) in 2022<sup>4</sup>, with employment in offshore wind, the most established of the three sectors, increasing at a compound annual growth rate (CAGR) of 20% between 2014 to 2022.

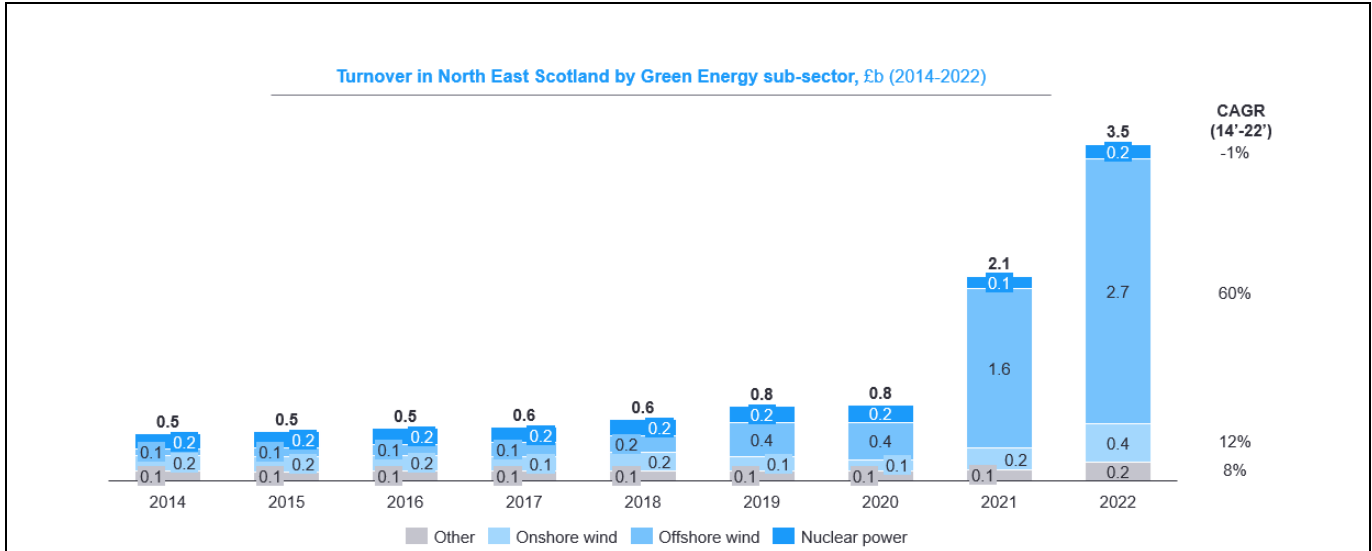


In 2022, the green energy sector in NES generated a turnover of £3.5bn<sup>5</sup> (33% of Scottish green energy turnover), marking a substantial increase of over 60% from the £2.1bn recorded in 2021.

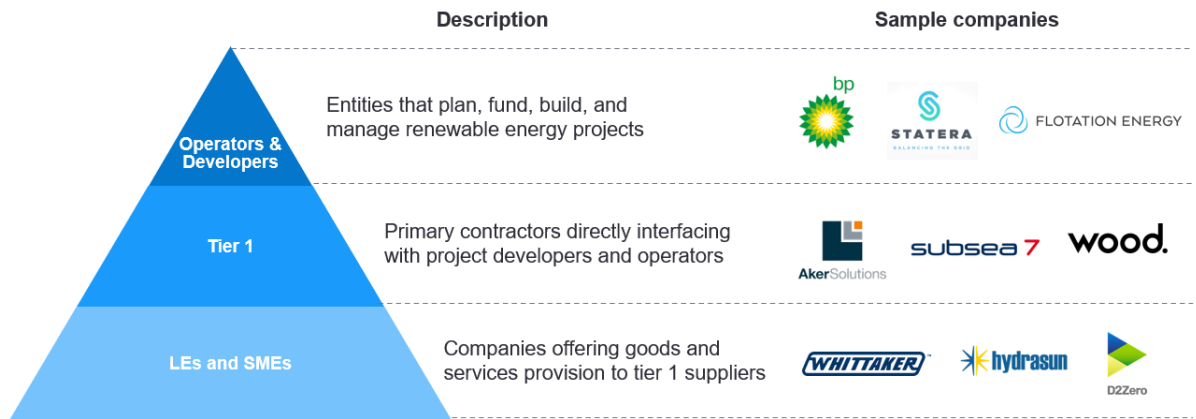
<sup>3</sup> The wider green energy sector constitutes onshore and offshore wind, hydrogen, CCS, solar, hydropower, nuclear, wave and tidal, and bioenergy. As stated above the three subsectors of NESIZ are Offshore Wind (Particularly floating), hydrogen and alternative fuels, CCUS.

<sup>4</sup> Source: ONS – Low carbon and renewable energy economy estimates (2024) [\[link\]](#)

<sup>5</sup> Source: ONS – Low carbon and renewable energy economy estimates (2024) [\[link\]](#); Values were apportioned for North East Scotland based on its proportion of Scotland's energy production across onshore wind, offshore wind, hydrogen, carbon capture, utilisation and storage (CCUS), solar, nuclear, and other renewable energies.



NESIZ will strengthen the SME base within the green energy supply chain providing goods and services to Tier 1 contractors, who interface with the core renewable energy generators and operators. The region’s presence of multinationals through to SME’s (who generate the majority of innovation), many of whom with years of world leading experience developing technical solutions across the Oil and Gas lifecycle that are readily transferable to renewables, provides the strength of demand and agglomeration effects needed to drive forward the design, construction and operation of complex, sustainable energy projects:



This supply chain is supported by a significant concentration of specialist research and innovation institutions across the target sub-sectors (detailed fully in 2.2 and 2.11).

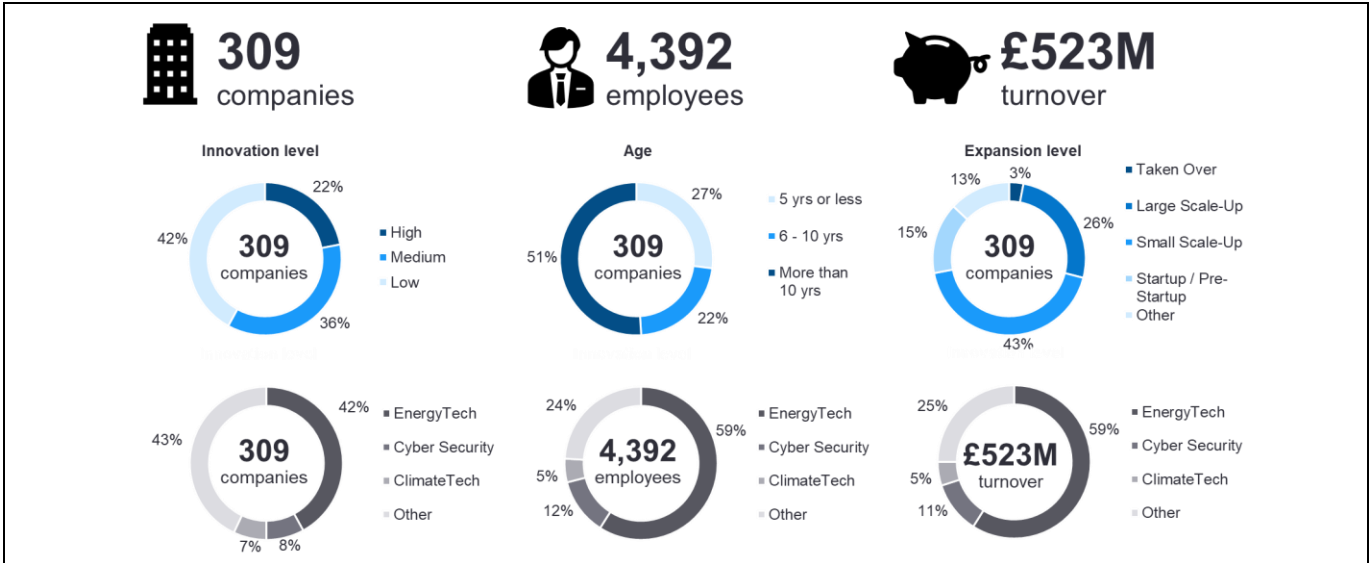
**Exposition of The Digital Technology Sector**

The Digital Tech sector is forecast to be grow by 31% (£1.8bn GVA) in Scotland by 2033, outpacing forecast Scottish average +14%<sup>6</sup>. The NE cluster is amongst the fastest growing tech-related sectors in the UK, with more than 300 companies who employ 4,400 people (1.6% of total NES jobs), and an annual turnover of £520m a year<sup>7</sup>, providing software and AI solutions, including a range of SaaS products across key growth industry sectors.

<sup>6</sup> Source: Own elaborations on Skills Development Scotland - Sectoral Skills Assessment: Digital Technologies (October 2023) [link]

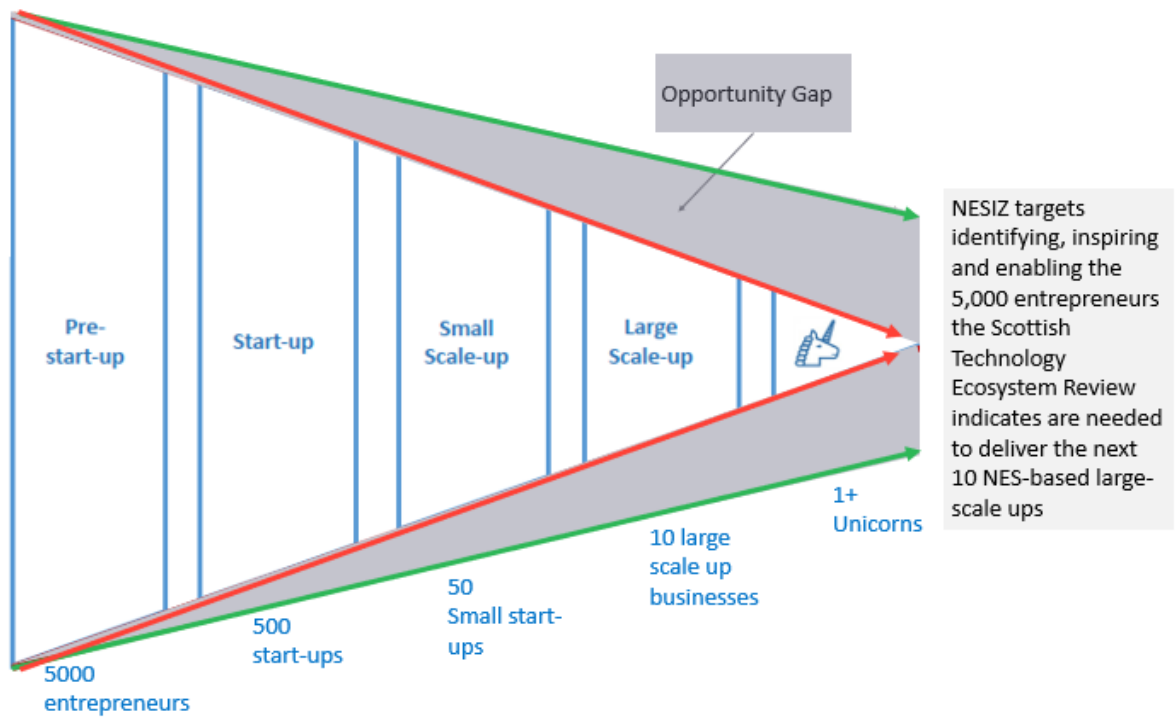
<sup>7</sup> Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

# FINAL



The number of Digital Technology businesses in NES has almost doubled since 2019. The businesses in the region are primarily micro and small enterprises (<50 employees) that serve a growing local, national, and international EnergyTech market, as well as other key markets such as ClimateTech, HealthTech and AgriTech<sup>8</sup>. More than half of companies in the NES boast a high or medium level of innovation, 69% have successfully scaled-up since launch (with a third of those achieving large scale growth).

This SME foundation is supported by specialist research and innovation institutions with longstanding expertise in AI and digital technologies (detailed in 2.2 and 2.11) alongside the ONE Tech Hub – home to the region’s tech ecosystem.



### Intersection of Two Sectors

The NESIZ will benefit from both the individual strengths of the Digital Tech and Green Energy sectors, and the overlap between the two sectors to create a coherent economic cluster. HMG and SG recognise that the digitisation of the Green

<sup>8</sup> Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

Energy sector is critical for ensuring the interoperability of the energy system in Scotland and the UK as it transitions to net zero<sup>9</sup>. The National AI Strategy, Green Industries Growth Accelerator and the Scottish AI Strategy all reinforce digital and AI technologies as a key priority to transition to a climate neutral economy<sup>10</sup>.

The NES region has a track record of successfully integrating both sectors; the Aberdeen City Region Deal funded the Net Zero Technology Centre to develop technology and digitalisation projects in renewables<sup>11</sup>, and including the funding of the two national centres (National Subsea Centre and National Decommissioning Centre). Furthermore, the ONE EnergyTech program connects Digital Tech businesses with established green energy enterprises through a collaboration programme to innovate in new digital solutions and products. The One, Codebase and Barclays Eagle lab collaboration has driven innovation in both Digital Technology and Energy with SMEs raising over £20m from VC funds, creating more than 250 jobs, and fostering international market connections and meeting global demand. This makes it imperative that the NESIZ similarly continues to integrate and seize growth opportunities across both sectors.

## **Opportunity 1: Accelerating growth in target sectors**

### *Green Energy*

The UK continues to have first leader advantage in floating wind. There are projects totalling up to 19GW within 100 nautical miles of the region, accounting for 75% of the Scottish floating wind projects and around 25% of the global floating wind pipeline. IZ status will be a catalyst for the supply chain to take advantage of commercial scale developments to build technology solutions, concentrating supply chain expertise and investment with associated export potential. IZ incentives will also play a core role in viability for the supply chain to deliver on the regional target to produce over 1GW of low carbon hydrogen by 2030<sup>12</sup>, underpinned by the Acorn CCUS Project and its hydrogen developments at St Fergus and BP Aberdeen Hydrogen Hub.

### *Digital Technology in Green Energy*

NES Energy & Utilities GVA is forecast to grow by 18% between 2024 and 2032<sup>13</sup> driving continued demand for the region's solutions including:

- Monitor and enhance energy systems, such as energy management systems, renewable energy monitoring, carbon tracking and the automation of key energy processes.
- Data for AI and predictive models such as predictive maintenance systems, AI powered asset management systems, AI enabled alarm monitoring and process control, remote emissions data collection and monitoring.
- World leading robotics and autonomous monitoring for a wide range of industrial applications across offshore green energy, manufacturing, logistics, transport and healthcare.
- Improve energy performance and efficiency such as smart grid solutions and optimisations, energy efficiency software, energy modelling and simulation software and digital twins.
- Revolutionise productivity through blockchain-enabled energy platforms, energy trading and market platforms, demand response platforms, regulatory compliance and reporting solutions.

These services augmented with NISEZ will accelerate growth in both the Green Energy and Digital Tech cluster and support the region's goal to grow the number of active technology companies as a share of Scottish total from 7% to 15% by 2030 and an additional 10,000 jobs by 2032.

### *Digital Technology in Other Verticals*

The EnergyTech cluster has been a testbed for enabling business solutions and NESIZ will provide replicable software, knowledge transfer and enable operations into high-growth adjacent verticals such as AgriTech, CleanTech, ClimateTech, Cyber Security, FinTech, and HealthTech, where businesses are growing<sup>14</sup> and confident of Digital Technology demand<sup>15</sup>.

<sup>9</sup>Source: UK Parliament Post - Post Note n.655 [\[link\]](#)

<sup>10</sup>Source: Innovate UK - Opportunities (2024) [\[link\]](#)

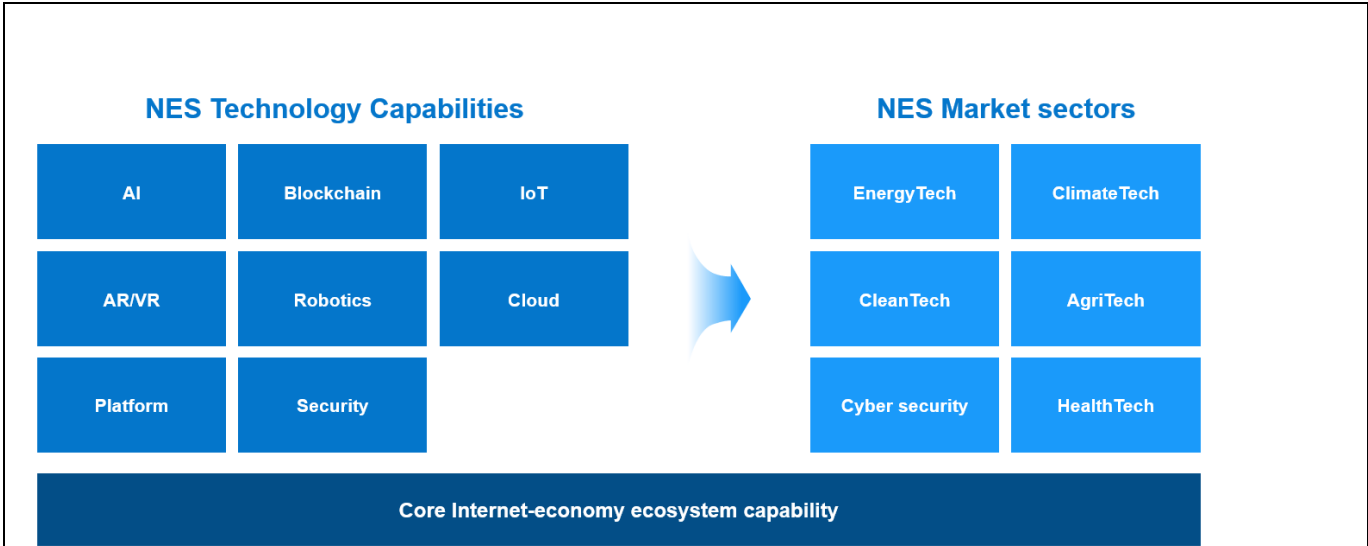
<sup>11</sup>Source: Aberdeen City Region Deal Quarterly Progress Update (February 2024) [\[link\]](#)

<sup>12</sup>Source: NES Hydrogen Ambition Steering Committee - North East Scotland's Hydrogen Ambition (2021)

<sup>13</sup>Source: Own elaborations on Oxford Economics - UK Regional Forecasts: Detailed industry GVA (2023)

<sup>14</sup>Source: Own elaborations on Nomis - UK Business Counts: enterprises by industry and employment size band (2023) [\[link\]](#)

<sup>15</sup>Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)



*Green Energy and Digital Technology Export Potential*

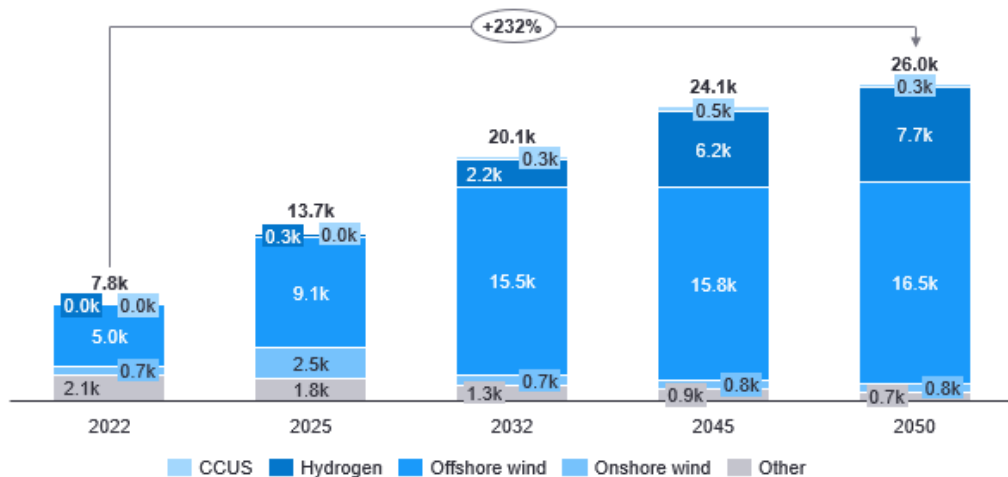
The global pipeline of offshore wind projects stands at 1.23 TW<sup>16</sup>, with the UK's pipeline of 99.8 GW being second only to China's. This presents a substantial export opportunity for the energy supply chain. Similarly, the Digital Tech sector demonstrates significant export potential, with national exports doubling since 2012. Within the region, 71% of the Digital Tech cluster provides products and services to international markets making up 44% of revenues from overseas American, Middle East and Gulf State markets, primarily driven by Green Energy markets.

**Opportunity 2: Building the skills for a Digital and Net Zero Future**

*Green Energy Skills Transition*

More than 90% of NES's current O&G workforce has medium to high skills transferability to adjacent energy sectors<sup>17</sup>, IZ status will secure the employment space, business and skills investment needed to accommodate both existing workers transitioning from Oil and Gas to renewables and new entrants needed to meet the Green Energy employment demand for 20,100 FTEs by 2032 and 26,000 FTEs by 2050.

**Green Energy employment forecast in North East Scotland by Green Energy sub-sector, # of direct and indirect FTEs**



*Digital Technology*

<sup>16</sup> Source: ETZ – Offshore wind update (2023)

<sup>17</sup> Source: RGU Aberdeen – Making the switch (2022) [\[link\]](#)



Demand for Digital Technology skills are growing exponentially with two-thirds of Scottish Technology businesses seeking data and AI or Machine Learning skills, founded on growth of Digital Technologies including AI, Robotics and Cloud software<sup>18</sup>. To meet the NES target to double the size of the sector by 2030 and contribute £1bn to regional GDP, the existing employee base of 4.400 workers skilled in digital technology will need to double<sup>19</sup>. Career pathways provided into data and digital careers, covering the basic and key skills in schools, college, and apprenticeships through to advanced postgraduate training and research in AI, robotics and other advances digital technologies. training provision, part-time short courses, online programs, and micro-credentials are increasingly important as they complement the supply of talent from traditional learning opportunities and are particularly relevant for reskilling and career changes. 80% of existing Digital Technology roles in the region are classified as high-value jobs<sup>20</sup> evidencing the prosperity opportunity for the region.

**Opportunity 3: Leveraging innovation specialisms within the Supply Chain and Research institutions**

*Green Energy*

Floating wind and hydrogen sectors will unlock innovation and concentrate specialisms within the legacy Oil and Gas supply chain. The sector possesses between 60% and 80% of the capabilities required to develop the UK’s low carbon energies<sup>21</sup> with regional specialisms including offshore and subsea design, operations and maintenance, and use of dangerous gases. Regional research and innovation assets include UoA’s Interdisciplinary Centre for Energy Transition, National Decommissioning Centre, Robert Gordon University’s (RGU’s) Energy Transition Institute and the National Subsea Centre. The clustering effects of Green Energy businesses, research and physical capital operating in close proximity will provide dynamic, multiplicative effects for existing and new businesses, increasing the energy supply chain’s work outside of oil and gas beyond 50% by 2030, alongside providing significant export opportunities given solutions have global applicability<sup>22</sup>.

*Digital Technology*

The region holds significant and unique Digital Technology innovation solutions such as predictive AI maintenance, renewable energy monitoring and simulation IP with the potential for global applicability that require scale-up, investment and commercialisation support. Research intensity from institutions such as the UoA Department of Computing Science and the Interdisciplinary Centre for Data and AI, and RGU’s School of Computing, along with the multi-sector application of research from the National Subsea Centre, will foster innovation specialisms. These specialisms are expected to create cyclical and reciprocated benefits between the research institutions and the private sector. This collaboration is particularly valuable for solutions with export potential<sup>23</sup>.

**Question 2.2: Please describe the existing economic cluster your IZ will support and strengths of the wider eco-system?**

**Your answer should not be longer than 500 words.**

The North East Scotland Investment Zone (NESIZ) will support two significant economic clusters – Green Energy and Digital Technology – which each benefit from established entrepreneurial and innovation ecosystems in the region. The existing cluster and strengths of each are described below:

**The Green Energy Cluster**

The NES region has the potential to become an integrated energy basin ecosystem, interconnecting fixed and floating wind, hydrogen and carbon capture to produce net-zero energy, with operations unlocked through Digital Technology. The diagram illustrates this scaled green energy value chain vision, as foundational elements are being established by ScotWind, the Acorn Track 2 project and INTOG, while identifying targets for the future NESIZ supply chain:

<sup>18</sup> Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)

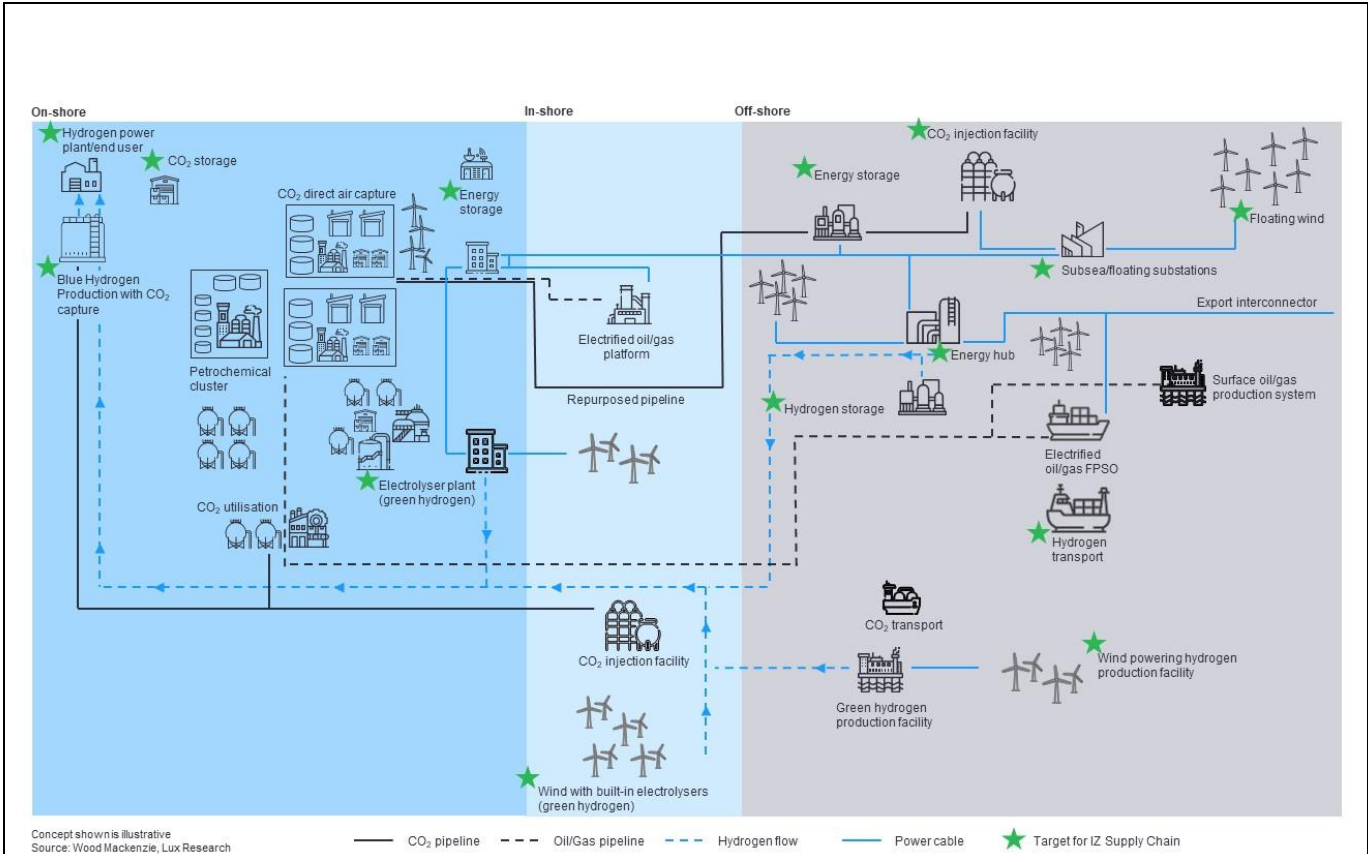
<sup>19</sup> Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

<sup>20</sup> Source: Salaries in excess of 120% of Scottish average of £27,710 - Our focus on economic transformation (scottish-enterprise.com)

<sup>21</sup> Source: Rystad Energy – UK O&G supply chain and opportunities in the energy transition (April 2024)

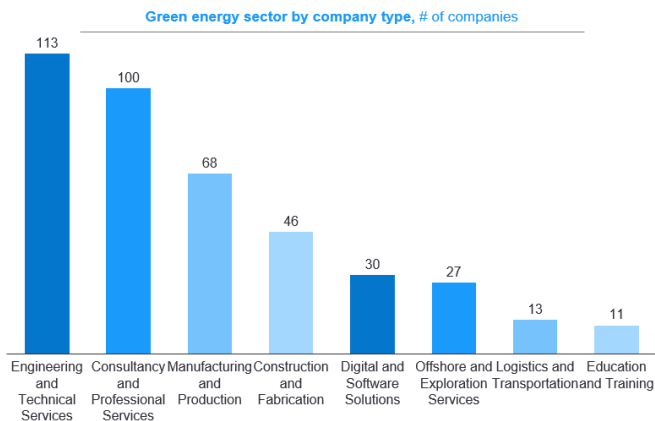
<sup>22</sup> Source: Aberdeen and Grampian Chamber of Commerce (AGCC) survey (Oct 2023) in ETZ document

<sup>23</sup> Source: ESPON - European Special Economic Zones (2020) [\[link\]](#)



**NES Green Energy Supply Chain**

As noted in 2.1, the strength of this value chain in NES lies in its coverage of multinational presence, underpinned by tier 1 operators and a wider supply chain; Scottish Enterprise has identified 400 established companies core to the green energy supply chain in NES<sup>24</sup>, characterised primarily by engineering (28%) and consultancy (25%) companies, followed by manufacturing (17%), construction (11%) and digital and software companies (7%)<sup>25</sup>, whilst not exhaustive this indicates the broad range of NES companies and the energy sectors covered by them:



**North-East Scotland’s Energy employment concentration**

About 60,000 energy jobs are located in NES<sup>26</sup>, with around 85% employed in the oil and gas industry; the remaining 15% supply regional offshore wind, hydrogen, carbon transportation and storage activities, and other sub-sectors<sup>27</sup>. Economic

<sup>24</sup> Source: North East Energy Supply Chain (2023)

<sup>25</sup> Source: North East Energy Supply Chain (2023)

<sup>26</sup> Source: EY – Just Transition Review of the Scottish Energy Sector (2022) [link]

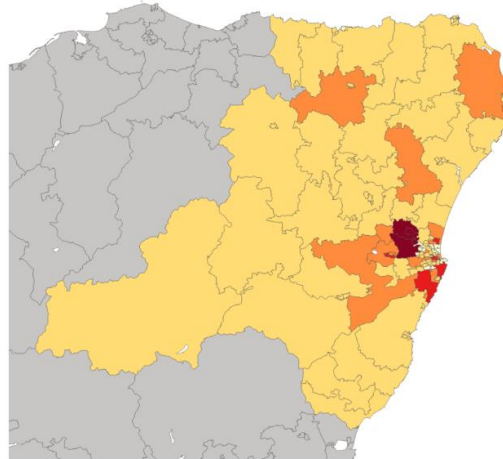
<sup>27</sup> Source: RGU Aberdeen – Making the switch (2022) [link]

# FINAL

value associated with offshore energy operations is evident: GVA per filled job in the North-East is 4.5% higher than the UK average and 8.5% higher than Scotland. In 2019 GVA per filled job in the region was £59,260 compared with a GVA per filled job of £56,670 for the UK and £54,662 for Scotland<sup>28</sup>. In terms of educational attainment, the region's qualification statistics underline the strengths of its overall workforce: the North-East of Scotland ranks fourth highest in the UK in terms of educational achievement, with over half of the workforce educated to degree level<sup>6</sup>. Maintaining and increasing the quality of future jobs in the region, enabled through NESIZ, will be critical to workforce retention.

Employment in the Energy Sector by Intermediate Zone (2021)

Energy Sector Clusters ● Cluster 1: 3,000+ ● Cluster 2: 1,000 - 2,999 ● Cluster 3: 100 - 9... ● Cluster 4: 5 - 99 ● Cluster 5: 1  
Total Employment: 29,900



## Digital Technology employment concentration

Employment is concentrated around the city of Aberdeen and the South of the city<sup>29</sup> and employs prevalently high-value individuals<sup>30</sup> (80% of the cluster's workforce)<sup>31</sup>. Productivity of the workforce is in line with Scottish averages at £37 GVA per hour<sup>32</sup> and high wage jobs are evidenced with a median salary in NES for Technology occupations of £40,100 up by 12% with respect to 2020 figures<sup>33</sup>. The workforce is also highly qualified: the Scottish Digital Tech sector has an estimated 75% of workers that are qualified as SCQF Level 7 or above, against a Scottish average of 53%<sup>34</sup>.

<sup>28</sup> Source: ONS – Nominal (smoothed) GVA per filled job (£) (2021)

<sup>29</sup> Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

<sup>30</sup> High value jobs are defined as jobs whose salaries are paid higher than 20% of the Scottish average salary (of £27.7k – [link](#)). To estimate how many high value jobs exist in the cluster it was assumed that: for companies employing less than 20 people, 100% of the workforce are employed in high value jobs, and for companies employing more than 20 people, 60% of the workforce is employed in high value jobs.

<sup>31</sup> Source: Scottish Enterprise, Company Connecting & Analysis Logic for ONE Digital Tech - Digital Tech Sector Insights for NE Scotland (June 2023)

<sup>32</sup> Source: Own elaborations on ONS - Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions (2023) [link](#)

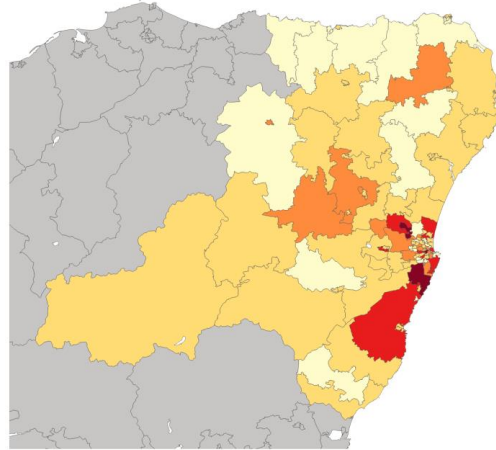
<sup>33</sup> Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)

<sup>34</sup> Source: Skills Development Scotland - Sectoral Skills Assessment: Digital Technologies (October 2023) [link](#)

# FINAL

## Employment in the Digital Sector by Intermediate Zone (2021)

Digital Sector Clusters ● Cluster 1: 500+ ● Cluster 2: 150 - 499 ● Cluster 3: 50 - 149 ● Cluster 4: 5 - 49 ● Cluster 5: 0

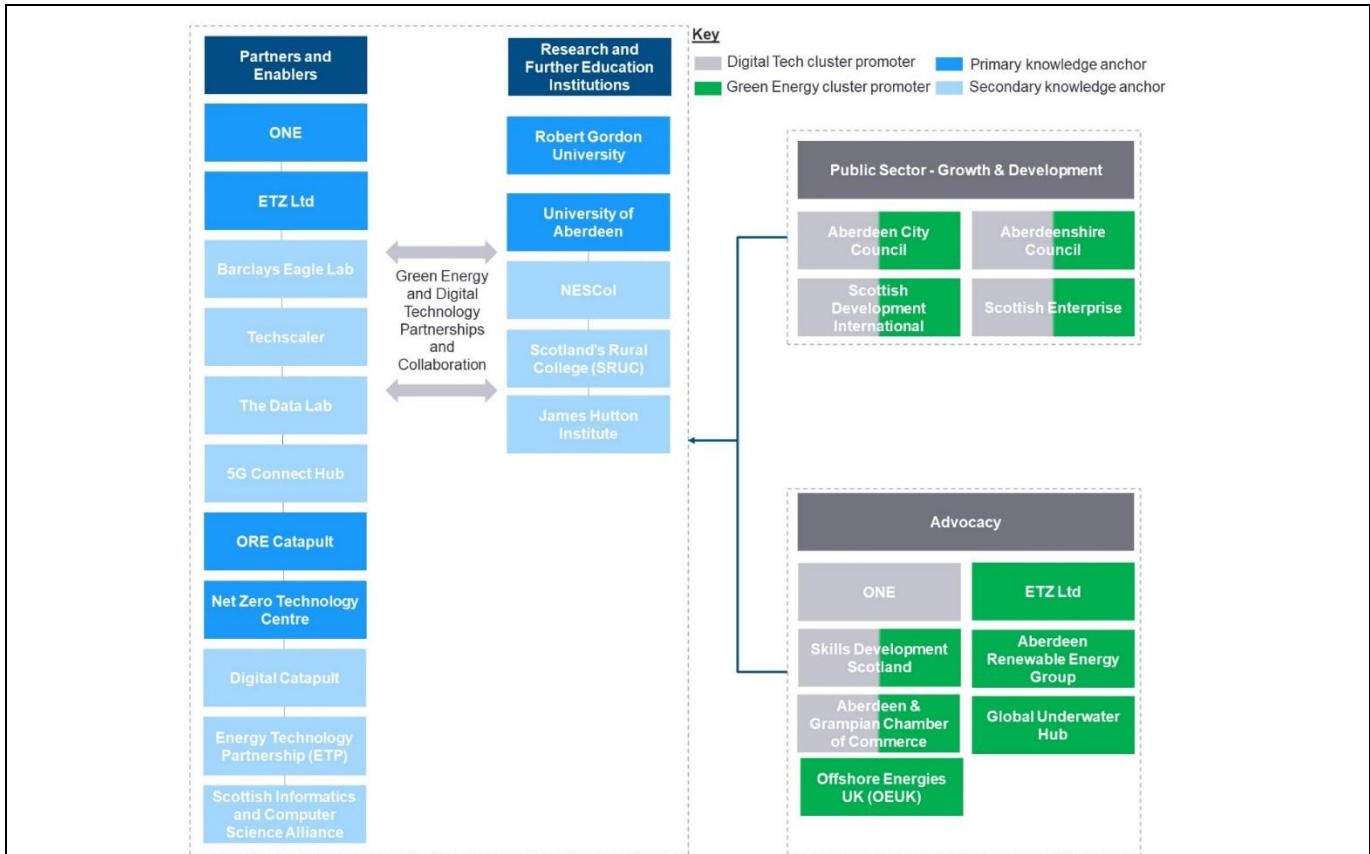


Nonetheless, Scottish employers throughout the Digital Technology are reporting numerous skill shortages: 23% of these businesses report a lack of basic data skills and 37% a lack of advanced digital skills among existing workforces<sup>35</sup>. This problem is further exacerbated when compounded with limited access to talent: Digital Tech businesses in NES have reported they struggle to attract and retain talent; graduates move to the central belt, or further afield, to larger companies that offer more competitive salaries, like the O&G sector<sup>36</sup>.

### Green Energy and Digital Technology Knowledge Anchors

<sup>35</sup> Source: ScotlandIS - Tech Experts asked to partner with schools to help shape education (2023) [\[link\]](#)

<sup>36</sup> Source: Optimat - ONE Digital Tech: Developing an Actionable Strategic Roadmap for the North East of Scotland (2023)



NES has a long academic heritage in Energy and Digital Technology research and development (with research in AI stretching back nearly 60 years), complemented by more recent development and innovation initiatives that underpin sector momentum, exemplified by:

- The University of Aberdeen submitted over 200 academic FTEs to REF 2021 in units of assessment aligned with Green Energy and Digital Technology (with 84% of activity across those units ranked internationally excellent or world-leading); post REF investment in Computer Science has grown academic capacity by another 20 FTEs. Key assets supporting the Green Energy sector include the Interdisciplinary Centre for Energy Transition, the National Decommissioning Centre, the Centre for Applied Dynamics Research, and the Fluid Mechanics Research Group (which plays a key role in advancing renewable energy technologies). The University also contributes significantly toward research and innovation intensity in Digital Technologies through its Interdisciplinary Centre for Data and AI that has attracted funding from UKRI, the EU and Industry and is a member of the UK's Turing Network.
- RGU has an international reputation for its industry-focussed inter-disciplinary research, thought-leadership, enterprise, and teaching with particular strengths in energy and digital, evidenced by national awards and listings. Key relevant assets include the National Subsea Centre, RGU Energy Transition Institute, Hy-One and digital visualisation and simulation suites. Energy and digital/data strengths include Integrated Energy Technologies and Net Zero Operations; Composite Materials; Economics and Workforce Dynamics; AI and Reasoning; Computational Intelligence; Interactive Machine Vision; and Cyber Security. The majority of these areas are interdisciplinary in their approach, particularly involving digital tech and energy. The University is particularly recognised for its entrepreneurial approach which is also embedded within its research and teaching programmes. For REF 2021 submission, 64% of activity across the computing science unit of assessment was internationally excellent and world leading and 58% for the engineering unit of assessment.
- The James Hutton Institute is a RESAS-funded interdisciplinary scientific research institute working in fields including food and energy security, biodiversity, and climate change; the Institute was instrumental in crafting the "2020 Route map for Renewable Energy in Scotland".
- ONE Tech Hub in Aberdeen serves as the focal point for the NES digital tech ecosystem, offering flexible space to grow and foster collaboration among businesses and the wider digital community. Since reopening in February 2022, its occupancy rates have more than doubled, going from 33% to 83%, housing incubators of national importance like CodeBase, Barclays Eagle Lab and Techscaler, as well as research and innovation partners like DataLab and 5G Connect Hub.

# FINAL



- Offshore Renewable Energy (ORE) Catapult is the UK's leading innovation centre for offshore renewable energy and operates the national Floating Wind Innovation Centre (FLOWIC), a recent partnership with ETZ Ltd focussed on development of commercially viable technologies applicable to floating offshore wind. It provides technical expertise and market pathway support alongside large scale plant test capabilities to scale supply chain growth.
- The Net Zero Technology Centre focuses on reducing carbon emissions through innovative research and technology, driving forward the agenda for a cleaner energy future, and the centre offers the TechX Clean Energy Accelerator, an ambitious programme for startups willing to accelerate the path to net zero.
- The innovation base of Aberdeen City is consistently ranked the best in Scotland for patent applications per capita and has been in the top 10 in the UK since 2015.
- NESCol, one of the largest providers of vocational education and training in Scotland, supports the digital and energy transition through dedicated skills courses. It is an active member of the Energy Skills Partnership and the National Energy Skills Accelerator (NESA). NESA is a collaboration between the University of Aberdeen (UoA), RGU, NESCol, Skills Development Scotland (SDS), and ETZ Ltd, which has secured £1 million from the Scottish Government's Just Transition Fund to enhance green energy skills development. This partnership aims to accelerate the training and skills needed for Scotland's energy transition, ensuring the workforce is well-equipped for the future demands of the energy sector.

Both the Green Energy and Digital Technology clusters are further enabled by financial services, physical assets such as the key three east coast ports, and Data Centres, that are detailed within 2.3, 2.4 and 2.8. Both clusters align closely with SG and HMG Government Policy detailed in question 2.9.




## Question 2.3: What are the constraints or unrealised opportunities that if addressed could boost the cluster's growth potential?

Your answer should not be longer than 500 words.

The NESIZ will deploy the financial, collaboration and investment levers of the IZ policy to unlock identified human, physical, intangible and financial capital constraints that exist across the region. These are considered below:

Key	
	Constraint for Green Energy cluster
	Constraint for Digital Technology cluster

### Human capital constraints and opportunities

-  **Existing Oil and Gas skill base:** One in five workers across the region is employed in the offshore oil and gas sector<sup>37</sup>. With 80% of skills in this sector transferable into renewable energy roles, this provides a generational opportunity to create the 14,000 workers needed to be reskilled by 2030 for renewable energy sectors<sup>38</sup>.
-   **Entrepreneurial activity:** IZ interventions are ripe for driving up entrepreneurial confidence and enhancing spin-out volumes. NES lags Scotland on entrepreneurial activity: only 6.1% of adults are engaged in early-stage enterprise (Scotland 8.8%) and only 30.6% of the non-entrepreneurial population feels equipped to start a business (Scotland 41%)<sup>39</sup>;

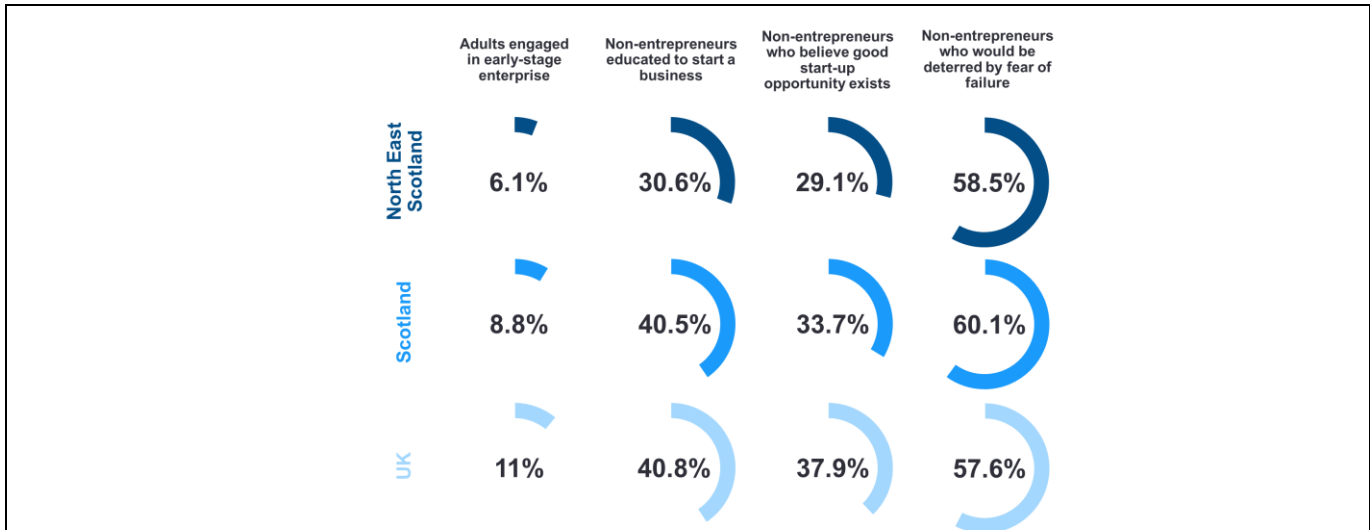
<sup>37</sup> Source: RGU Energy Transition Institute – Powering up the Workforce, 2023 [\[link\]](#)

<sup>38</sup> Source: RGU Energy Transition Institute – Powering up the Workforce, 2023 [\[link\]](#)

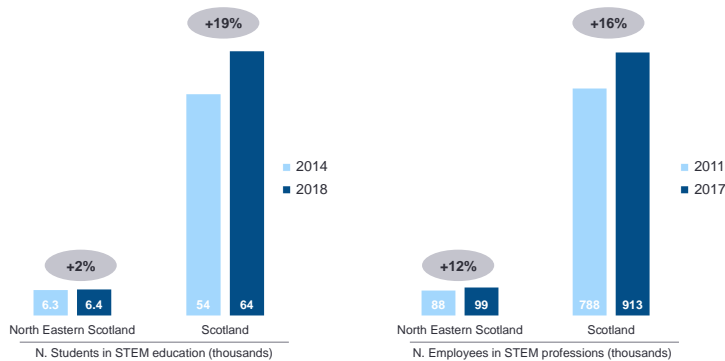
<sup>39</sup> Source: Global Entrepreneurship Monitor - Scotland Report 2022/2023 (2023) [\[link\]](#)



# FINAL



**STEM education volumes and career pathways:** Both target clusters offer STEM education routes that have faced slower growing full-time student numbers and employees than Scottish averages<sup>40,41</sup>. To meet the NES targets, both the digital tech and green energy sectors need to double their employment by 2030. Additionally, per 2.1 talent retention is a critical issue for NES business further underscoring the significance of addressing STEM education volumes and career pathways:



**Technology Demand:** With 2,689 Digital Tech jobs vacant across 2022, Aberdeen had the third highest shortage of tech talent in Scotland<sup>42</sup>, with businesses demanding a range of skillsets such as SQL (83%), JavaScript (78%), Python (67%) and Java skills (56%) through to broader software and web development (29%)<sup>43</sup>.

## Physical capital constraints and opportunities

**Supply of Industrial Land and Supply Chain Facilities:** Land assembly issues at both the Energy Transition Zone and Peterhead could be unlocked by NESIZ status which would enhance the development attractiveness of sites, alongside targeting higher quality developments to fill underutilised and empty sites. There is a significant investment pipeline of companies wishing to establish a footprint in NES, but the existing land and property offer does not meet the level of demand.

**Infrastructure services are inhibiting developable commercial plots:** Investment to enhance partial services of water, gas, telecoms and electrical infrastructure would bring prospective sites into use and more attractive for commercial development.

**Access to test and demonstration facilities:** Innovators require both the space to develop pre-commercial technologies and access to specific environments to test them, whether through structured access to commercial operations or dedicated demonstrator facilities or sandboxes. Dedicated test facilities in the region including the

<sup>40</sup> Own elaborations on UK Government (Department for Business, Energy & Industrial Strategy) - Total number of STEM students [\[link\]](#)

<sup>41</sup> Own elaborations on ONS - Employment in STEM occupations and industries, Scotland, 2011 and 2017 (2019) [\[link\]](#)

<sup>42</sup> Source: Tech Nation - People and skills report 2022 (2022) [\[link\]](#)

<sup>43</sup> Source: ScotlandIS - Scottish Technology Industry Survey 2024 (2024)



European Offshore Wind Deployment Centre, National Hyperbaric Centre, National Subsea Centre, National Decommissioning Centre, and FLOWIC will be better leveraged with growing supply chain in close proximity.

**Resilient physical data fabric and (high performance) computing infrastructure** is essential for deploying AI and digital technologies at scale and supporting the regional ecosystem's needs. The NESIZ will further strengthen existing HPC and GPU capabilities at the Universities and ensure accelerated deployment of AI and digital technologies, facilitate cutting edge R&D and catalyse innovation in the tech cluster.

**Innovation and commercialisation infrastructure:** limited access to dedicated and supported innovation and commercialisation spaces embedded within academic centres of excellence to accelerate the rate and scale of spin-outs, start-ups and industry-academic partnerships.

**Intangible capital constraints and opportunities**

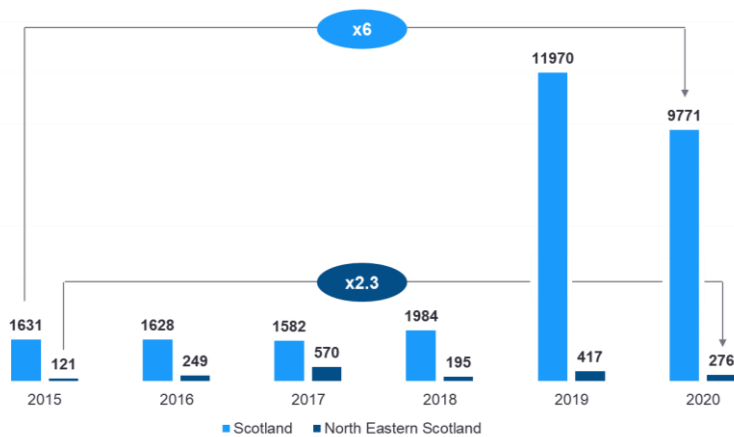
**Commercialisation of IP:** Applied research conducted in universities could be converted into commercialised businesses opportunities. As of 2023, the University of Aberdeen had a total of 19 spinouts that were still active three years after creation, while RGU had four (compared to UK average of 7). At the same time, research income from industry contracts per academic FTE was £10.5k (UoA) and £0.9k (RGU)<sup>44</sup>.

**Cohesive approach to scaling in some markets:** Given the nascency of some technologies and markets, such as floating offshore wind and the hydrogen economy, there is significant uncertainty in the activities across the value chain, their location and the regulatory framework that can lead to stasis or misaligned decisions. NESIZ engendered collaboration, and the application of tools and techniques including AI, geospatial modelling, research and multicriteria decision analysis can support development of the supply chain to capitalise on major investments in offshore wind, hydrogen and CCUS projects, rather than losing these opportunities over eas.

**Financial capital constraints and opportunities**

**Foreign direct and venture capital investment:** Since 2019, Aberdeen has only secured approximately £169m in VC investment (6% of the total investments made in Scotland); this is equivalent to £10.5 per £1,000 GVA, about half of the Scottish average of £18.8<sup>45</sup>. Focussing on the impact for the digital cluster using ICT as a proxy for investment, NES secured a 2.3 increase across the five years from 2015 to 2020, versus Scotland as a whole securing 6.0 multiplier.

Information and Communication net FDI international investment position (£ million) by region and year





**Funding uncertainty:** The NESIZ will shift positively project certainty and viability to unlock private investment and reduce project risks, to mitigate against rapid government policy shifts and inconsistent investment strategies

<sup>44</sup> Source: HESA HE-BCIS data [link]

<sup>45</sup> Source: Own elaborations on Dealroom.co database (2024) [link]

that can act as barriers to growth in Green Energy<sup>46</sup>, and in Digital Technology on costs of research and developing minimum viable products.

 **Access to funding for RD&I and investment pull:** There is an acute issue with early-stage funding within the Digital Technology company base, evidenced by Innovate UK and Research Council’s funding in the area amounting to £14m (3% of Scotland’s total funding and 0.3% of the UK’s); this equates to an investment of £28 per person (three times below Scotland wide averages)<sup>47</sup>.

 **Private sector resilience:** The number of private businesses within the North East has declined, reaching its lowest level since 2010 at 22,170 in 2022, and the business start-up rate in the North East, typically higher than in Scotland, has remained lower than the national average since the onset of the COVID-19 pandemic (18.2 business start-ups per 10,000 working-age adults in the North East, compared to 20.2 in Scotland).

## Geography

The questions below ask you to identify the proposed spatial focus of your IZ intervention and set out how this will support agglomeration, Levelling Up, and NSET. It also asks for information on potential tax and business rate retention sites to understand how they align with the existing and proposed spatial focus.

You should consider how the package of interventions you are beginning to design will come together across a coherent geography to be more than the sum of their parts. This might mean targeting specific support to increase R&D and mechanisms to encourage spinouts around the existing cluster of companies or core research assets, and then using interventions around local infrastructure and skills to ensure local communities in the surrounding area can benefit. You should think carefully about how this expresses itself geographically.

As you determine the spatial focus you should consider how any proposed sites, be they tax, NDR, or proposed sites for planning and bringing forward development, link to that economic geography. For example, where you are proposing tax levers you could set out how they are supporting agglomeration by encouraging businesses to cluster together around research institutions assets.

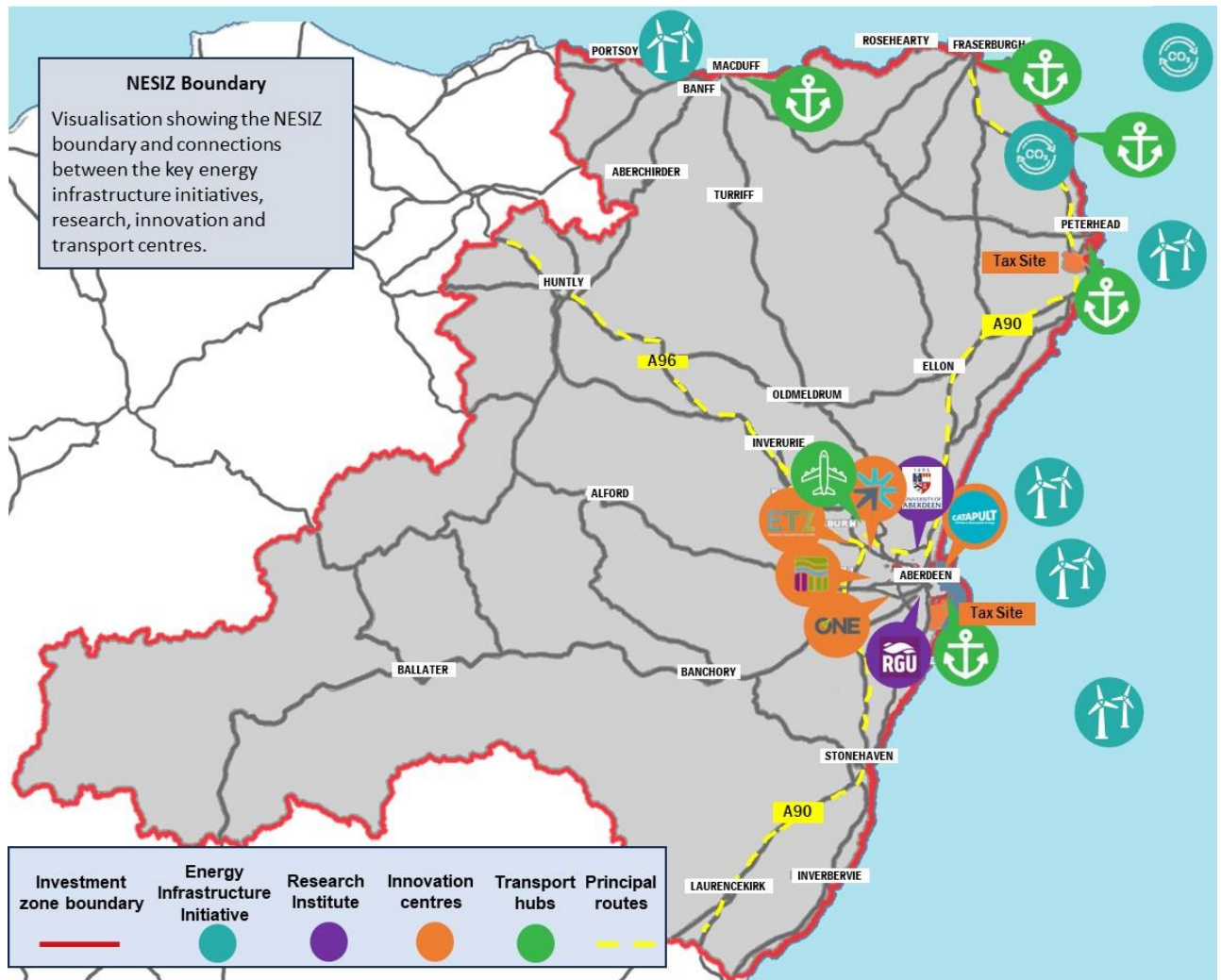
Geography
<b>Question 2.4: What is the proposed spatial focus of your IZ?</b>
<b>Your answer should not be longer than 500 words.</b>
<b>IZ Boundary</b>
The economic catchment of NESIZ covers a strategic, coherent and purposefully broad boundary across the North-East of Scotland, with the following rationale:
1. Maximises the inclusion of local growth and diversification areas and the regeneration priority areas , including SIMD data zones of deprivation and low pay, identified by National Planning Framework 4. The North-East of Scotland Regional Economic Strategy and the respective Council Local Development Plans, ensuring regeneration objectives align with regional and national strategy.

<sup>46</sup> Rt Hon Chris Skidmore MP – Mission Zero (2023) [\[link\]](#)

<sup>47</sup> Source: Own elaborations on UKRI - Geographical Distribution of UKRI Spend in 2019-20 and 2020-21 (2022) [\[link\]](#)

2. Unites all innovation assets across the North-East of Scotland and promotes maximisation of the supply chain opportunities that will emerge from the Acorn project in St. Fergus and the ScotWind and INTOG offshore wind opportunities.
3. All tax sites interlink with Aberdeen and Peterhead Travel-to-Work Areas and areas within a commutable distance of Aberdeen and Peterhead.

Both Tax Site boundaries represent underdeveloped, underutilised, and well-connected land parcels that will facilitate the development of large-scale onshore infrastructure, servicing substantial offshore wind and hydrogen activity – the rationale is captured in 2.5.



**Connectivity within the IZ boundary and Tax Site Interlinkages**

The IZ boasts unparalleled multi-modal connectivity strengths across land, sea and air, further enhanced by excellent broadband and 5G connectivity.

**Transport Connectivity:**

The IZ demonstrates critical reliable road connectivity that will ensure the supply chain base can interact and underlying goods and components can flow efficiently within the IZ and for wide export:

- A90 Trunk Road – Connects the proposed Tax Sites, Aberdeen international Airport, Aberdeen South Harbour, Peterhead, St. Fergus, Fraserburgh and the full Energetica energy corridor.
- Planned upgrades to the Hareness Road and Coast Road deploying £25m of City Region Funding to reduce journey times, improve access for wide loads and intermodal connectivity between the Energy Transition Zone and the rail freight network.
- Linkages between the Energy Transition Zone and the NETSRANS Aberdeen Rapid Transport ambitions, which would connect the Altens and East Tullos site with the city, alongside the regional ambitions for active travel.

## Sea Connectivity

- **Port of Aberdeen:** The £420m investment in the South Harbour expansion provides the international gateway for Scotland's Energy Transition Zone, creating direct-to-market export opportunities for high-value manufacturing across green energy sectors, providing a focus for supporting principal offshore wind developments off the North-East coast, deep port and subsea capabilities and hydrogen production.
- **Peterhead Port:** Providing a strategic shore-base for multiple offshore wind developments that can also support the acquisition and storage of goods for infrastructure projects such as the globally significant Acorn Carbon Capture & Storage plant. The Port also has the potential to support the export of green hydrogen derivatives and provide local offtake/use for vessels and local businesses and stakeholders.
- **Fraserburgh Harbour:** With key infrastructure such as a shiplift, dry dock, high value marine services including engineering, fabrication and specialist marine electronics Fraserburgh offers the opportunity for high quality vessel repair and maintenance, is experienced in operations and maintenance provision for offshore renewables in the Moray Firth, alongside freight and berthing that integrates into the wider east coast trade offer.

## Air Connectivity

- **Aberdeen Airport:** ABZ provides worldwide access for passengers and freight through a varied schedule of domestic and international flights and is a critical link in high value, high-tech supply chains that rely on the timely shipment of goods. The airport hosts leading global logistics providers and provides an offshore heliport alongside a prospective testing zone for drones use cases such as remote and automated emissions data collection and offshore wind monitoring.

## How will the IZ promote agglomeration effects?

IZ status will close the viability gap for attracting the right supply chain into the target sites and promote a concentration of knowledge sharing, innovation and collaboration within the NESIZ alongside the business space and facilities to amplify and accelerates initiatives such as:

- **Campus approach to securing green energy investment at Energy Transition Zone:** Within the Tax Site boundary Innovation, Skills, Wind, Hydrogen and Marine Gateway hubs connect within tight spatial distances of major research and innovation hubs in the city.
- **World leading research institutions in UoA and RGU:** Both with dedicated centres of excellence in relation to Green Energy and Digital Technology that drive research and innovation intensity in the region and nationally, providing knowledge exchange and IP licensing opportunities for current businesses, creation of new spin-out and start-ups by academic staff and students, degree programmes, short courses and upskilling opportunities.
- **ONE Tech Hub:** Is the home to north east Scotland's digital tech ecosystem and an ambitious cluster of tech start-ups and scaling businesses; providing a place where a fast-growing community of entrepreneurs and founders, innovative businesses and support organisations meet, share, learn, work and grow together within Aberdeen city centre, alongside a tech enabled learning space for schools, tech industry led Foundation Apprenticeships, and STEM and digital programmes equipping people with the required digital tech skills.
- **Energy Incubator and Scale-up Hub:** ETZ Ltd in partnership with the Net Zero Technology Centre, National Manufacturing Institute Scotland, BP and Scottish Enterprise are spearheading a £9m 3000m<sup>2</sup> facility to support supply chain expansion and deliver a cutting-edge innovation ecosystem within the Energy Transition Zone. IZ interventions will underpin the EISH to provide a focal point of support for start ups and scaling companies in high value manufacturing to form a critical hub for cluster networks and industrial expansion.
- **ORE-Catapult Floating Wind Innovation Centre:** In partnership with ETZ Ltd sits at the centre of the Wind Campus of the Energy Transition Zone and supports technology development, test, validation, and collaboration on floating wind. ORE's role as a lead innovation partner for the IZ will draw collective benefit alongside providing concept testing facilities to businesses when the site is fully developed following IZ status.
- **W-Zero 1 Facilities:** A case study in these effects: Investment in vacant property has unlocked 100% occupancy within 6 months of fully opening with three anchor tenants including creation of Floating Wind Innovation Centre (FLOWIC) and five co-working tenants.

## How will the IZ deliver Levelling Up?

**The IZ will grow the private sector boosting productivity, pay, jobs and living standards against the post oil counterfactual**

The IZ will facilitate both entry-level and high skilled job growth across the Investment Zone attracting new component manufacturers, Digital Tech, and maintenance and operations companies to North-East Scotland and encouraging

expansionary investment in skills from local and national firms. The Tax Sites provide a nucleus for job growth; the ETZ site is neighboured by areas of high deprivation such as Torry East (with an income deprivation rate of 22%), Torry West (16%) and Kincorth, Leggart and Nigg North (13%) – the conversion of undeveloped or poorly utilised land into effective employment space will generate job creation, alongside growth of the Digital Energy sector in the city centre, which is also near the SIMD zones. The Tax Site in Peterhead is underdeveloped and also interlinks and targets employment from some of the top 10% most deprived areas in Scotland; Peterhead Harbour and Ugieside for example are both SIMD zones where income deprivation exceeds 20%, and employment deprivation exceeds 15%, and both have nearby Town Centre focussed Levelling Up Funded projects. The Aberdeenshire wide boundary facilitates targeted interventions beyond the Tax Site, utilising UoA, RGU and NESCol regional footprints to drive levelling up objectives and spans research and innovation as well as education pathways to promote green energy and digital workforce participation and inclusion to 2030 and beyond.

**The IZ public investment will be a multiplier force for private investment**

Scotland’s spend on Research and Development is growing slower than other UK country and regions (4.9% versus 7% UK wide between 2020 and 2021) and is also comprised of a smaller volume of business research and development investment (1.85% versus 2.01% UK)<sup>48</sup>. Per question 2.8, the prospect of the IZ is encouraging business to accelerate R&D investment to leverage the fiscal incentives, increased direct involvement and collaboration of the research institutions and clustering effects of companies in similar industries working in close spatial networks.

**The IZ will intervene on skills outcomes in the region**

The IZ will develop interventions for Gateway 4 that target skills shortages in Green Energy and Digital Technology clusters and drive-up tertiary skills in the population. On Green Energy these could include Aberdeen’s Energy Transition Skills Hub<sup>49</sup>, to be located within the Energy Transition Zone and the National Energy Skills Accelerator (a partnership between the three local academic institutions), which through the Just Transition Fund provided over 650 fully funded training places across NESIZ to meet the Future Energy Skills needed in 2030<sup>50</sup>. Digital skills development and inclusion will be powered by NESIZ building on the success of existing partnerships such as the Aberdeen Computing Collaborative between (Aberdeen City Council, UoA, RGU, NESCol and ONE), alongside programmes such as the ONE Digital Accelerator in conjunction with CodeBase.

Supporting the development of digital technology skills is an important way to address inequality, as these roles are expected to increase in number and often offer higher-than-average salaries. Additionally, encouraging collaborative efforts to rapidly retrain the existing workforce, who are at risk of displacement due to technological advancements, plays a crucial role in assisting employers and promoting equality.

**Please only complete 2.5 if you intend to propose tax sites.** If you do not wish to propose tax sites, please simply include N/A in bold in that box. If you propose tax sites, you will be responsible for attracting investment to the sites and should work with landowners to ensure that investment on the site is appropriate and can demonstrably support growth of the cluster and the wider objectives of the IZ. You should be able to demonstrate an ability to ensure this, e.g., plans for MoUs with relevant landowners.

**Early indications of tax interventions**

**Question 2.5: How many tax sites are you proposing, and where are you planning to locate those tax sites?**

**Map and up to 500 words**

**Tax Site 1: Aberdeen – Energy Transition Zone**

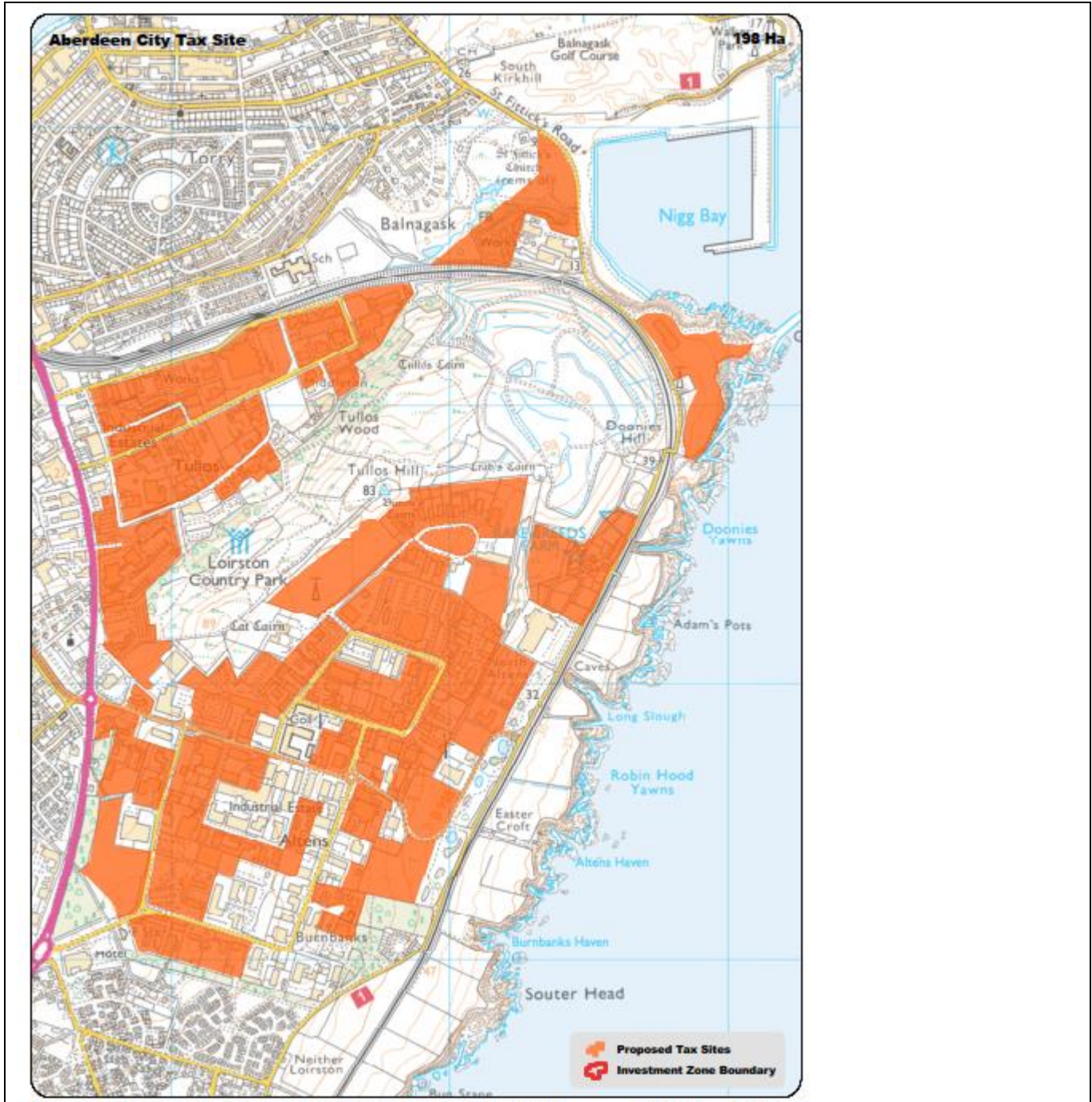
<sup>48</sup> GERD Statistics Scotland 2021

<sup>49</sup> [ETZ | Aberdeen’s New Energy Transition Skills Hub Set to Open in 2024... \(etzlimited.com\)](https://www.etzlimited.com)

<sup>50</sup> [NESA | Just Transition Fund – Future Energy Skills 2023-2030 \(the-nesa.org\)](https://www.nesa.org)



# FINAL




© Crown copyright and database right 2024. All rights reserved. Ordnance Survey Licence number AC0050851922

Map Produced: 24/04/2024

	Response
<b>Total hectares</b>	198 hectares
<b>Postcodes that will be included across tax sites</b>	AB11 8TT, AB11 8TU, AB12 3AX, AB12 3AY, AB12 3BG, AB12 3BH, AB12 3BJ, AB12 3BQ, AB12 3BS, AB12 3BT, AB12 3GX, AB12 3GZ, AB12 3HB, AB12 3HT, AB12 3JX, AB12 3JZ, AB12 3LB, AB12 3LE, AB12 3LF, AB12 3LG, AB12 3LH, AB12 3LT, AB12 3LU, AB12 3LW, AB12 3LY, AB12 3PG, AB12 3QL, AB12 3QY, AB12 3SN.
<b>Assessment against underdevelopment criteria</b>	<p>The tax site is comprised of:</p> <ul style="list-style-type: none"> <li>• 26 hectares undeveloped greenfield land at the North of the site and well connected into the Port and Harbour.</li> <li>• 47 hectares of undeveloped brownfield land.</li> </ul>

## FINAL

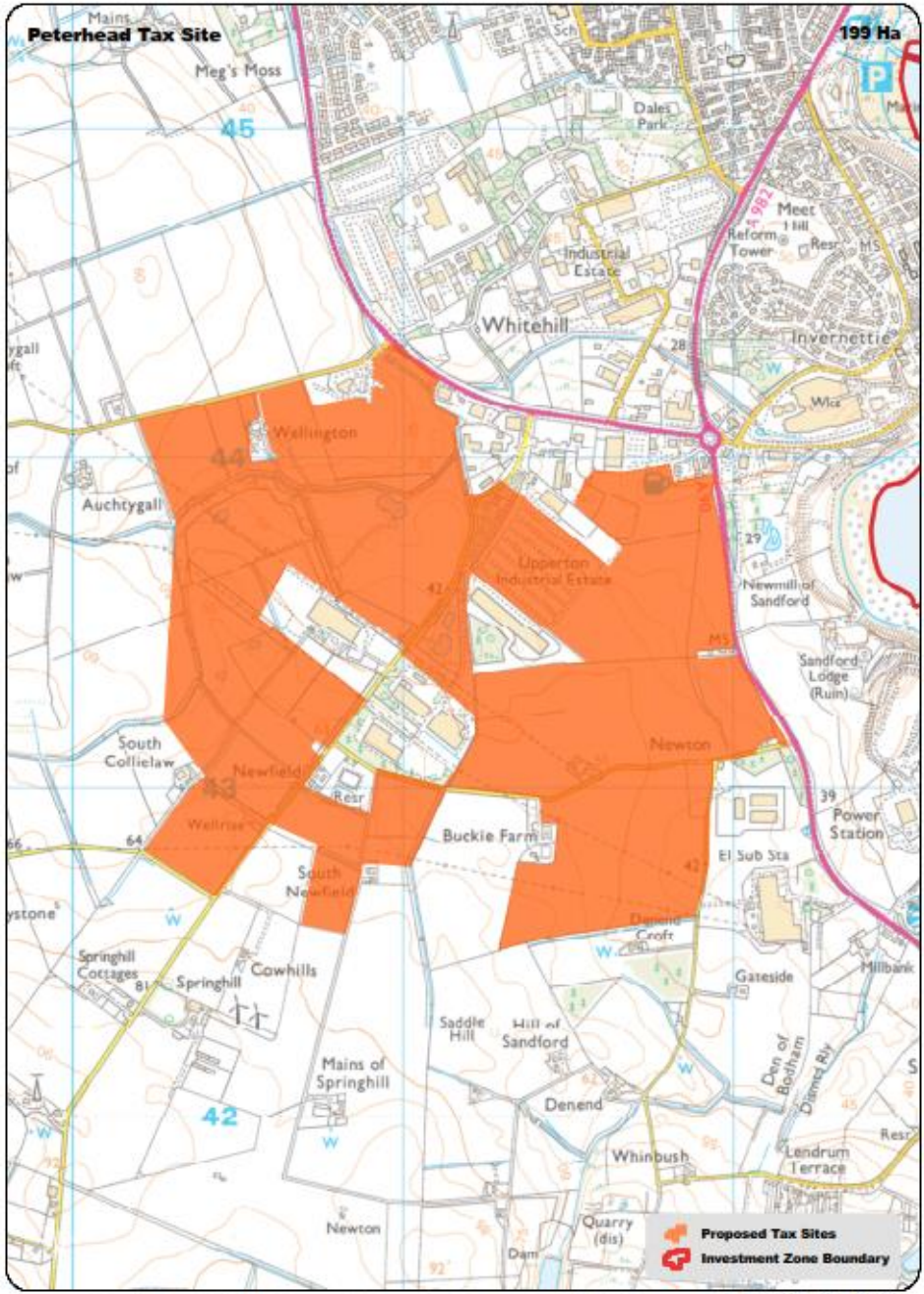
	<ul style="list-style-type: none"> <li>125 hectares of underutilised land, comprised of either vacant buildings, buildings with lease events requiring refurbishment, or buildings suitable for redevelopment, in all cases allowing new or expanding businesses to construct, renovate, purchase or lease.</li> </ul> <p>All tax site land is suitable for development or offer the opportunity for renovation and/or site assembly to attract new investment through either purchase or lease resulting in redevelopment of assets at the end of economic life for growth and job creation.</p> <p>A significant exercise has been undertaken to exclude all buildings that do not meet the undeveloped criteria, and those who do not have lease events in the next five years.</p>
<b>Landowners</b>	<p>Primary landowners are Aberdeen City Council, Shell, Port of Aberdeen and Forbes Homes Ltd who have all provided letters of support, alongside letters of support from real estate developers confirming the importance of fiscal incentives to support financial viability of future development and investment. ETZ Ltd was established to support the transition of this site and effectively manage, with its partners, the landowners on the site.</p>
<b>Planning status of the site</b>	<ul style="list-style-type: none"> <li>National Planning Framework 4 designates Aberdeen South Harbour as a National Development, including regenerating existing industrial land and reorganising land use around harbour in line with LDP. Planning Permission in Principle application is pending.</li> <li>Aberdeen LDP 2023: Allocates land for Energy Transition Zone. There is a presumption in favour of development required to support renewable energy related industries.</li> <li>The ETZ Masterplan has been adopted as Aberdeen Planning Guidance January 2024.</li> <li>Planning Permission in Principle submitted.</li> </ul> <p>All national and local planning policy and guidance supports the regeneration of the existing brownfield industrial estates.</p>
<b>Agreement from landowners</b>	<div style="text-align: center;">  <p>Aberdeen Tax Site - Letters of Support.pdf</p> </div>
<b>Why tax site is needed to support proposal</b>	<p><b>Land and Site Quality</b></p> <p>High vacancy is a common trend across the tax site, around 100,000 metres squared is currently vacant (30% of Aberdeen’s Industrial Supply). Recently relinquished space is either being demolished or occupied by charities to mitigate against vacant business rates. Rateable values fell by around 20% in 2023, and 93% of properties require refurbishment and little development has taken place in recent years. Without intervention these trends will continue, however properties that have had investment to refurbish or repurpose have had success in attracting occupiers and investment.</p> <p><b>Viability</b></p> <p>The coordinated existing Investment plans underpinned by ETZ Ltd include £53m of confirmed funding from UK and Scottish Governments to deliver infrastructure improvements and innovation projects. There is significant infrastructure development of regional and national significance in the tax site, including £420m Port of Aberdeen South Harbour and Aberdeen Harbour Link Road (funded by Aberdeen City Region Deal) and will open in 2027.</p> <p><b>Unlocking Economic Opportunity</b></p> <p>The site has significant economic potential to be regenerated into an exemplar low-carbon innovation, supply-chain, and advanced manufacturing hub built on existing established cluster of energy companies such as Shell, Wood, and the Aberdeen Hydrogen Hub, a joint venture between bp and Aberdeen City Council. Letters of support have been provided from potential new investors demonstrating the opportunity. The Energy Transition Zone also holds some of the innovation assets that will leverage the deep Port and subsea assets within the boundary. ETZ Ltd are delivering significant interventions in development and innovation such as the Floating Wind Innovation Centre, Energy Incubator, Scale Up Hub and Energy Transition Skills Hub, which will enable the region to continue to support Green Energy growth and high-value jobs.</p> <p><b>Summary</b></p>



# FINAL


The Tax Site is ideally timed to build on the green energy cluster and landmark investments, NESIZ status would unlock immediate investment given the strong planning context and buildings ripe for refurbishment. The proposed tax site compliments wider Investment Zone proposals and proposed Aberdeenshire tax sites, in terms of delivery timeframe and target sectors. The existing brownfield properties have an imperative role to play.

## Tax Site 2: Peterhead



	Response
<b>Total hectares</b>	199 hectares
<b>Postcodes that will be included across tax sites</b>	AB42 3AE, AB42 3AF, AB42 3AJ, AB42 3AL, AB42 3BD, AB42 3BH, AB42 3BJ, AB42 3BZ, AB42 3GL, AB42 3GT, AB42 3JH, AB42 3JP, AB42 3JQ

## FINAL

<b>Assessment against underdevelopment criteria</b>	<p>An undeveloped site with no known constraints preventing development and expansion this site offers marine access via the Peterhead Port, closely connected to large employment zones across Peterhead and connection to Aberdeen and St. Fergus via the A90 trunk road.</p> <p>All occupied premises and any sites with significant incumbent employment have been removed from the proposed tax site, leaving only empty land and/or serviced but vacant and undeveloped sites.</p>
<b>Landowners</b>	<p>There are a significant number of landowners within the Peterhead Tax site. The key landowners include Scottish Enterprise, Score and SSE. NESIZ have received letters of support from landowners with a significant share of land within the tax site. The governance committee will monitor progress and continue to engage smaller landowners within the tax site as the Investment Zone develops.</p>
<b>Planning status of the site</b>	<ul style="list-style-type: none"> <li>• National Planning Framework 4: Identified as an Industrial Green Transition Zone</li> <li>• Allocated within the Aberdeenshire Local Development Plan 2023. Appendix 7B: Settlement Statements Buchan</li> <li>• There is a presumption in favour of development required to support renewable energy related industries.</li> <li>• R2 Reserved for development related to major energy development (NPF3)</li> <li>• CC1 Commercial Centre</li> <li>• OP4 Employment Land</li> <li>• OP5 Employment Land</li> <li>• BUS4 Safeguarded for Business Uses</li> <li>• SR1 Strategic Reserved Land</li> </ul>
<b>Agreement from landowners</b>	<div style="text-align: center;">  <p>Peterhead Letters of Support.zip</p> </div>
<b>Why tax site is needed to support proposal</b>	<p><b>Land status</b> The site is undeveloped, with no known constraints preventing development and expansion. There are no planning permission or masterplans in place for this tax site.</p> <p><b>Viability</b> Aberdeenshire Council are currently dealing with a number of pre-planning enquiries related to green energy, offshore wind supply chain and hydrogen production. Fiscal incentives, such as tax reliefs may unlock these enquiries and encourage projects from feasibility stage into development here rather than elsewhere in UK/Europe.</p> <p><b>Unlocking Economic Opportunity</b> Despite the obvious opportunities and resources in this area, the private sector can lack confidence as a result of historic socio-economic issues and market failure. The geographical constraints of a tax site in Peterhead, along with natural synergies between industries, easy access to Peterhead Harbour, a critical mass of wind energy and network upgrades would help facilitate a cluster of skilled workforce, partnerships, innovation, and research to address common challenges facing the industry. This links to preliminary work for reopening strategic rail connectivity between Fraserburgh and Peterhead.</p> <p><b>Summary</b> Within NPF4 Peterhead's role as an industrial green transition zone has been identified as a key strategic vehicle for industrial decarbonisation, energy generation, and the transportation and storage of captured carbon given its port access, natural access to key storage sites and connectivity to St. Fergus and Aberdeen.</p>

**Please only complete 2.6 if you intend to propose NDR sites.** If you do not wish to propose NDR sites, please simply include N/A in bold in that box. If you propose NDR sites, you should work with the relevant billing authorities to ensure that any growth in business rates relative to the agreed

# FINAL

baseline is used to support the growth of their sectoral cluster, that this is guided by a clear strategy for reinvestment, and that decisions about the use of retained business rates are taken in an appropriate, transparent way that enables you to remain responsible to UKG and SG for the overall IZ programme.

Early indication of Non-domestic Rates Retention (NDRR) sites
<b>Question 2.6: How many NDRR sites are you proposing, if any, and where are you planning to locate those sites?</b>
<b>Your answer should not be longer than 500 words.</b>
The NDRR sites are consistent with the tax sites proposed in Question 2.5. Per guidance from DLUHC, refer to Question 2.5 for further detail.

## Planning

Developments will be expected to take account of the Scotland's National Planning Framework (NPF4), and the relevant local development plan for the area (which together form the development plan). Areas should look to best practice and follow innovative approaches where they would add value. These could include the establishment of project-focussed teams, proactive master-planning, use of planning protocols or processing agreements and aligning consent procedures where appropriate. We envisage each area using their core IZ funding to support this planning offer.

We expect planning interventions to contribute to physical intermediate outcomes as development sites are unlocked at a faster rate (and at a higher quality) through these activities to speed up the planning process.

Early indication of planning interventions
<b>Question 2.7: How will your planning offer help accelerate the progress of the IZ proposal.</b>
<b>Your answer should not be longer than 500 words.</b>
The Peterhead Tax Site has been designated both National Development status by National Planning Framework 4 and Industrial Green Transition Zone status. The Aberdeen Energy Transition Zone Tax site lies adjacent to the Aberdeen South Harbour, also a designated National Development by National Planning Framework 4. Each Tax Site has been designated by the respective Aberdeen City and Aberdeenshire Local Development Plans as areas where development within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997 as amended will be supported.
To accelerate investment and growth within the IZ, we will develop and adopt a masterplan for each Tax Site. Masterplans will provide the framework for high-quality phased development of Tax Sites and a programme for delivery of essential infrastructure required including interventions contained within the Regional Transport Strategy. Masterplans will ensure development is situated in the right location and timing is used in the delivery of the Tax Site intervention, maximising development and investment opportunities and economic, social, and environmental value.
Tax Site Masterplans will be developed through a co-design process with landowners. A masterplan has already been developed for the Aberdeen Tax Site and a masterplan will be developed for the Peterhead tax site. Thereafter, once Section 15 of the Planning (Scotland) Act 2019 has been enacted, masterplan consent area schemes (MCAS) will be developed for each Tax Site. An additional MCAS will be developed for a strategic housing site within Peterhead to expedite the delivery of a supply of high-quality energy efficient modern housing for the incumbent workforce associated with the development of the Peterhead Tax Site.
MCAS act as a grant of authorisation for carrying out, within the area to which the scheme relates, development that is specified within the scheme. They remove the need to formally obtain planning permission and de-risking investment. Until Section 15 of the Act has been enacted and MCAS delivered, development within designated IZ Tax Sites will be

# FINAL

regulated through a planning protocol developed by Aberdeen City Council and Aberdeenshire Council (planning authorities for the IZ area) and Tax Site landowners.

The planning protocol will ensure that the councils prioritise the determination of IZ planning permission applications and other associated regulatory consent applications that need to be obtained by investors/ developers. To achieve this, the protocol will ensure:

- Both councils identify a single point of contact within the respective regulatory services to deal with IZ development proposals, ensure uniformity of process and consistency of interpretation of policy and proposals to expedite the consenting process.
- A mechanism to escalate issues to senior officers when agreed timescales and actions are not being met in the interests of expeditious decision making.
- The use of Planning Performance Agreements for larger and more complex proposals, to programme manage proposals from pre-application, through to application submission, determination, and discharge of conditions.
- The councils' internal consultees provide clear consistent advice on applications and pre-application.
- Pre-application engagement at initial stages in the formulation of a project to identify issues and solutions early.

## Private Sector Investment and Support

The policy prospectus set out the programme's intention to grow the private sector and ensure IZ proposals were of a scale required to leverage in private sector investment. This question is focused on understanding:

- Private sector support for the overall proposal
- Existing and future investment opportunities
- Scope to attract additional or expanding businesses

At Gateway 4 we will ask about your plans to leverage in private sector funding, so please consider that as you answer this question.

### Private Investment

#### Question 2.8: How will the IZ proposal help to secure additional private investment?

Your answer should not be longer than 500 words.

NESIZ's proposition has been designed to align with and capitalise on the evidenced Green Energy and Digital Technology investor momentum in the region and build on SG's Shaping Scotland's Economy Inward Investment strategy. Designation of NESIZ will drive the next wave of investment in these clusters, unlocking investment in the private investment market by significantly enhancing the viability case for hard and soft infrastructure, innovation and research and expansionary investment and providing planning and funding certainty. The region has a track record in securing investment from diverse sources including:

Category	Landmark engaged investors in the region
Sector specific private investment	<p><b>Opportunity North East:</b> Private sector catalyst diversifying NES's economy with a focus on digital tech.</p> <p><b>ETZ Ltd:</b> Private sector-led, not for profit organisation spearheading Scotland's energy transition ambition with a focus on supporting delivery of an Energy Transition Zone in NES.</p>
Sustainable Real Estate and Infrastructure	<p><b>Green Volt:</b> a £3bn 50-50 joint venture between Aberdeen based Floation Energy and Norwegian Vårgrønn in floating wind project in NES.</p> <p><b>Ineos:</b> £1bn investment to power Ineos's Grangemouth plant with hydrogen made from natural gas while capturing the carbon dioxide; this will provide the tier one and supply chain opportunities needed for company growth within the Energy Transition Zone.</p>

## FINAL

Institutional Investors	<p><b>Par Equity Ventures:</b> Launched a £100m fund to invest in digital tech companies in Scotland.</p> <p><b>Scottish National Investment Bank:</b> Development investment bank established to support Scottish business to deliver environmental, social, and financial returns. SNIB has a portfolio of green energy investments, such as: Port of Aberdeen, Trojan Energy, Iona Wind Partnership amongst others.</p> <p><b>Green Investment Group:</b> A specialist investor dedicated to the green transition, managing a £1bn fund targeting green energy projects across Scotland to accelerate sustainable development.</p>
VC and Angel	<p><b>ETZ Challenge Fund Grants:</b> Funding ranging from £50k-250k to accelerate green energy innovation with multiple investments in NES green energy SMEs.</p> <p><b>EOS Advisory:</b> A venture capital firm that invests in science, engineering, and technology sectors, leveraging its co-investment status with Scottish Enterprise to fund innovative projects.</p> <p><b>One Tech Hub:</b> With a £1.5 million investment, ONE Tech Hub aims to accelerate digital tech business growth and enhance the broader entrepreneurial ecosystem in NES.</p>
Public	<p><b>Aberdeen City Region Deal:</b> Focused on capitalising on economic opportunities to drive growth and diversification in the region.</p> <p><b>UKRI:</b> Public body that funds research and innovation in the UK across all academic disciplines and sectors, including universities, research organisations, businesses, charities, and government departments.</p> <p><b>Scottish Government Emerging Energy Technologies Fund:</b> Designed to support the development and implementation of new energy technologies in Scotland, aiming to accelerate the country's transition to a low-carbon future.</p>

All will be engaged through the NESIZ investor activities to promote the benefits of the NESIZ, activity coordinated in conjunction with Invest Aberdeen, Chamber of Commerce, ONE and ETZ Ltd to be detailed in Gateway submission 5. Further, the following table sets a shortlist of qualified, high-value investment opportunities for whom all have been engaged on prospective Tax Benefits of the NESIZ and investors who have acknowledged the importance of designation to their investment decision:

Investment opportunity	Sector	Opportunity summary	Investment status
Offshore Wind Supply Chain	Green Energy	Inward Investment enquiry associated with manufacture of anchor and mooring systems associated with offshore wind	Detailed discussions ongoing with Aberdeen selected as preferred location
Offshore Wind Supply Chain	Green Energy	Established manufacturing company seeking to develop a secondary steel manufacturing facility to meet demand from offshore wind	Detailed discussions ongoing underpinned by strong demand for product
Offshore Wind Supply Chain	Green Energy	Large multi-national supply chain company looking to expand operations in North East to support delivery of offshore wind and hydrogen projects	Recent merger and fundraise has accelerated expansion and transition plans. Initial base established within Aberdeen Tax site and discussions to progress operations facility ongoing
Offshore Wind Developer	Green Energy	Offshore Wind developer seeking to establish O&M base. Further enquiries of similar nature are also at an earlier stage	Initial discussions have taken place and expected to progress following recent consent
Offshore Wind – Supply Chain	Green Energy	Engineering, fabrication and site servicing supply chain company	Detailed discussions ongoing underpinned by strong demand for product
Hydrogen production	Green Energy	A large international energy company interested in hydrogen production and possible applications in production of emethane, emethanol in Peterhead	Detailed discussions ongoing.



# FINAL


<b>Hydrogen production &amp; export</b>	Green Energy	HyLion has an international network of partners developing a project to establish an end-to-end green hydrogen supply chain from Scotland to Germany	Seeking investment, with plans to be operational by 2027
<b>Hydrogen production &amp; export</b>	Green Energy	£1BN project to produce liquid hydrogen and export to confirmed off-takers in Germany with associated significant supply chain benefits	Detailed discussions ongoing with FEED.
<b>Hydrogen – supply chain</b>	Green Energy	Established supply chain company have secured new investment and seeking to develop volume manufacturing facility for hydrogen storage	Detailed discussions ongoing with Investment dialogue continuing through 2024
<b>CCUS</b>	Green Energy – CCUS	International energy company seeking to establish CCUS manufacturing base in the region	In development
<b>Large data centre</b>	Digital Technology	An international technology company will develop a 200MW-300MW hyperscale data centre. Land search ongoing. A 200MW facility will generate 154 jobs with an average salary of £72k. CAPEX is expected to be £1.9bn	Commitments made and Phase 1 construction in 2026

The list reflects the different growth trajectories for both sectors – the Digital Tech sector is focussed on entrepreneur growth, with additional private sector investment opportunities arising in later years.








## Strategic Alignment

IZ's sit within a wider set of interventions both from central and local UKG and SMG. This ranges from local initiatives, such as the work of job centre pluses, local skills improvement plans and local business/sector initiatives, to strategies such as the [NSET](#), [SG's National Innovation Strategy](#), [UK Science and Technology Framework](#), [the UK's technology strategy](#), and major planned infrastructure. Please use the answer to this question to consider how your IZ proposal can align with and amplify existing local and national strategies to support the programme's aims wherever possible.

REPs should also, throughout the design and delivery of their IZ proposal, ensure that is done in a way to ensure additionality.

Strategic assessment		
Question 2.9: How will the IZ interact with other live policy interventions?		
<b>Your answer should not be longer than 250 words.</b>		
Local and national economic policy has been a fundamental consideration for the regions Investment Zone ambitions, with complementarity assessed below:		
Policy	Complementarity	Basis for Assessment
National Policy		
Scotland's National Strategy for Economic Transformation (NSET)	 High	The NSET commits to strengthening Scotland's position in new markets (e.g., hydrogen, offshore wind, CCUS) and boosting Scotland's contributions to the digital revolution. The IZ can help meet these commitments due to its unique physical, enterprise and innovation capabilities. NESIZ will be a key delivery vehicle for the NSET Productive Businesses and Regions ambitions, directly realising the ambitions of

## FINAL

		Project 10: unlocking the potential of the economic and community assets and strengths of Scotland's Regions.
National Just Transition outcome	 High	NESIZ will contribute directly toward the Scottish Government's National Just Transition Outcomes through accelerating decarbonisation in the NES whilst supporting innovative technologies to commercialise, ready for export across Scotland, the UK and internationally.
Scottish Government's Fair Work First Policy	 Medium	The governance of the Tax Sites will facilitate a key interface with individual tenants to allow Government policy to be embedded; for example, all businesses within the NESIZ will be supported to build capacity around the principles of Fair Work First, ensuring jobs are high-quality and attractive, including groups traditionally underrepresented and facing barriers to employment.
Scotland's AI Strategy	 High	The Scottish AI Strategy is designed to foster investment in the AI ecosystem and facilitate the transition to an AI-enabled economy. This speaks directly to the ambitions of the Digital Tech sector. Additionally, the NESIZ capability strands in AI powered asset management systems providing round-the-clock snapshot of an Energy assets performance condition and future states of safety-critical systems targeted by the AI strategy.
UK and Scottish Government's Innovation Strategies	 High	The strategies set the vision and supports UK's (and Scotland's) research, development and innovation system. The Scottish strategy specifically speaks to the need to create value for all aspects of society, including developing a road map to Net Zero. This speaks directly to the ambitions of NESIZ, and the interconnectivity between the sectors.
Entrepreneurial Campus Blueprint for Scotland	 Medium	NESIZ will be a key delivery vehicle for the Scottish Government Entrepreneurial Campus Blueprint which also integrates with NSET. The Blueprint captures the role of the higher education sector as a driving force for the entrepreneurial ecosystem.
<b>Regional Policy Initiatives</b>		
North East Regional Economic Strategy 2035	 High	NESIZ delivers on objectives 1, 2 and 3 of the RES; placing the region as a pioneer of energy transition and digital tech, diversifying the economy, maintaining its share of Scotland's overall GVA and increasing economic participation; mitigating the risk of employment displacement out of the region as oil and gas production declines.
Aberdeen City Region Deal (ACRD)	 High	The IZ will leverage the physical investments already supported by the ACRD, including key transport projects (including Aberdeen Port), the energy innovation investment in NZTC, SSCE and university investment to drive technology to develop a specialist high-value supply chain.
<p><i>Steps to support additionality and mitigate displacement.</i></p> <p>NESIZ recognises the risk of displacement and will design a number of safeguards within its Governance model, for example through undertaking investment assessments and withholding levers. The Governance design will be detailed in Gateway submission 3.</p>		

## Objectives

IZs are about boosting productivity, providing more high priority jobs in places and levelling up the economy. As you answer this question you should consider the specific objectives you intend to deliver through an IZ and how these will contribute towards the overall programmes objectives as set out in the prospectus:

- Growing strengths in national priority sectors;
- Addressing economic disparities that persist between and within regions.



# FINAL

You should set out how your IZ will:

- Boost productivity in the region
- Increased real earnings for high and low skilled workers within the region
- Increased international competitiveness of companies within the cluster
- Internationally demanded new technologies

You should begin to consider how the objectives you described at this stage will influence the interventions you pursue and the outputs/outcomes you will focus on delivering.

Outcomes
<b>Question 2.10: Taken together, how will the sectoral focus and geography of IZ intervention support the overall IZ programme objectives?</b>
<b>Your answer should not be longer than 500 words.</b>
NESIZ has ambitions to deliver on all of the IZ objectives.
<b>Target 1: Boost productivity in the region</b>
<i>Protecting and boosting productivity</i> NES has witnessed a decline in its working-age population (16-64) of 4% (~14,000 individuals) in six years, in contrast to Edinburgh and Glasgow which have increased 5%. Worker productivity in NES, once the highest in Scotland, has been falling with real GVA per head at £31,586 in 2021 the lowest it has been since 2005, bar 2020. The prospective productivity benefits realised through NESIZ focus on innovation, digitalisation and automation therefore offer an alternative route to maintaining cluster productivity beyond relying on new job migration.
<i>Developing commercial and industrial space</i> The target clusters will attract new and expansionary investment both directly through bringing c.350 hectares of undeveloped land into effective employment use, and indirectly through wider supply chain benefits in the region. 199 hectares at the Peterhead Tax Site will be converted from vacant and undeveloped land into thriving Offshore Wind, Hydrogen and Alternative Fuel high-density employment sites. In Energy Transition Zone 112 hectares of greenfield and brownfield land will secure the investment required to unlock more economically productive land use, alongside 70 hectares of vacant and poorly utilised sites; form a dense and concentrated supply chain at the site focused on green energy activity and supporting high value manufacturing, supply chain development and innovation.
<b>Target 2: Increase real earnings for high and low skilled workers within the region</b>
<i>Increasing regional earnings</i> Although the regional has a strong GVA and average earnings levels, it faces significant headwinds; in 2022 and 2023 regional average real wages declined faster and further than they did nationally. Increasing real earnings for low skilled workers is critical given the region has a higher rate of those employed in low-skilled jobs (16.1%) compared with Scotland (15.1%); the UK (15%); Glasgow City (13.7%) and City of Edinburgh (8.4%). The NESIZ will reskill existing and new workforces to provide the 14,000 needed by 2030 to transition to renewable energy role and meet the demand of the growth in digital tech sector with new skills and career pathways developed to provide access to jobs with higher-than-average earnings.
<i>Foreign Investment Potential for Wage Uplift</i> Aberdeen places 8 <sup>th</sup> in the UK's largest recipients for inward investment in the last five years <sup>51</sup> and it is 7 <sup>th</sup> in the City UK Competitiveness Index <sup>52</sup> . OECD research recognises the positive effects FDI has on host countries' labour markets, with wage increases corresponding with skill levels and productivity uplifts. Evidence indicates that positive wage effects tend to be concentrated among employees of multinational enterprises (MNEs), relevant for NESIZ given the presence of BP, Shell and SLB already operational in NES, this research identifies a small positive impact on wages in domestic firms participating in the supply chains established by MNEs <sup>53</sup> , fundamental to the NESIZ proposition.

<sup>51</sup> EY European Investment Monitor (EIM) 2018-2022

<sup>52</sup> UK Competitiveness Index 2023

<sup>53</sup> OECD Impact of FDI on Wages, 2008

### **Target 3: increase international competitiveness of companies within the cluster**

Emergent Green Technologies require subsidies to provide certainty for investment and trialling, the NESIZ incentives allows Scotland to compete in an international market shaped by the US Inflation Reduction Act. Principally the flexible spend available to the IZ would accelerate growth of Digital Tech firms in NES and enable them to compete more vigorously in the global marketplace. Floating offshore wind and green hydrogen projects are transitioning from pre-commercial to commercial deployment, thereby gaining a first mover advantage. This shift is enhancing the supply chain capability and boosting the export potential of these technologies. This will be supported by Scottish Enterprise's approach to demand-led innovation in these energy sectors, which will focus on demand validation and value chain mapping, collaboration with industry, Open Innovation portals and integrating the customer (company) journey across innovation products and services.

Additionally, the collaboration and wider supporting ecosystem benefits that the IZ can drive, will grow the number of innovations, and build the profile of the area as a key tech hub, and the attention of digitally focused financial analysts and investors needed to further enhance inward investment. In a sector where firms are highly flexible regarding the location of technology centres and development teams, entrepreneurial education, skills base, tax advantages, international collaboration, and financing support all play a key role. Importantly, the IZ will support the region's repositioning from an oil and gas-based economy to a green energy economy.

### **Target 4: internationally demanded new technologies**

Reinforced by NESIZ status, both clusters have the right components, agglomeration opportunities and innovation networks to drive export growth, irrespective of the pace of domestic programmes such as Acorn. In particular, the solutions designed for new technologies like offshore floating wind and green hydrogen that drive down costs, increase efficiency and support deployment at scale, present significant exportable growth opportunities. For example, the recent ONE DT Business Growth Programme (Cohort 2) comprised primarily SaaS and/or product focused enterprises; 71% had international customers that made up an average of 44% of sales from markets across USA, Canada, Middle East/Gulf States, Norway, Netherlands, Spain, Sweden and Africa. Operating predominantly in EnergyTech (71%) most of the companies have recurring revenues over £1m and up to £10m. Two relevant regional success case studies include:

- **Solab IT Services – Onboard Tracker™** – a SaaS product for workforce utilisation and management software in energy, renewables and marine sectors; at the end of 2023 – 100,000 Energy, Renewables, and Marine personnel across 110 countries, spanning 8000+ on and offshore sites. Including Apache, CRC Evans, Stena Drilling, Score Group, Archer, James Fisher. Onboard Tracker™ has not only streamlined clients' processes but has also fortified its position in the global market.
- **Fennex** – leveraging data and AI to deliver efficiencies, leaner, safer operations and a lower carbon footprint. Key markets are oil & gas, offshore wind, carbon capture & hydrogen, since 2020/21 Fennex has quadrupled revenues, with 70% of revenues driven from international sales and are targeting #10m in international sales by 2028.

Such case studies evidence the underlying innovation assets that require the scale up, skills and profile support offered by the IZ, building on the Digital Supply Chain capabilities referenced in 2.1 such as Energy Management Systems (EMS), Renewable Energy Monitoring and Management: Smart Grid Solutions and Blockchain-enabled Energy Platforms. Simulation modelling, test and demonstration and surrounding multi-scale modelling capabilities initiated in the NESIZ can be deployed in other green transition zones such as the US and Scandinavia.

## **Research Institution**

IZ proposals should be co-designed and to ensure that a relevant local research institution will need to co-sign the final proposal. You should be able to evidence this as you proceed through the gateways.

Each IZ is expected to ensure strong collaboration between UKG and SG, industry and research institutions. As you consider which of your research institutions (it can be more than one) will

# FINAL

provide sign off, please think about how your IZ proposal can be used as an opportunity to leverage the role of universities, colleges and local research institutions.

This could include nurturing and supporting local talent, building knowledge networks, collaborating on research commercialisation, and supporting scaleup and adoption of promising innovations following spinout to raise the productive potential of the whole area. We envisage this will mean establishing and leveraging partnerships with research institutions in the same functional economic area; however, we are open to additional collaborations over a longer distance.

Research Institution Co-Sign	
<b>Question 2.11: Considering the focus of your IZ, which research institution(s) will co-sign your IZ proposal?</b>	
<p><b>Your answer should not be longer than 250 words.</b></p> <p>UoA and RGU are the two TRAC based institutions who will cosign the NESIZ proposal. The other co-signatories are Aberdeen City Council, Aberdeenshire Council and ONE.</p> <p>An introduction to their research specialisms is below:</p>	
Sector Applicability	Appropriateness of partnership application
University of Aberdeen	
UoA has a significant focus on Data & AI and Green Energy, as outlined in the Aberdeen 2040 Strategy <sup>54</sup> .	Founded in 1495, the University of Aberdeen is a broad-based research-intensive institution. Key assets supporting the Green Energy sector include the Interdisciplinary Centre for Energy Transition, the National Decommissioning Centre (a partnership with the Net Zero Technology Centre), the Centre for Applied Dynamics Research, and the Fluid Mechanics Research Group (which plays a key role in advancing renewable energy technologies). The University also has a world-wide reputation in AI-related research (stretching back nearly 60 years), is a member of the UK's Turing Network and through its Interdisciplinary Centre for Data and AI is home to several major UKRI investments, including the SUSTAIN Centre for Doctoral Training.
Robert Gordon University	
The sectors are embedded within RGU's published Strategy and have been the University's sectoral focus for many years	A University based in Aberdeen, RGU is recognised not only for its sectoral strengths of Energy, Digital and AI, and Health but also its inter-disciplinary focus, industry connectivity and entrepreneurial approach. This is illustrated through its research and teaching but also its nationally leading Centres which include: RGU Energy Transition Institute which advises government and industry on the investment, people and skills required across the energy sector to meet the energy trilemma of security, affordability and net zero; the National Subsea Centre, a partnership with the Net Zero Technology Centre, focussed on development of novel AI, digital and engineering technologies; the Visualisation Solutions Centre which uses immersive technologies to support decision making, building on the University's simulation suite; and its Entrepreneurship and Innovation Group which drives innovation across the University and with external partners.

<sup>54</sup> [Interdisciplinary Challenges | Aberdeen 2040 | The University of Aberdeen \(abdn.ac.uk\)](https://www.abdn.ac.uk/interdisciplinary-challenges-aberdeen-2040/)

## Decision Making


### Decision Making

**Question 2.12: Can you provide your initial thoughts on what your decision-making structure might look like for delivering the IZ? You can propose using or evolving existing structures to manage and monitor the design and delivery of the IZ.**

**Your answer should not be longer than 250 words.**

The region has demonstrable evidence of effective governance structures incorporating the public and private sector through the Aberdeen City Region Deal which has a Joint Committee which has instructed officials to consider option to expand its remit\*. Options for NESIZ delivery will be developed at Gateway 3 with the organisations set out below who are engaged in the development phase.

#### Development Structure of the Investment Zone submission

 This image cannot currently be displayed.

#### Co-Signatories

Aberdeen City Council (ACC)\*\* includes the Council acting as Planning and Billing Authority, Aberdeenshire Council\*\*\* includes the Council acting as Planning and Billing Authority, UoA, and RGU, together with Opportunity North East Ltd (ONE).

Both local authorities and ONE agreed with their respective Councils/Boards:

- The governance structure to oversee the development of the Investment Zone.
- That the final submission be brought back to Council/Board for approval (Summer 2024).
- That Aberdeenshire Council be the accountable body for the Investment Zone.
- Nominated elected members/board members to the Steering Group.

Given their role as research institution co-signatories, the University Court of the UoA and the Board of Governors of RGU will expect to be consulted prior to signing of the submission of the bid.

<b>Steering Group Members</b>	<b>Working Group Members</b>
<ul style="list-style-type: none"> <li>• ONE (Chair)</li> <li>• Aberdeen City Council<sup>1</sup></li> <li>• Aberdeenshire Council<sup>1</sup></li> <li>• UoA</li> <li>• RGU</li> <li>• North East Scotland College (NESCOL)</li> <li>• Scottish Enterprise</li> <li>• Aberdeen and Grampian Chamber of Commerce</li> <li>• Sector Representatives:                             <ul style="list-style-type: none"> <li>○ Digital Technology</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Aberdeenshire Council<sup>2</sup> (Chair)</li> <li>• Aberdeen City Council<sup>2</sup></li> <li>• UoA</li> <li>• RGU</li> <li>• ONE</li> <li>• North East Scotland College (NESCOL)</li> <li>• Scottish Enterprise</li> <li>• Skills Development Scotland</li> <li>• James Hutton Institute</li> <li>• ETZ Ltd</li> </ul>

# FINAL

- Energy (2)
- Food, Drink & Agriculture
- Life Sciences

- Net Zero Technology Centre
- Fraserburgh Harbour
- Peterhead Port Authority
- Port of Aberdeen
- AGS Airports

<sup>1</sup> Elected Members

<sup>2</sup> Officials

### **Sub-Groups and Consultation**

Other stakeholders are being brought into sectoral workstream activities, including the Offshore Renewable Energy Catapult and CodeBase and Datalab.

\* [ABERDEEN CITY COUNCIL \(moderngov.co.uk\)](http://moderngov.co.uk)

\*\* [North East of Scotland Investment Zone Proposal.pdf \(aberdeencity.gov.uk\)](http://aberdeencity.gov.uk)

\*\*\* [12 IZ Reportv.02.pdf \(moderngov.co.uk\)](http://moderngov.co.uk)

This page is intentionally left blank



**North East Scotland Investment Zone  
JOINT COMMITTEE  
Draft TERMS OF REFERENCE**

The North East Scotland Investment Zone North East Scotland Investment Zone Joint Committee is a Joint Committee established by Aberdeen City Council and Aberdeenshire Council (the “Constituent Authorities”) under sections 56 and 57 of the Local Government (Scotland) Act 1973.

The creation of the Joint Committee represents the joint commitment of the Constituent Authorities, Opportunity North East, University of Aberdeen, and The Robert Gordon University to support and oversee the implementation of the North East Scotland Investment Zone .

In particular it shall have the power to:

1. Approve Business Cases for North East Scotland Investment Zone projects and any other related documentation with the exception of those where approval is reserved to either or both of the Constituent Authorities.
2. Make recommendations to the Constituent Authorities in respect of projects within the North East Scotland Investment Zone Strategic and Policy plans.
3. Monitor the effectiveness of the implementation and the delivery of the North East Scotland Investment Zone and to report to the Constituent Authorities on progress.
4. Receive updates from the UK and Scottish Governments in connection with any aspect of the North East Scotland Investment Zone
5. Approve the overall programme funding for the North East Scotland Investment Zone;
6. Provide feedback to the Scottish Government or the United Kingdom Government on the implementation of the North East Scotland Investment Zone and any strategic, economic or infrastructure activities associated with the Investment Zone.
7. To appoint one representative and one named substitute of any non Local Authority body agreed to the membership of the Joint Committee.

These terms of reference will be kept under review by the Constituent Authorities, and the Joint Committee throughout the implementation of the North East Scotland Investment Zone to ensure sufficient accountability of public funds provided through North East Scotland Investment Zone funding.

DRAFT

**North East Scotland Investment Zone  
JOINT COMMITTEE**

**Draft STANDING ORDERS**

**Introduction**

1. The North East Scotland Investment Zone Joint Committee (the Joint Committee) is a joint committee created under sections 56 and 57 of the Local Government (Scotland) Act 1973.
2. These standing orders have been approved by Aberdeen City Council and Aberdeenshire Council (the “Constituent Authorities”) and take effect from 1<sup>st</sup> February 2025.

**Membership**

3. The Joint Committee will consist of the following voting members:
  - three elected members of Aberdeen City Council;
  - three elected members of Aberdeenshire Council;
  - one member of ONE;
  - one member of University of Aberdeen; and
  - one member of the Robert Gordon University
4. Each Constituent Authority and other members may also have up to three named substitutes.
5. The Joint Committee will appoint a member of the Constituent Authorities to be Chairperson.
6. The Chairperson shall be appointed for a period of one year.
7. The Chairperson will alternate between the Constituent Authorities.
8. The Joint Committee will appoint a Vice Chairperson from the Constituent Authority that does not have a member appointed as Chairperson.

**Term of Office of Members**

9. Members shall be appointed to the Joint Committee for the period up to the next local government elections.
10. A member of the Joint Committee may only be a member for as long as they hold office as a councillor or as a member of ONE, University of Aberdeen, or the Robert Gordon University, as the case may be.
11. A member may be reappointed following the end of their term of office.
12. A member may resign their membership of the Joint Committee at any time by giving the Joint Committee, Aberdeen City Council, Aberdeenshire Council, ONE, University of Aberdeen and the Robert Gordon University written notice.

13. The resignation will take effect with immediate effect.

### **Removal of Members**

14. If a member has not attended three consecutive meetings of the Joint Committee, and such absence is not due to illness or other reasonable cause as the Joint Committee may determine, the Joint Committee may agree to recommend to the Constituent Authorities, ONE, University of Aberdeen and the Robert Gordon University, that the member be removed from the Joint Committee.

### **Standing Orders**

15. All meetings of the Joint Committee shall be regulated by these standing orders.
16. Any amendments to these standing orders shall require the approval of the Constituent Authorities and must be carried out in consultation with ONE, University of Aberdeen and the Robert Gordon University.
17. Any amendments to these Standing Orders shall be effective only after both Constituent Authorities have accepted the amendments after consultation with ONE, University of Aberdeen and the Robert Gordon University.
18. Except where prohibited by statute, it shall be competent for a member at any time during a meeting to move suspension of the whole or any specified part of these Standing Orders and such a motion, if duly seconded, shall be put to the vote immediately without discussion.

### **Calling Meetings**

19. The first meeting of the Joint Committee will be at a time and place determined by the Constituent Authorities.
20. Thereafter, the Joint Committee shall agree a timetable of meetings for the following twelve months.
21. Notwithstanding Standing Order 20 the Chairperson and Vice Chairperson may agree to fix such additional special meetings as they think appropriate, including meetings in a case of urgency where a reduced period of notice may be given, and shall endeavour to take account of the availability of members in so doing.
22. The Chairperson (or Vice Chairperson if the chairperson is unavailable) shall be permitted on giving notice to cancel, change the date, time or location of any agreed meeting.

### **Notice of Meetings**

23. At least five working days prior to each meeting of the Joint Committee or one of its sub committees, a summons to attend the meeting specifying the time, place and business to be transacted at it signed by the relevant officer at Aberdeen City Council or Aberdeenshire Council and shall be sent electronically to every member or sent to

the usual place of residence of every member. A notice of the time and place of the intended meeting shall be published at the Head Office of each of the Constituent Authorities.

24. A failure to serve notice of a meeting on a member in accordance with Standing Order 23 shall not affect the validity of anything done at the meeting.

### **Business**

25. The summons will include an agenda of items of business which shall be considered in the order in which they are listed except where the Chairperson, at his or her discretion, may determine otherwise.
26. Except where required by statute, no item of business shall be considered at a meeting unless a copy of the agenda including the item of business and any associated report has been open in advance to inspection by members of the public in terms of the Local Government (Scotland) Act 1973 or, by reason of special circumstances which shall be recorded in the minute, the Chairperson is of the opinion that the item should be considered as a matter of urgency and at such stage of the meeting as the Chairperson shall determine.

### **Quorum**

27. No business is to be transacted at a meeting of the Joint Committee unless at least six of the members are present including at least two members from each Constituent Authority.

### **Conduct of Meetings**

28. At each meeting of the Joint Committee, the Chairperson, if present, shall preside.
29. If the Chairperson is absent from a meeting of the Joint Committee, the Vice-Chairperson shall preside.
30. If the Chairperson and Vice-Chairperson are absent from a meeting of the Joint Committee, those members present shall appoint a member of the Constituent Authorities present to the Chair.
31. The Joint Committee may agree to adjourn a meeting to another date, time or place if it is necessary or expedient to do so.
32. Subject to the Member notifying the Clerk at least 4 hours (or, if this is not possible, as soon as practicable) in advance of the meeting and availability of suitable facilities, the Chairperson (whom failing, the Vice Chairperson) may direct that any Member who is unable to attend, or cannot reasonably be expected to attend, a meeting in person may participate from a remote location by video or other communication link. For the avoidance of any doubt, such participation includes voting. A Member remotely participating in this way is referred to in this Standing Order as a "Remote Member".
  - 32.1 In exceptional circumstances, the Chairperson (whom failing, the Vice Chairperson) may direct that a meeting shall be conducted solely by means of the participation of Remote Members. Such a direction may be made during a meeting or otherwise and

may specify which mechanism of remote participation (including specifying which software) may be used.

**32.2** Remote Members will be counted for the purposes of determining whether there is a quorum and will also be able to participate in any vote.

**32.3** Where the Chairperson is participating remotely, the Vice Chairperson will take the Chair, except where the Vice Chairperson is also participating remotely or a direction has been made under Standing Order 32.1 in respect of that meeting.

**32.4** Except where a direction has been made under Standing Order 32.1 in respect of that meeting, the Member chairing the meeting must be physically present at the meeting venue, therefore where both the Chairperson and Vice Chairperson are participating remotely or have sent apologies, Members present at the meeting venue will appoint a Chairperson to chair the meeting from amongst their number.

**32.5** In the event that no agreement is reached between those Members present, the decision will be taken by means of a procedural motion.

**33.** Standing Order 32 will apply in respect of items on the agenda which contain confidential or exempt information. Any Remote Member must confirm that they are in a secure private location, and that no-one else is able to hear or view the proceedings from the device being used by that Remote Member, before they can participate in the Joint Committee's consideration of any confidential and/or exempt items of business.

**33.1** Any Remote Member who has declared an interest in an item and withdrawn must pause/exit the video/communication link whilst the item is being considered. The Clerk will inform/re-invite the Remote Member (whether by email or otherwise) when to re-start the link and resume their participation.

**34.** It shall be the duty of the Chairperson to:

- preserve order and ensure that any member wishing to speak is given due opportunity to do so and to a fair hearing;
- allow officers and advisers to be heard freely; and
- decide on all matters of order, competency and relevancy.

**35.** The ruling of the Chairperson on all matters in these standing orders shall be final.

**36.** Deference shall at all times be paid to the authority of the Chairperson.

**37.** The Chairperson shall be heard without interruption and all members shall address the Chairperson when speaking.

**38.** If, in the opinion of the Chairperson, any member acts in an obstructive or offensive manner, the Chairperson may with immediate effect move that the member be suspended for the remainder of the meeting. After seconding, the motion shall be put without debate and if carried, the member shall be required to leave the meeting room (including any public area or gallery) and may be removed if they fail to comply.

39. The Chairperson may require the removal of any member of the public whose presence or conduct impedes or may be likely to impede the proceedings at any meeting. The Chairperson may determine that a warning shall be given before ordering the removal of any member of the public.
40. The Chairperson will ensure that the decisions of the meeting are clear with regard to all matters which form the business of the meeting.

### **Minutes**

41. A record must be kept of the names of the members attending every meeting of the Joint committee.
42. Minutes of the proceedings of each meeting of the Joint Committee including any decision made at that meeting, are to be drawn up and submitted to the subsequent meeting of the Joint Committee for agreement after which they must be signed by the person presiding at that meeting.

### **Voting**

43. Each motion put to a meeting of the Joint Committee shall be decided by a majority of the votes of those members present and entitled to vote.
44. Motions and amendments shall be moved and seconded.
45. Votes shall be taken by roll call except where an electronic voting system is available, in which case it shall be used in preference to any other method.
46. If the members of the Joint Committee agree unanimously prior to a vote on any particular matter, a vote may be taken by a show of hands.
47. Where there is an equality of votes, the Chairperson shall exercise a second or casting vote except where the division relates to the appointment of a member of the Joint Committee to any office or sub-committee or outside body, in which case the matter shall be determined by lot.
48. Any member may request the recording in the minutes of his or her dissent from any decision after the result of the division has been announced.

### **Alteration or Revocation of Previous Decision**

49. No decision of the Joint Committee shall be altered or revoked within six months of it having been taken unless a recommendation to that effect is approved by the Joint Committee, and any such alteration or revocation shall have no retrospective effect.

### **Register of Interests and Code of Conduct**

50. The Constituent Authorities shall keep a register of interests made by Members, including co-opted Members. The register of interests shall be open to inspection by

members of the Public.

51. A member should not accept any gift or consideration of any kind as an inducement or reward for doing or for refraining from doing or for having done or refrained from doing any action in relation to the City Region Deal as to do so could result in that member having committed an offence under the Bribery Act 2010.
52. All members of the Joint Committee must comply with the terms of the Councillors' Code of Conduct provided for under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
53. It is the responsibility of each member to determine if they require to declare an interest and withdraw from the meeting, having taken advice from officers beforehand should they wish.
54. A Member must withdraw from the Meeting Room, including the Public gallery, where he or she has declared an interest that prevents him or her from participating in the discussion of, and voting on, the item.

#### **Admission of Press and Public**

55. The Public must be excluded from a Meeting when an item of business is being considered and it is likely that, if the Public were present, Confidential Information would be disclosed to them in breach of an obligation of confidence in terms of section 50A(2) of the Local Government (Scotland) Act 1973 as enacted by the Local Government (Access to Information) Act 1985. A report falling into this category will:
  - be marked as containing confidential information;
  - carry a restricted watermark; and
  - be printed on green paper.
56. The Public may be excluded from a Meeting by resolution of the Joint Committee when an item of business is being considered, if it is likely that Exempt Information would be disclosed to them which would fall within the categories specified in Part 1 of Schedule 7a of the Local government (Scotland) Act 1973, as enacted by the Local Government (Access to Information) Act 1985. Any such resolution shall specify the part of the proceedings to which it relates and the categories of exempt information involved shall be specified in the minutes. A report containing exempt information shall:
  - specify the category involved;
  - carry a restricted watermark; and
  - be printed on green paper.
57. The provisions of the Data Protection Act 1998 shall apply to meetings of the Joint Committee and any relevant reports shall:
  - be marked as containing data protected information;
  - carry a restricted watermark; and
  - be printed on green paper



This page is intentionally left blank

**North East Scotland Investment Zone - Programme Board**  
**DRAFT Terms of Reference**

<b>Purpose</b>
<p>The Board will advise on the overall direction of the North East Scotland Investment Zone and delivery of the key interventions and outputs. It will also provide input to the overall strategic direction to ensure that the economic benefits from the Programme are maximised across other regional economic development and infrastructure delivery.</p> <p>The Board will report to the North East Scotland Investment Zone Joint Committee.</p>

<b>Meeting Frequency</b>	<b>Quorum</b>
The Programme Board will meet in advance of North East Scotland Investment Zone Joint Committee – Quarterly or by request, for urgent Business	Chairperson (or nominated other) and 3 others

<b>Remit and Responsibilities</b>
<ul style="list-style-type: none"> <li>➤ Coordinate and monitor the delivery of projects put forward by the agreement of the two Governments and the North East Scotland Investment Zone Joint Committee subject to approval of business cases;</li> <li>➤ Recommend for approval business cases and other key project stages, changes and exceptions to North East Scotland Investment Zone Joint Committee;</li> <li>➤ Recommend for approval the North East Scotland Investment Zone’s finances, budget approvals and overall financial management;</li> <li>➤ Ensure the conditions of annual Grant Offer Letter or Memorandum of Understanding with Government have been met;</li> <li>➤ Ensure that the overall programme is making progress against the objectives set by the North East Scotland Investment Zone Joint Committee and likely to succeed within the key milestones and all relevant information is produced for the North East Scotland Investment Zone Joint Committee;</li> <li>➤ Agree and consult, where appropriate, mandatory and other monitoring reports to either or both the UK and Scottish Governments;</li> <li>➤ Assist the Programme Manager(TBC) in delivery by removing any constraints and addressing other issues escalated by the Programme Manager(TBC);</li> </ul> <p><b>Delegations</b></p> <p>Under local government legislation, delegated authority must be to an Officer of a Council or to one of its committees or subcommittees<sup>1</sup>.</p>

1. \_\_\_\_\_  
<sup>1</sup> section 56(1) of the 1973 Act.

North East Scotland Investment Zone Joint Committee delegate authority to (An Officer(s) to be identified and agreed by Joint Committee at a later date) who will also Chair the North East Scotland Investment Zone Programme Board to:

- a. Approve and submit, following consultation with the North East Scotland Investment Zone Programme Board, and the Chair and Vice Chair of North East Scotland Investment Zone Joint Committee, any non-material change requests (as defined in North East Scotland Investment Zone change control process document) which are submitted or required in relation to North East Scotland Investment Zone Projects within the scope of the Grant Offer letter from the Scottish Ministers.
- b. Submit reports, mandatory or otherwise following consultation with the North East Scotland Investment Zone Programme Board, required in relation to North East Scotland Investment Zone Projects by request from the United Kingdom or Scottish Governments, or both.

### **Membership**

- Aberdeen City Council, Chief Officer of City Development & Regeneration (Chairperson)
- Aberdeenshire Council, Director of Environment & Infrastructure Services
- Aberdeenshire Council, Head of Service, Planning and Economy
- Aberdeenshire Council, Head of Finance
- Opportunity Northeast, Chief Executive
- University of Aberdeen, TBC
- The Robert Gordon University, Vice-Principal, Economic Development
- Scottish Enterprise, TBC
- Energy Transition Zone Ltd, Chief Executive
- North East Scotland Investment Zone Programme Manager
- Aberdeen City and Aberdeenshire Council Legal representatives

### **Support Arrangements**

Depending on the business of the Programme Board, it is anticipated that other stakeholders involved in the delivery of approved North East Scotland Investment Zone Projects would be asked to attend specific Programme Board meetings, for example project specific input will be required for each workstream depending on the agenda of the Programme Board.

Additional support or papers from other services or partners will be provided as and when required and will be co-ordinated by the Programme Manager(TBC).

### **Governance and Reporting Arrangements**

1.

- The Programme Board is chaired, in accordance with its Terms of Reference, by An Officer(s) to be identified and agreed by Joint Committee at a later date.
- The Board will report progress to the United Kingdom and Scottish Governments on a quarterly basis or as otherwise instructed by the annual Grant Offer Letter or Memorandum of understanding agreed with Government.
- To protect aspects of commercial sensitivity, Programme Board meetings will be conducted in private. Progress against each project will be provided to the Programme Board via a Quarterly Programme Report including Appendix 1 outlining Programme summary in relation to Milestones, Benefits, Finance and Risk. Recommendations for actions/decisions required from the Programme Board and Joint Committee.
- The Programme Manager(TBC) will produce and submit the updated Quarterly Programme Report.
- The Programme Board will also receive reports, via the Programme Manager(TBC), in relation to the project management framework: Define: Plan: Implement Close & measure (proposals, option appraisals, business cases, project close, benefits realisation, lessons learnt) for approval.
- Responsibility for delivery for each Project within the Programme will be under each of the themes (Green Energy, Digital Tech, Tax Sites). These working groups shall provide a lead officer who will work with and be supported by the Programme Manager(TBC).
- The role of the Programme Board is to monitor, consult and to recommend action to the Joint Committee. However, in some operational circumstances, Project Leads provide change requests submitted to United Kingdom and Scottish Governments to consult with the Chair of the Programme Board and Programme Board. Such as when the change is being considered as non-material change (e.g. there has been a slight delay in the project or a drawdown of funding is required for a specific purpose and that change does not change the original business case approved by the Joint Committee), officers may need to take specific actions as defined in North East Scotland Investment Zone change control process document.
- Where the Programme Board and Chair of the Programme Board ensure that the overall programme is making progress highlighting the key milestones, considering and taking specific actions in some operational circumstances, approve and submit non-material change requests in consultation and agreement with to both Governments, they provide full summary to the North East Scotland Investment Zone Joint Committee for noting within the Quarterly Programme Report.
- Where material changes are identified the Programme Board ensure reported Change Request produced and recommended for the Joint Committee decision making.
- Supporting development and implementation, the North East Scotland Investment Zone stakeholders will commit to ensuring that the relevant resource is allocated to these specific projects.

This page is intentionally left blank

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Committee Places
<b>REPORT NUMBER</b>	CORS/24/353
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Vikki Cuthbert
<b>REPORT AUTHOR</b>	Martyn Orchard
<b>TERMS OF REFERENCE</b>	7

### 1. PURPOSE OF REPORT

- 1.1 To consider the allocation of committee places following the resignation of Councillor Nicoll from the SNP group and the Partnership.

### 2. RECOMMENDATION

That the Council:-

- 2.1 confirm the membership number for each of the Council's committees (as set out in paragraph 3.2) and set the composition for each committee, in terms of Standing Order 47.9.

### 3. CURRENT SITUATION

#### Committee Places

- 3.1 In October 2024, Councillor Nicoll resigned from the SNP group and confirmed that he would be an independent Councillor. Consequently, the committee places Councillor Nicoll previously had as a Councillor within the Partnership reverted to the Partnership.
- 3.2 The current allocation of committee places, as agreed by Council on 8 February 2024, is below. Council should determine if changes are now required in respect of the total membership number for each committee and the composition of each committee.

Committee	Partnership	Labour	Conservative	Independent (x4)	Total
Anti-Poverty and Inequality	5	2	2	0	9

<b>Committee</b>	<b>Partnership</b>	<b>Labour</b>	<b>Conservative</b>	<b>Independent (x4)</b>	<b>Total</b>
Audit, Risk and Scrutiny	5	2	2	0	9
Communities, Housing and Public Protection	5	2	1	1	9
Education and Children's Services	8	2	2	1	13
Finance and Resources	5	2	2	0	9
Licensing Committee	5	2	1	1	9
Net Zero, Environment and Transport	5	2	1	1	9
Pensions	5	2	1	1	9
Planning Development Management	5	2	1	1	9
Staff Governance	5	2	1	1	9
Urgent Business	4	2	1	0	7
Integration Joint Board	3 (plus 2 subs)	1 (plus 1 sub)	0 (plus 1 sub)	0	4 (plus 4 subs)
<b>Total:</b>	60 (plus 2 subs)	23 (plus 1 sub)	15 (plus 1 sub)	7	105 (plus 4 subs)

3.3 The Council has traditionally followed the principles of section 15 of the Local Government and Housing Act 1989 when allocating committee places. The principles of section 15 of the 1989 Act are:-

- (a) not all the seats on the body are to be allocated to the same political group;
- (b) the majority of the seats on the body are to be allocated to the group having a majority of seats on the Council; and
- (c) subject to paragraphs (a) and (b) above, the number of seats on ordinary committees which are allocated to each group bears the same proportion to the total number of seats on those committees as the number of seats held by the group on the Council does to the whole membership of the Council.

3.4 This section is not in force in Scotland. However, the Council has sought to give effect to the principles through Standing Order 47.9 which states that "*The*



*Council will set the membership for each Committee and in doing so should have regard to the political composition of the Council”.*

3.5 The membership of the Council is currently:-

Conservative	7 members
Independent	5 members
Labour	11 members
Liberal Democrat	4 members
SNP	18 members

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from the recommendations of the report.

#### 5. LEGAL IMPLICATIONS

5.1 As noted above, section 15 of the Local Government and Housing Act 1989 is not in force in Scotland. However, the Council has sought to give effect to the relevant principles through Standing Orders.

#### 6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications arising from the recommendations of the 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?
<b>Strategic Risk</b>	No significant risks identified	N/A	N/A	N/A
<b>Compliance</b>	Council must comply with	The recommendations comply with the Scheme of Governance	L	Yes

	the Scheme of Governance			
<b>Operational</b>	No significant risks identified	N/A	N/A	N/A
<b>Financial</b>	No significant risks identified	N/A	N/A	N/A
<b>Reputational</b>	No significant risks identified	N/A	N/A	N/A
<b>Environment / Climate</b>	No significant risks identified	N/A	N/A	N/A

## 8. OUTCOMES

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

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	No assessment required. I confirm this has been discussed and agreed with Vikki Cuthbert, Interim Chief Officer - Governance (Assurance) on 15 November 2024.
<b>Data Protection Impact Assessment</b>	Not required

## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

None

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Martyn Orchard
<b>Title</b>	Committee Lead

<b>Email Address</b>	morchard@aberdeencity.gov.uk
<b>Tel</b>	01224 067598

This page is intentionally left blank

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Governance Review of Trusts – 2024 Update
<b>REPORT NUMBER</b>	CORS/24/350
<b>DIRECTOR</b>	Andy MacDonald and Gale Beattie
<b>CHIEF OFFICER</b>	Alan Thomson/Vikki Cuthbert and Julie Wood
<b>REPORT AUTHOR</b>	Steven Inglis and Helen Fothergill
<b>TERMS OF REFERENCE</b>	10 & 21

### 1. PURPOSE OF REPORT

- 1.1 To seek approval to establish a new charitable trust (“Aberdeen Archives, Gallery & Museums Trust”) and take specified actions in relation to the Alexander MacDonald Bequest, and to provide an update on other activity in relation to trusts to which the Council is connected.

### 2. RECOMMENDATIONS

That the Council:-

Proposed Aberdeen Archives, Gallery & Museums Trust

- 2.1 agrees the establishment of a new charitable trust (to be known as “Aberdeen Archives, Gallery & Museums Trust”) and approves the proposed constitution thereof in Appendix F;
- 2.2 instructs the Chief Officer – Governance to submit the necessary application (including signed trustee declaration form and the constitution) to the Office of the Scottish Charity Regulator (OSCR) for its approval; authorises that Chief Officer, prior to such OSCR approval being obtained but following consultation with the Co-Leaders, to make any amendments to the constitution which that Chief Officer considers to be appropriate; and authorises that Chief Officer to take any other appropriate action in relation to the application and any action necessary to bring the constitution into effect;
- 2.3 instructs the Chief Officer – Finance to arrange for registration of the new charitable trust with HM Revenue & Customs (HMRC), and to take any other appropriate action, in order to allow for gift aid to be claimed on monetary donations to the trust;
- 2.4 appoints the Chief Officer - City Development & Regeneration to be lead Council officer (in terms of the Council’s Powers Delegated to Officers) in respect of the new charitable trust; authorises that Chief Officer to approve the making of payments from the funds of the trust (in terms of the Council’s Powers

Delegated to Officers) and to take any appropriate action in relation to the operation and management of the trust; instructs the Chief Officer - Governance to add the trust to the Council's list of Arts & Culture Trusts (the current version of which list is in Appendix D); and appoints the Chief Officer – Governance to be secretary to, and the Chief Officer – Finance to be treasurer of, the trust;

#### Other Activity

- 2.5 instructs the Chief Officer – Governance to submit an application to OSCR in respect of the Alexander MacDonald Bequest (charity number SC018568) in order to permit the expenditure of its total remaining funds (capital and revenue) on artworks in terms of the trust deed's provisions and the winding-up of this charitable trust; and authorises that Chief Officer to take any other appropriate action in order to facilitate such expenditure and winding-up;
- 2.6 notes the other activity, as detailed in this report, in relation to trusts to which the Council is connected; and
- 2.7 instructs the Chief Officer – Governance to, as appropriate, bring a report to Council and/or provide a service update to elected members no later than December 2025 on future activity in relation to trusts to which the Council is connected.

### **3. CURRENT SITUATION**

- 3.1 On 13 December 2023, Council considered a report on activity in relation to trusts to which the Council is connected, approved certain appointments and instructed the Chief Officer – Governance to, as appropriate, bring a report to Council and/or provide a service update to elected members no later than December 2024 on future activity in relation to trusts to which the Council was connected.
- 3.2 This report provides the requisite update on such trusts, as listed in Appendices A – D. In those Appendices, the Balance Sheet Value for a fund represents its total funds (including the value of any investments) whereas the Revenue Value is the useable cash amount which is readily available for disbursement. The Balance Sheet Value includes the Revenue Value. In this report, the term “trusts” is used for convenience but also includes reference to bequests and the like.

#### **Proposed Aberdeen Archives, Gallery & Museums Trust**

- 3.3 At present, monetary (cash) donations are collected in donation boxes across all of the Council's Archives, Gallery and Museum venues. Digital “tap to give” options are available in Aberdeen Art Gallery, Aberdeen Maritime Museum, Provost Skene's House and Aberdeen Treasure Hub, and will be available in financial year 2025/26 in the Town House Archives and the Tolbooth Museum. Donations can be offered and paid through the website [www.aberdeencity.gov.uk/AAGM/support-us/donate](http://www.aberdeencity.gov.uk/AAGM/support-us/donate). Additional offers of monetary donations are received, infrequently, through correspondence (email and mail). Monetary bequests tend to be unexpected and without prior notice.

- 3.4 In financial year 2023/24, such cash donations received amounted to £37,966 and “tap to give” donations were £21,529. In financial year 2024/25 (up to October 2024), cash donations of £26,052 and “tap to give” donations of £10,458 have been received.
- 3.5 If cash, “tap to give” or online donations are received by a charity from a UK taxpayer, those donations are eligible for a gift aid claim. Local authorities themselves cannot claim gift aid.
- 3.6 There are a number of existing trusts which directly benefit the Council’s art collection, but do not allow for support of the wider heritage collection or service. The purpose of Aberdeen Art Gallery Trusts (charity number SC018575), for example, is “*the advancement of the arts by providing for the purchase of works of art for the collection of Aberdeen Art Gallery & Museum.*” This means that any donations or bequests which are made to this Trust can only be used for the purchase of artworks and cannot be spent on caring for, preserving, displaying or interpreting the current collection.
- 3.7 A significant, unsolicited bequest was received in 2022 and has been deposited into the Aberdeen Art Gallery Trusts account. This will allow the Gallery to expand its collection for a number of years into the future.
- 3.8 It is proposed that a new charitable trust – to be known as “Aberdeen Archives, Gallery & Museums Trust” - should be established. In summary, the purposes of the new trust would be to support the whole operation and delivery of the Aberdeen Archives, Gallery and Museums but would not prescribe how such support should be provided or what forms it may take. This is to help ensure the longevity and flexibility of the new trust and that the whole Aberdeen Archives, Gallery and Museums service should benefit in the years to come.
- 3.9 It is proposed that the Council would be sole trustee of the new trust and the Chief Officer – City Development and Regeneration would be the lead Council officer in respect of the trust. Reference is made to the Powers Delegated to Officers mentioned under the “Disbursements” header below. It is further proposed that the Chief Officer – Governance and the Chief Officer – Finance would respectively be secretary and treasurer of the new trust.
- 3.10 The proposed governance arrangements, involving expenditure decisions by the Chief Officer – City Development and Regeneration under delegated powers, would provide speed of decision-making around expenditure, which nonetheless must always be in compliance with the trust purposes. Appropriate regard may be had to whatever Council objectives exist at the time but the Council as trustee would of course require to act in the interests of the trust.
- 3.11 Local authorities without a charitable arrangement are ineligible to claim gift aid or claim under the Gift Aid Small Donations Scheme.
- 3.12 The establishment of a new charitable trust supporting the wider operation and delivery of Archives, Gallery and Museums provides:



- a receiving account for future bequests;
- an opportunity for a campaign related to legacy gifts, with tax relief;
- an opportunity to claim gift aid;
- a reduction in the reliance on public funding to run the service.

### 3.13 Disbursements

In terms of the Council's Powers Delegated to Officers (General Delegations to Chief Officers no.46), Chief Officers have the power to approve the making of payments from the funds of trusts in respect of which the Council is sole trustee and they are the lead Council officer - following consultation with the Chief Officer – Finance and provided always that such payments are in accordance with the relevant trust deeds. Following the organisational restructure earlier this year, the lead Council officers for the different classifications of trust are as follows:

- Educational Trusts: Chief Officer - Education & Lifelong Learning
- Children's Social Work Trusts: Chief Officer – Children's Social Work & Family Support
- Adult Social Work Trusts: Chief Officer – Aberdeen City Health and Social Care Partnership
- Arts & Culture Trusts: Chief Officer - City Development & Regeneration

3.14 Similarly, under General Delegation no.47, Chief Officers have the power to, following consultation with the Chief Officer - Finance, accept monetary gifts, endowments, bequests and donations which relate to their remit as Chief Officer and to approve the expenditure of same - in accordance with any terms applying thereto.

3.15 Details of disbursements from funds over the past year are provided in Appendix E.

### 3.16 Alexander MacDonald Bequest (charity number SC018568)

Alexander MacDonald's Trust Disposition and Deed of Settlement dated 11 December 1882 left one-third of the residue of his estate to the Council – with *“the whole of the revenue ....applied....in the purchase of paintings, as a matter of preference, but it shall be optional to make an occasional purchase of a piece of statuary”*.

For the selection of works of art, this deed requires that an Art Committee be appointed from time to time - hence the periodic meetings of the MacDonald Art Committee, most recently in 2001 and 1992.

As of 31 March 2024, the capital figure is £25,040 and the revenue figure is £7,389.17. This revenue sum has only risen by around £1,600 since 2007. Currently only the revenue can be spent.

Approval is sought to make an application to OSCR so as to permit the expenditure of the total remaining funds (i.e. capital and revenue) on artworks in terms of the trust deed's provisions and the subsequent winding-up of this

charitable trust. This is considered to be a more efficient and effective approach to managing this old trust.

### **3.17 Aberdeen Endowments Trust (charity number SC010507)**

Aberdeen Endowments Trust (AET) has approached the Council to explore whether the Council might be agreeable to the management of Educational Trusts listed in Appendix A being transferred to AET. The objective would be to ensure the more efficient and effective use of those funds alongside the funds which AET already administers. Importantly, any funds so transferred would continue to be used for their current purposes so far as those are still viable and unless amended according to the appropriate legal process. Discussions with AET are at an early stage and any proposal for transfer would be reported to Full Council for a decision.

### **3.18 Glover House Trustees Ltd (company number SC503243)**

Glover House Trustees Ltd, a private limited company set up in 2015, is sole trustee of The Grampian-Japan Trust. The Council is sole shareholder of the company. On 13 December 2023, Council approved the appointment of Councillor David Cameron (Lord Provost), Councillor Alison Alphonse and the Chief Officer - Corporate Landlord (Stephen Booth) as directors of the company. These three director appointments took effect on 1 April 2024.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Officer resource (from Archives, Gallery & Museums, Legal Services and Finance) would be required to set up a new charitable trust and to administer the gift aid claims, in addition to the current resource required to bank donations on a regular basis. Costs to the Council for print production in relation to gift aid envelopes for cash donations, and promotional leaflets for legacy giving, would be offset by income through the trust.
- 4.2 The efficient and effective management of the trusts referred to in this report will maximise the funds available for expenditure on the trust purposes. The trusts provide an opportunity for delivering additional benefit to the city and its people. However the trust funds do not represent a recurring income source to support the discharge of the Council's core statutory duties.

## **5. LEGAL IMPLICATIONS**

- 5.1 The proposed new charitable trust, like any charitable trust, would of course require to operate in compliance with charity law and trust law. To be registered as a charity, OSCR approval is required and their registration process must be adhered to. Non-charitable trusts must operate in compliance with trust law. This report details activity and proposed activity intended to ensure continued sound governance of trusts and appropriate use of the funds for the trust purposes.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report. Indirect implications are additional reliance on printed paper for processing gift aid and promoting legacy giving. Where possible, this will be managed through digital channels.

## 7. RISK

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?
<b>Strategic Risk</b>	No significant risks identified	N/A	N/A	N/A
<b>Compliance</b>	If a trustee fails to comply with their legal duties, they may be held responsible for resultant losses and OSCR may take action against them. Where gift aid is being claimed by a charity, the rules on gift aid must be followed.	This report supports compliance and officers from Legal Services and Finance provide appropriate advice.	L	Yes
<b>Operational</b>	Risk of gift aid rules not being followed.	Implementation of appropriate procedures and staff training regarding gift aid.	N/A	N/A
<b>Financial</b>	Failure to maximise and make best use of the available funds for trust purposes.	This report supports members' oversight of the use of such funds.	L	Yes
<b>Reputational</b>	Failure to comply with legal duties may	This report supports compliance.	L	Yes

	lead to adverse publicity.			
<b>Environment / Climate</b>	No significant risks identified	N/A	N/A	N/A

## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2023-2024</a></u>	
<b>Impact of Report</b>	
<p><b>Aberdeen City Council Policy Statement</b></p> <p><u><a href="#">Working in Partnership for Aberdeen</a></u></p>	<p>A Vibrant City – “We will work tirelessly to make Aberdeen a more attractive place to live, work, study and visit with a vibrant cultural offering”.</p> <p>More generally, the purposes of existing trusts support overall objectives such as Supporting People with the Cost of Living, A City of Opportunity, A Vibrant City and An Active City.</p>
<u><a href="#">Local Outcome Improvement Plan 2016-2026</a></u>	
Prosperous Economy Stretch Outcomes	Purposes of existing trusts support the delivery of LOIP outcomes.
Prosperous People Stretch Outcomes	Same as above.
Prosperous Place Stretch Outcomes	Same as above.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	New Integrated Impact Assessment has been completed in respect of the proposal for a new charitable trust for Aberdeen Archives, Gallery and Museums.
<b>Data Protection Impact Assessment</b>	If the proposal to establish a new charitable trust is approved, a Data Protection Impact Assessment will be undertaken when there is more clarity on the nature of the personal data to be processed and the mechanics of such processing. For example, personal data will be processed in managing gift aid on monetary donations.
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 [Governance Review of Trusts - 2023 Update – COM/23/383 - \(reported to Council on 13 December 2023\)](#)

## 11. APPENDICES

- 11.1 Appendix A – Educational Trusts
- 11.2 Appendix B – Children’s Social Work Trusts
- 11.3 Appendix C – Adult Social Work Trusts
- 11.4 Appendix D – Arts & Culture Trusts
- 11.5 Appendix E – Details of Disbursements
- 11.6 Appendix F – Proposed Constitution for proposed Aberdeen Archives, Gallery & Museums Trust.

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Steven Inglis	Helen Fothergill
<b>Title</b>	Team Leader, Regulatory & Compliance, Legal Services	Service Manager – Archives, Gallery & Museums
<b>Email Address</b>	singlis@aberdeencity.gov.uk	hfothergill@aberdeencity.gov.uk

APPENDIX A - EDUCATIONAL TRUSTS - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.								
Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2024	Revenue Value 31 March 2024	Assets	Beneficiary
Aberdeen Institution for Deaf and Dumb Fund (part of EEIF)	For the benefit of Aberdeen School for the Deaf	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£79,291	£27,700	Share of listed investments and cash in Loans Fund.	Aberdeen School for the Deaf
Mrs Athol Benzie Prize Fund (part of EEIF)	For best all-round pupil in the fifth year at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£4,192	£1,461	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Miss Bessie Heriot Prize Fund (part of EEIF)	For prize to best girl at Kalmhill Secondary School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£7,740	£2,716	Share of listed investments and cash in Loans Fund.	Hartlaw Academy
Dr Charles McLeod Trust (part of EEIF)	For purchase of books on Physical Science and Astronomy at Aberdeen Grammar School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,178	£1,115	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
	Free annual revenue of the Trust to be applied for the following purposes:- (a)relieving financial hardship among the Burgesses of Guild of Aberdeen present and future and their widows or widowers and families (including without prejudice to the foregoing generality children of deceased Burgesses of Guild at Aberdeen) by the payment of annuities of such amounts as the Trustee in their absolute discretion may determine; and  (b)assisting by means of grants or scholarships of such number and amounts as the Trustee in their absolute discretion (following consultation with the Lord Dean of Guild and her/his Assessors) may determine;  (i)persons born or habitually resident in the city of Aberdeen who are prevented or inhibited from pursuing their educational or career goals due to financial circumstances or who are intending to undertake educational or vocational training courses or otherwise to further their proposed careers; or  (ii)organisations or collective groups which are operating in the city of Aberdeen and undertaking, or intending to undertake, educational initiatives....							See column B
City of Aberdeen Council Guildry and Mortification Funds	(see trust deed for more detail)	Yes	SC011857	Trust Deed dated 25 May 2023	£2,795,565	£1,269,342	£1,495m in land and buildings, £1,167m in Loans Fund.	
Corporation Prize Fund (part of EEIF)	For school prizes	No	N/A	Not known	£551,742	£198,153	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen school
D M Andrew Bequest (part of EEIF)	For prize in Classics at Aberdeen Grammar School	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£19,630	£6,888	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Dr Duncan B Heriot Prize Fund	For prizes in English and History at Aberdeen Academy	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,893	£1,388	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Dr Duncan B Heriot Prize Fund (part of EEIF)	For prize to best boy at Kalmhill Secondary School	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£7,820	£2,809	Share of listed investments and cash in Loans Fund.	Hartlaw Academy
Edith and David R Bishop Prize Fund (part of EEIF)	For prize or prizes to pupil or pupils of Aberdeen Grammar School selected by the Rector	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£5,788	£2,031	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Miss Elizabeth H Bain Bequest (part of EEIF)	For music tuition and for instruments to pupils in city schools	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£138,100	£122,700	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Miss Elizabeth M M Laing Prize (part of EEIF)	Prize for best pupil in French in the Third Year at Aberdeen Academy	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£643	£225	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Dr George MacKenzie Prize Fund (part of EEIF)	For prize to best pupil in German in Aberdeen Academy.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,055	£1,062	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Miss H Shepherd Bequest (part of EEIF)	For annual award to the head boy and head girl at Torry Academy.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£7,055	£2,534	Share of listed investments and cash in Loans Fund.	Lochside Academy
James Findlay Prize Fund (known as James Findlay Bursary Fund) (part of EEIF)	Annual prize or prizes to a student or students attending Aberdeen College in teaching practice and before awarding shall consult the Principal of the College	No	N/A	Trust Disposition and Settlement dated 06/05/1925, and registered in the Books of Council and Session on 02/11/1926, and Deed of Agreement dated January 1928	£46,234	£16,605	Share of listed investments and cash in Loans Fund.	North East Scotland College/University of Aberdeen
Jane Cable Smart Bequest (part of EEIF)	For prize(s) to most promising pupil(s) in Music at Skene Square School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1995	£13,200	£4,741	Share of listed investments and cash in Loans Fund.	Skene Square School
Jessie Durno Prize Fund (part of EEIF)	For prize in Mathematics at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£10,948	£3,832	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
John M Robertson Memorial Prize Fund (part of EEIF)	For prize to best pupil in commercial subjects at Aberdeen Grammar School.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£2,214	£777	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Kenneth MacIntosh Bequest (part of EEIF)	For paying or supplementing the expenses of pupils of Aberdeen Grammar School who might otherwise be unable to afford the cost of school trips abroad or elsewhere	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£18,744	£6,577	Share of listed investments and cash in Loans Fund.	Aberdeen Grammar School
Lands of Torry	Free annual revenue of the Trust to be paid as follows:- (a)51% to the Aberdeen City Common Good Fund; and (b)49% to the University of Aberdeen Bursary Fund.	Yes	SC021299	Trust Deed dated 25 October 2023	£2,855,481	£25,081	£2,726m in lands and buildings.	Aberdeen City Common Good Fund; and University of Aberdeen Bursary Fund.
Liddle Prize Fund (known as Alexander Kilgour Fund) (part of EEIF)	For Liddle prize, which may take the form of a medal, to an undergraduate at University of Aberdeen for best composition in Latin and Greek. Conditions governing the award shall be determined by the Professors in the Faculty of Arts.	No	N/A	Letter setting up trust purposes dated 05/10/1857	£100,009	£35,917	Share of listed investments and cash in Loans Fund.	University of Aberdeen
Miss Lizzie L Milne Prize Fund (part of EEIF)	For prize in all-round excellence to pupil in senior classes at Ashley Road School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£8,594	£3,086	Share of listed investments and cash in Loans Fund.	Ashley Road School
Logie Pirie Scholarship Fund (part of EEIF)	For the benefit of schools in the Dyce, Bucksburn area	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£37,031	£6,722	Share of listed investments and cash in Loans Fund.	Bucksburn Academy, Stoneywood School, Brimmond School, Kingswells School, Dyce School and Dyce Academy

Miss Lucy Cruickshank Prize Fund (part of EEIF)	For prize to best pupil or pupils in French and German at High School for Girls.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£30,544	£10,717	Share of listed investments and cash in Loans Fund.	Hartlaw Academy
Miss M S Smith Prize Fund (part of EEIF)	For prize or prizes for proficiency in art or handcrafts at Ashley Road School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£6,753	£2,425	Share of listed investments and cash in Loans Fund.	Ashley Road School
Miss Margaret C Harper Prize Fund (part of EEIF)	For prize to best pupil in German at Aberdeen Academy.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£1,175	£403	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Margaret Duthie Memorial Prize Fund (part of EEIF)	For pupil showing the greatest endeavour at Dyce School.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£12,428	£4,361	Share of listed investments and cash in Loans Fund.	Dyce Primary School
Mary Dumo Prize Fund (part of EEIF)	For prize in English at Aberdeen Academy	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£17,746	£6,217	Share of listed investments and cash in Loans Fund.	Hazlehead Academy
Mary Thomson Scottish Poetry Prize	For the three best reciters of a Scottish poem at Cults Primary School, Cults Academy, Hartlaw Academy and Rubislaw Academy.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£10,443	£3,751	Share of listed investments and cash in Loans Fund.	Cults School, Cults Academy, Hartlaw Academy and Aberdeen Grammar
Mrs Mina Brooks Memorial Prize (part of EEIF)	For prizes for children's theatre	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£3,146	£1,104	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Murray Pictures Prize Fund	Promoting knowledge and love of art among children of the City. Circulating the Murray Circulating Collection among educational establishments in the City. Council to award annual prizes and certificates to pupils attending schools in the City for the most meritorious essays on pictures in the collection and to publish any essay of exceptional merit.	No	N/A	Aberdeen Educational Endowments Scheme 1934	£52,372	£18,809	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
Norman Moy Prize	Prize for the best jazz musician in Aberdeen schools.	No	N/A	Trust Deed of 2016	£10,008	£3,594	All Funds in ACC Loans Fund.	Available to all school students in Aberdeen schools.
Primary and Intermediate Schools Sports Fund (part of EEIF)	General use in relation to sport.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1996	£24,794	£1,924	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
35.9% of Rose Hip Fund (part of EEIF)	To be used at the discretion of the officer appointed by Aberdeen City Council for the purpose.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1997	£1,485	£533	Share of listed investments and cash in Loans Fund.	Available to all school students in Aberdeen schools.
St Fittick Aberdeen Rotary Club Prize (part of EEIF)	For prizes to pupils at Torry Secondary School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1998	£2,084	£748	Share of listed investments and cash in Loans Fund.	Lochside Academy
William C B Thomson Memorial Fund (part of EEIF)	For prizes in art at Northfield Secondary School.	No	N/A	The Educational Endowments (Grampian Region) Transfer Scheme Order 1999	£4,531	£1,627	Share of listed investments and cash in Loans Fund.	Northfield Academy
William Meston Bursary Fund (part of EEIF)	For bursary to pupil of merit at Culter School undertaking a secondary course.	Yes	SC025063	The Educational Endowments (Grampian Region) Transfer Scheme Order 2000	£33,225	£11,658	Share of listed investments and cash in Loans Fund.	Culter Primary School
				<b>Total:</b>	<b>£6,930,861</b>	<b>£1,811,333</b>		



**APPENDIX B - CHILDREN'S SOCIAL WORK TRUSTS** - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.

Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2024	Revenue Value 31 March 2024	Assets	Beneficiary
A. McKay Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£927	£333	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Angus Taylor Donations (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£630	£226	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Befriending Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£4,428	£1,590	Share of listed investments and cash in Loans Fund.	BeFriend a Child or The Aberdeen City Befriending Partnership
Disabled Living Centre (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£8,187	£2,940	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Donations Social Work Director (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£5,746	£2,063	Share of listed investments and cash in Loans Fund.	Care Leavers
Dyce Handicapped Children Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£3,106	£1,116	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Friends of Neo Natal Unit (part of EEIF)	To provide comforts for users of the named service.	No	N/A	Not known	£938	£337	Share of listed investments and cash in Loans Fund.	Aberdeen Maternity Hospital
Lewis J. Smith Bequest (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£1,200	£431	Share of listed investments and cash in Loans Fund.	Children's Social Work Department
Social Work Dept. Training Fund (part of EEIF)	To be used at discretion of the Director of Social Work.	No	N/A	Not known	£2,350	£844	Share of listed investments and cash in Loans Fund.	Kinship Carers
The Richard Garden Trust (part of EEIF)	To support the families of children with head or spinal injuries.	No	N/A	Not known	£37,606	£13,506	Share of listed investments and cash in Loans Fund.	Children with Disabilities service
Westburn Comforts Fund (part of EEIF)	To provide comforts for residents at the named home.	No	N/A	Not known	£2,385	£857	Share of listed investments and cash in Loans Fund.	Westburn Centre
				<b>Total:</b>	<b>£67,502</b>	<b>£24,243</b>		

This page is intentionally left blank

**APPENDIX C - ADULT SOCIAL WORK TRUSTS** - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.

Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2024	Revenue Value 31 March 2024	Assets	Beneficiary
Aberdon Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£3,130	£1,124	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen that support people with far end dementia
Albyn Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£40,938	£14,702	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Agnes Park Legacy (part of EEIF)	To provide comfort at homes for the Elderly	No	N/A	Not known	£13,520	£4,855	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Balnagask Home Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£8,320	£2,988	Share of listed investments and cash in Loans Fund.	Balnagask House Care Home
Croft House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£11,622	£4,174	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Elizabeth M. M. Laing (part of EEIF)	To provide comfort at homes for the Elderly	No	N/A	Not known	£1,250	£372	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Fergus House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£20,864	£7,493	Share of listed investments and cash in Loans Fund.	Fergus House Care Home
Ferryhill House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£9,227	£3,314	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Friends of Balnagask Court (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£739	£265	Share of listed investments and cash in Loans Fund.	Sheltered housing residents in or near the areas surrounding Balnagask Court
Gladys Pickman	For the use of Aberdon House.	No	N/A	Not known	£12,498	£12,498	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen that support people with far end dementia
Horizon Amenity Fund (part of EEIF)	For the benefit of users of the service	No	N/A	Not known	£3,371	£1,211	Share of listed investments and cash in Loans Fund.	Horizons Rehabilitation Centre
M J Elliot Trust (part of EEIF)	For the benefit of users of Rosehill House	No	N/A	Not known	£43,654	£15,678	Share of listed investments and cash in Loans Fund.	Day Care providers with the City of Aberdeen.
Northfield Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£19,114	£6,865	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Park House Amenity Fund (part of EEIF)	For the benefit of users of the service	No	N/A	Not known	£776	£279	Share of listed investments and cash in Loans Fund.	Sheltered housing residents in or near the area.
Polmuir Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£100,062	£35,936	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Rosewell Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£13,121	£4,712	Share of listed investments and cash in Loans Fund.	Rosewell House Rehabilitation Unit
Social Work Dept. Mental Health Training (part of EEIF)	To be used at discretion of Director of Social Work	No	N/A	Not known	£11,221	£4,030	Share of listed investments and cash in Loans Fund.	Social Workers within Aberdeen City Council's Social Work Department
Thorngrove Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£4,952	£1,778	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
Victoria House Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£52,904	£19,000	Share of listed investments and cash in Loans Fund.	Homeless people/Housing First Project

Westbank Comforts Fund (part of EEIF)	To provide comforts for residents at the named home	No	N/A	Not known	£379	£136	Share of listed investments and cash in Loans Fund.	Care Homes in the City of Aberdeen
				<b>Total:</b>	<b>£371,662</b>	<b>£141,410</b>		

**APPENDIX D - ARTS & CULTURE TRUSTS** - NOTE: the funds noted below as being "part of EEIF" and with SC025063 listed against them in column D are part of Aberdeen City Council Charitable Trusts, an OSCR-registered charity with charity number SC025063 (known as Education Endowment Investment Fund). Funds noted as being "part of EEIF" but without a number in column D are part of what was historically known as the EEIF but are not part of charity number SC025063. In total, the 'historic' EEIF comprises over 60 trusts, bequests and legacies - a number of which were transferred from Grampian Regional Council to Aberdeen City Council by the Educational Endowments (Grampian Region) Transfer Scheme Order 1996.

Trust/Fund	Purpose	OSCR-Registered Charity?	Charity Number	Governance Documents	Balance Sheet Value 31 March 2024	Revenue Value 31 March 2024	Assets	Beneficiary
Aberdeen Art Gallery Trusts	The advancement of the arts by providing for the purchase of works of art for the collection of Aberdeen Art Gallery & Museum	Yes	SC018575	Trust Deed dated 10 March 2014	£398,585	£398,585	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Aberdeen Bulawayo Trust	The purpose of the Trust shall be to relieve poverty among the inhabitants of the City of Bulawayo, Zimbabwe	Yes	SC009373	Trust Deed dated 1 March 1989	£244	£244	All Funds in ACC Loans Fund. Trust Income is solely a grant from the Common Good Fund.	City of Bulawayo, Zimbabwe
Aberdeen Gomel Trust	To assist the city of Gomel and Gomel Oblast in Byelorussia	No	N/A	Trust Deed dated 28 May 1994	£4,687	£4,687	All Funds in ACC Loans Fund.	City of Gomel and Gomel Oblast in Byelorussia. Activities currently suspended.
Alexander MacDonald Bequest	<i>"the purchase of paintings, as a matter of preference, but it shall be optional to make an occasional purchase of a piece of statuary"</i> . See the Trust Disposition and Deed of Settlement for further stipulations, including that <i>"no pictures painted more than twenty-five years before the date of purchase shall be eligible...."</i> and that an Art Committee be appointed to select the works of art. This is the MacDonald Art Committee.	Yes	SC018568	Trust Disposition and Deed of Settlement dated 11 December 1882	£25,040	£7,389	All Funds in the ACC Loans Fund.	Aberdeen Art Gallery & Museum

Bridges of Aberdeen Heritage Trust	To advance heritage	Yes	SC018551	Trust Deed dated 14 November 2016. Name subsequently changed from Bridge of Don Fund to Bridges of Aberdeen Heritage Trust in May 2021.	£1,312,839	£318,172	£1.1m investment in Lands of Skene and £270k in ACC Loans Fund.	Citizens of Aberdeen City
Cole Bequest	For the benefit of Aberdeen Art Gallery	No	N/A	Not known	£8,170	£8,170	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Elsie M Byrne	For the benefit of Aberdeen Art Gallery	No	N/A	Not known	£9,832	£9,832	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Glover House Trustees Ltd	Sole trustee of Grampian-Japan Trust which owns Glover House	No	Company Limited by Guarantee (company number SC503243)	Articles of Association	£1	£1	All Funds in ACC Loans Fund	N/A
Grampian-Japan Trust	Various purposes related to the historical links between Grampian Region and Thomas Blake Glover and the development of industry in Japan	No	N/A	Declaration of Trust dated 20 March 1996 (as subsequently varied in 2012 and 2015)	£461,000	£0	Sole Asset is the property at Glover House, Bridge of Don, Aberdeen	North-East of Scotland and Japan
John M Henderson Bequest (part of EEIF)	To enabling Libraries to expend funds on music download services	Yes	SC025063 (part of Aberdeen City Council Charitable Trusts, known as EEIF)	Revised constitution adopted in 2015.	£1,266	£444	Share of listed investments and cash in Loans Fund.	Libraries within the City of Aberdeen.

Lands of Skene	Free annual revenue of the Trust to be paid as follows:-  (a)40% to City of Aberdeen Council Guildry & Mortification Funds, charity number SC011857;  (b)30% to Bridges of Aberdeen Heritage Trust, charity number SC018551; and  (c)30% to the Aberdeen City Common Good Fund.	Yes	SC018533	Trust Deed dated 25 October 2023	£3,815,560	£2,535,311	£1.2M in land and buildings and £2.5M in ACC Loans Fund.	City of Aberdeen Council Guildry & Mortification Funds, Bridges of Aberdeen Heritage Trust and Aberdeen City Common Good Fund.
The Lord Provost's Charitable Trust	To distribute funds to such recognised Scottish charities operating within the City of Aberdeen as the Trustees may from time to time determine to be applied by the said charities for such purposes as the Trustees in their absolute discretion may specify.	Yes	SC028829	Trust Deed from 1999	£12,041	£12,041	Loans Fund Balance	Recognised Scottish charities operating within the City of Aberdeen
M Mowat & G Davidson	Upholding Ardo's Tomb 1662	No	N/A	Will from 1740	£886	£886	All Funds in ACC Loans Fund.	Ardo's tomb, St Nicholas' Church
Mrs McBey Fund No.1	To improve the permanent collection of Aberdeen Art Gallery by acquisition or commission upon report by the City Arts and Recreation Officer or his successor	No	N/A	Not known but referred to in minute of City of Aberdeen District Council Arts & Recreation (Art Gallery & Museums) Sub-Committee of 16 December 1994.	£3,032	£3,032	All Funds in ACC Loans Fund	Aberdeen Art Gallery & Museum



Marguerite McBey Trust	To advance the education of the people of Aberdeen and others through promotion and support of the arts by the protection, conservation and development of the Fine Art collection at the Aberdeen Art Gallery	Yes	SC031654	Trust Deed dated 10 May 2001	£527,804	£527,804	All Funds in ACC Loans Fund.	Aberdeen Art Gallery & Museum
Miss Hilda B S Duthie Bequest	For the benefit of Aberdeen Maritime Museum.	No	N/A	Letter from Miss Duthie's solicitors dated 09/08/1991. No restrictions on retaining any set capital sum	£3,326	£3,326	All Funds in ACC Loans Fund.	Maritime Musuem
Molly Craig Fund	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may from time to time determine	No	N/A	Not known	£2,034	£730	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen
Mrs Vera R E Taylor	Maritime Museum display	No	N/A	Not known	£17,044	£17,044	All Funds in ACC Loans Fund.	Maritime Musuem
Proctor's Orphanage Trust	To award quarterly grant payments to VSA for the benefit of children and families in Aberdeen City and Aberdeenshire	No	N/A	Disposition dated 1892 (as subsequently varied)	£205,708	£34,821	All Funds in ACC Loans Fund + a strip of ground 1 metre in width around the perimeter of Proctor's, Kirkton of Skene.	VSA
Rickart (Richard) Mortification Fund	In 1740 John Richard left £12 to be invested with interest to be used for the perpetual maintenance of Richard's Tomb	No	N/A	Will from 1740	£57,071	£57,071	All Funds in ACC Loans Fund.	Richard's Tomb located in the centre of the west wall of the St Nicholas Kirkyard

Robert Skene Matthew Bequest	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may, from time to time determine	No	N/A	Not known	£21,269	£7,639	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen
Stewart Reid Memorial Fund	To distribute funds to such recognised Scottish Charities operating within the City of Aberdeen as the trustees may from time to time determine.	No	N/A	Not known	£3,264	£1,172	Share of listed investments and cash in Loans Fund.	Recognised Scottish Charities operating within the City of Aberdeen
				<b>Total:</b>	<b>£6,890,703</b>	<b>£3,948,401</b>		

This page is intentionally left blank

## **APPENDIX E – DETAILS OF DISBURSEMENTS**

### **Educational Trusts (Appendix A)**

There are 37 Educational Trusts with a total Balance Sheet Value of £6,930,881 (as at 31 March 2024), which in summary have purposes supporting the advancement of education in Aberdeen. That sum includes a total Revenue Value of £1,811,333.

In terms of the Powers Delegated to Officers, the Chief Officer – Education & Lifelong Learning has approved the following expenditure:

- £350 in total from various prize funds - for funding Hazlehead Academy's school prizes in summer 2024, as follows:
  - Jessie Durno Prize Fund (Mathematics)
  - Margaret C Harper Prize Fund (best pupil in German)
  - George Mackenzie Prize Fund (best pupil in German)
  - Elizabeth M M Laing Prize (best pupil in French)
  - Mary Durno Prize Fund (English)
  - Athol Benzie Prize Fund (best all-round pupil in fifth year)
  - Duncan B Heriot Prize Fund (English and History)

### **Children's Social Work Trusts (Appendix B)**

There are 11 Children's Social Work Trusts with a total Balance Sheet Value of £67,502 (as at 31 March 2024), which in summary have been established to support the delivery of children's social work services. That sum includes a total Revenue Value of £24,243.

In terms of the Powers Delegated to Officers, the Chief Officer – Children's Social Work & Family Support has approved the following expenditure:

- £280.96 from the A McKay Fund and £1,742.03 from the Donations Social Work Director fund – to help facilitate monthly sessions at the Westburn Resource Centre, running from May 2024 to May 2025. These sessions are designed to give care experienced young people the opportunity to meet one another, participate in focused discussions and have a safe and positive space in which to express their experiences of being in care.

### **Adult Social Work Trusts (Appendix C)**

There are 20 Adult Social Work Trusts with a total Balance Sheet Value of £371,662 (as at 31 March 2024), which in summary relate to specific adult social work functions or specific residential homes. That sum includes a total Revenue Value of £141,410.

In terms of the Powers Delegated to Officers, the Chief Officer – Aberdeen City Health and Social Care Partnership has approved the following expenditure:

- £3,011.40 from the Social Work Department Mental Health Training fund – to deliver Adults with Incapacity training for all adult social work staff within the Partnership; and
- £120 from the Elizabeth M M Laing fund – to facilitate Easter Celebrations across a number of care homes in Aberdeen.

### **Arts & Culture Trusts (Appendix D)**

There are 22 Arts & Culture Trusts with a total Balance Sheet Value of £6,890,703 (as at 31 March 2024). That sum includes a total Revenue Value of £3,948,401.

In terms of the Powers Delegated to Officers, the Chief Officer – City Development & Regeneration, at the request of the Council’s Aberdeen Archives, Gallery & Museums Service (AAGM), has approved the following expenditure:

#### From the Aberdeen Art Gallery Trusts (charity number SC018575)

- £42,000 towards the purchase of a ceramic pot (“*Alan Measles and Claire Under an English Moon*”) designed by Grayson Perry. The total cost was £120,000 and the Council secured the remainder of the funding from external bodies (Art Fund, National Fund for Acquisitions and Friends of AAGM). This acquisition aligns with the AAGM Collections Development Policy priority theme of “identity and representation”. Perry was awarded the Turner Prize in 2003. In 2020, he became the first British visual artist since Henry Moore in 1968 to win the prestigious and lucrative Erasmus prize, a Dutch version of the Nobel prize, given annually to a person or institution that has made “*an exceptional contribution to the humanities, the social sciences or the arts*”;
- £5,500 for the commissioned work “*You Are Not the Darkness, You Are the Light*”, a fused glass sculpture by Shelagh Swanson. This acquisition aligns with the priority theme of “identity and representation” and is in memory of those lost to, and survivors of, domestic violence in Aberdeen. It was unveiled by Her Majesty Queen Camilla as part of the Save Lives campaign on 18 January 2024. It is permanently located in the window of Gallery 8 where it is visible inside and outside of the building, signalling that the Art Gallery is a safe space where refuge and support can be given to anyone experiencing domestic abuse;
- £6,000 to purchase “*The Second Coming*”, a mixed media work on canvas by Ian Howard. This acquisition aligns with the priority theme of “energy, environment and local economy”. Howard was born in Aberdeen and specialises in painting, drawing and printmaking. He is an Academician of the Royal Scottish Academy of Art and Architecture and an Emeritus Professor of the University of Edinburgh;
- £1,975 to purchase “*Tall Ships, Aberdeen Harbour*”, a painting by Nigel Grounds. This acquisition aligns with the priority theme of “energy, environment and local economy”. The painting depicts the Malcolm Miller and Winston

Churchill Tall Ships tied up at the quayside in Aberdeen for the Tall Ships Race in 1991. One of the vessels depicted (Malcolm Miller) was built in Aberdeen by Hall Russell and launched in 1967. It is hoped that this vessel (now a luxury yacht) will be visiting Aberdeen as part of the Tall Ships Race planned for 2025. This painting will feature in AAGM activities relating to that event;

- £3,179 to purchase the following three works created by Gray's School of Art graduates, each of whom is a previous winner of the David and June Gordon Memorial Trust Award:
  - “*Golden Years*” (ink, wood stain and varnish on hand-engraved board) by Lachlan Smith;
  - “*Penumbra Bloom*” (oil on board) by Tomasz Wrobel; and
  - “*Borderpost*” (oil on linen) by Anna Geerdes.
  
- £6,000 to purchase “*Selkie*”, a sculpture by Claire Partington. This acquisition aligns with the priority theme of “identity and representation”, in particular by addressing themes of mental health, feelings, grief and emotions, and perceptions regarding feminism, toxic masculinity and family dynamics.

The acquisitions detailed above will enhance the AAGM permanent collection.

#### From the Hilda B S Duthie Bequest

- £1,315 towards the costs of a new exhibition in the Aberdeen Maritime Museum titled “*Aberdeen Ships, Trade and Empire*”. The exhibition focusses on the role of ships owned and built in Aberdeen in Empire and colonialism. The exhibition opened on 6 July 2024 and this funding enhances visitor access to, and engagement in, a significant part of the city’s history not covered in existing displays.

This page is intentionally left blank



## **ABERDEEN ARCHIVES, GALLERY & MUSEUMS TRUST**

### **TRUST DEED**

We, Aberdeen City Council, the local authority for the city of Aberdeen in terms of the Local Government etc. (Scotland) Act 1994 and having our principal office at Town House, Broad Street, Aberdeen, in order to create a trust to be known as Aberdeen Archives, Gallery & Museums Trust (the "Trust"):

(One) appoint ourselves as the sole trustee of the Trust (we and our statutory successors herein referred to as "the Trustee"); and

(Two) pay the sum of £1 to ourselves as the Trustee; And we direct as follows:

#### **Trust purposes**

1. The Trustee shall hold and apply the said sum of £1, and such other funds and assets as may from time to time be comprised in the Trust Property, in trust for the advancement of the arts, heritage and culture and the advancement of education by:
  - (a) facilitating and encouraging engagement by members of the public with the collections and services of Aberdeen Archives, Gallery and Museums;
  - (b) caring for, storing, preserving, researching, developing, displaying and interpreting the collections of Aberdeen Archives, Gallery and Museums;
  - (c) acquiring works of art and objects of artistic, heritage or cultural value for the collections of Aberdeen Archives, Gallery and Museums; and
  - (d) improving physical, sensory and intellectual access to the collections and services of Aberdeen Archives, Gallery and Museums.
2. For the purposes of this Trust Deed, Aberdeen Archives, Gallery and Museums comprises:
  - Aberdeen Art Gallery, Schoolhill;
  - Aberdeen Maritime Museum, Shiprow;
  - The Tolbooth Museum, Castle Street;
  - Provost Skene's House, Guestrow;
  - Aberdeen City & Aberdeenshire Archives, Town House, Broad Street; and
  - Aberdeen Treasure Hub (Museum Collection Centre), Granitehill Road;all in Aberdeen, and any other archives, galleries, museums and collection storage locations as may from time to time be owned, managed or operated by Aberdeen City Council or its statutory successors.

3. The expenses of creating and administering the Trust, and any tax payable in relation to the Trust, shall be met in priority to all other payments and transfers of assets out of the Trust Property.

### **Powers**

4. In the administration of the Trust, the Trustee shall, in addition to the powers and rights which are conferred by law upon the trustee who is acting without remuneration, have the fullest powers with regard to investment, sale, administration and management of the Trust Property as if they were the owner; in particular (but without limiting the scope of the powers which it may exercise under the preceding provision), the Trustee shall have the following powers:
  - (a) To do the things described in clause 1;
  - (b) To expend the whole funds and assets of the Trust for the Trust Purposes;
  - (c) To carry on any other activities which further any of the Trust Purposes;
  - (d) To take such steps as it may deem appropriate for the purpose of raising funds;
  - (e) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them);
  - (f) To establish and/or support any other charity, and to make donations for any charitable purpose, falling within the Trust Purposes;
  - (g) To purchase, take on lease, hire, or otherwise acquire, any property or rights;
  - (h) To improve, manage, develop, or otherwise deal with, all or any part of the Trust Property;
  - (i) To sell, let, hire out, license, or otherwise dispose of, all or any part of the Trust Property;
  - (j) To borrow money, and to give security in support of any such borrowings by the Trust;
  - (k) To employ or otherwise appoint or engage such staff as are considered appropriate for the administration of the Trust or for the conduct of the Trust's activities, and to make reasonable provision for the remuneration of such staff and for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants;
  - (l) To engage such consultants and advisers as are considered appropriate from time to time;

- (m) To effect insurance of all kinds (which may include officers' liability insurance);
- (n) To invest any funds, which are not immediately required for the administration of the Trust or for the Trust's activities, in such investments as may be considered appropriate (and to dispose of, and vary, such investments);
- (o) To liaise with voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust Purposes;
- (p) To form any company which is a charity or any Scottish charitable incorporated organisation (SCIO) (providing, in either case, its purposes are similar (wholly or in part) to the Trust Purposes), and, if considered appropriate, to transfer to any such company or SCIO (without any payment being required from the company or SCIO) the whole or any part of the Trust Property;
- (q) To retain any property comprised in the Trust Property for such time as the Trustee thinks proper;
- (r) To have any part of the Trust Property registered in the name of a nominee and to pay reasonable fees to such nominee;
- (s) To grant proxies in favour of the Trustee (or any other person) to attend, act and vote for the Trustee at any meetings (whether of the nature of general meetings, class meetings, creditors' meetings or otherwise) relating to any investment held by the Trustee or relating to any claim (or prospective claim) by the Trustee in any liquidation or other insolvency proceedings;
- (t) To compromise or settle, including by means of arbitration, all claims by or against the Trust or in relation to the Trust Property;
- (u) To appoint solicitors to the Trust or agents for the Trustee in any other capacity, and to pay to such solicitors or other agents their usual charges;
- (v) To reimburse the Trustee out of the Trust Property, in relation to all expenses reasonably incurred by it in the administration of the Trust; and
- (w) To do anything which may be incidental or conducive to the furtherance of any of the Trust Purposes.

### **Trustee meetings**

5. Subject to the provisions of the following clauses, the Trustee may regulate its proceedings as it thinks fit.
6. A Trustee meeting shall be held at least once in each year.

7. The Trustee may call a meeting or request the secretary to the Trust to call a meeting.

### **Delegation**

8. The Trustee may delegate the exercise of any of its powers (including powers relating to whether and in what way funds and assets of the Trust should be distributed and powers relating to whether any fee or other payment due to be made out of the Trust funds should be made out of capital or income) to any committee, sub-committee or officer of Aberdeen City Council or its statutory successors; and any such delegation of powers may be made subject to such conditions as the Trustee may impose, and may be revoked or altered.

### **Secretary**

9. The Trustee may appoint a secretary to the Trust for such term, at such remuneration (if any), and on such conditions, as the Trustee may think fit; and any secretary so appointed may be removed by the Trustee.
10. The Trustee shall ensure that the secretary:
  - (a) keeps proper minutes of all proceedings at meetings of the Trustee (and at meetings of committees of the Trustee); and
  - (b) keeps proper records and documents in relation to all other matters connected with the administration and management of the Trust.

### **Accounts**

11. The Trustee shall ensure that proper accounting records are maintained, in accordance with all applicable statutory requirements.
12. The Trustee shall prepare annual accounts, complying with all relevant statutory requirements; and:
  - (a) if an audit is required under any statutory provisions or if the Trustee otherwise thinks fit, the Trustee shall ensure that an audit of such accounts is carried out by a qualified auditor; and
  - (b) if an audit is not carried out, the Trustee must ensure that an independent examination of the accounts is carried out by a qualified independent examiner.
13. An accountant engaged in an audit of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.

### **Operation of bank accounts**

14. The Trustee should ensure that the systems of financial control adopted by the Trust in relation to the operation of the Trust's bank accounts (including online banking) reflect the recommendations made from time to time by the Trust's auditors (or independent examiners) or other external accountants.

### **Payments to charities etc**

15. The receipt of the treasurer or other appropriate officer for any funds or other assets paid or transferred by the Trustee to any charity shall represent sufficient discharge to the Trustee.

### **Limitations on liability**

16. The Trustee shall not be liable for loss or depreciation of the value of investments retained or made by them, nor for omissions, nor for neglect in management, nor for insolvency of debtors, nor for the acts, omissions, neglect or default of any banker, solicitor, factor or other agent employed by them.

### **Trustee Conduct**

17. The Trustee shall, in exercising its functions as a trustee of the Trust, act in the interests of the Trust; and, in particular, must:
  - (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with its objects (as set out in this Trust Deed);
  - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
  - (c) in circumstances giving rise to the possibility of a conflict of interest between the Trust and any other party, put the interests of the Trust before that of the other party, in taking decisions as a Trustee;
  - (d) ensure that the Trust complies with any direction, requirement, notice or duty issued to it or imposed on it in terms of the Charities and Trustee Investment (Scotland) Act 2005 or other applicable legislation.

### **Amendment of Trust Deed/winding-up**

18. If, in the opinion of the Trustee, any change in circumstances or alteration in the law has made or is likely to make execution of the Trust Purposes impossible or impracticable, or the administration of the Trust

could be improved, or the Trust Purposes could be advanced in a more appropriate manner, the Trustee may (subject to clause 19) in its discretion:

- (a) supplement or amend the provisions of this Trust Deed or any deed supplemental to this Trust Deed; or
  - (b) wind up the Trust and transfer the Trust Property (after settlement of all debts and liabilities) to some other charity or charities having similar objects to those of the Trust.
19. In no circumstances is the Trust Property to be held or applied for any purpose which is not an exclusively charitable purpose.

### **Interpretation**

20. In this Trust Deed:

“charity”	means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
“charitable purpose”	means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
“Trust Deed”	means this trust deed (including any supplement or amendment thereto);
“Trust Property”	means the sum of £1 paid by us to the Trustee, and such other funds and assets as may from time to time be received by the Trustee as trustee under the Trust Deed (from us or any other person), and the assets in which any funds so received may from time to time be invested;
“Trust Purposes”	means the purposes specified in clause 1.

21. Any reference in this Trust Deed to a provision of any legislation shall include any statutory modification or re-enactment of that provision in force from time to time.

We declare that the Trust Deed shall be irrevocable.

This Trust Deed, consisting of this and the [x] preceding pages, is executed as follows:-

SIGNED for and on behalf of the said Aberdeen City Council

Signature: .....

Name:

Title/Role:

At Aberdeen

on [DATE]

in the presence of

Signature: ..... Witness

Name: .....

Address: .....



This page is intentionally left blank

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Annual Procurement Report 2023-24
<b>REPORT NUMBER</b>	CORS/24/354
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Mel Mackenzie
<b>TERMS OF REFERENCE</b>	24.14

### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the Annual Procurement Report 2023-2024 (Appendix A) to Council.

### 2. RECOMMENDATION

That the Council: -

- 2.1 Note the Annual Procurement Report (Appendix A).

### 3. CURRENT SITUATION

- 3.1 Section 18 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Public Body with an annual spend in excess of £5,000,000 to publish an annual procurement report on its regulated procurement activities and outline performance against its Procurement Strategy. Regulated procurements are any procurement of goods and services with a value above £50,000 and works contracts with a value above £2 million.
- 3.2 The Annual Procurement Report (Appendix A) as appended to this report provide details of the performance of procurement activity across Aberdeen City Council. The report has been produced in accordance with the guidance issued by the Scottish Government and includes the required mandatory sections. The report covers all regulated procurements completed during the financial year 2023-2024; and anticipated procurement activity covering the period (2024-2026).
- 3.3 The Scottish Government must also prepare an annual report on procurement activity in Scotland which is based upon all the published annual procurement reports.

3.4 The Council's procurement function is shared with Aberdeenshire Council and The Highland Council. The Joint Procurement Strategy 2023-26 sets out how the authorities will ensure that procurement activity delivers value for money and contribute to the achievement of each authority's broader aims and objectives. Six key themes have been identified in line with local and national priorities:

- Governance
- Policy
- Food Procurement
- Climate Change, Net Zero and Circular Economy
- Commercialisation
- Community Wealth Building

3.5 The Annual Procurement Report covers the following Sections: -

<b>Title</b>	<b>Content</b>
Section 1 – Summary of Regulated Procurements	Regulated procurements that have been completed in the reporting period.
Section 2 – Review of Regulated Procurement Compliance	Information on how regulated procurements have complied with the key objectives of the Joint Procurement Strategy
Section 3 – Community Benefit Summary	Community benefit requirements imposed as part of a regulated procurement.
Section 4 – Supported Businesses Summary	Steps taken to facilitate the involvement of supported businesses in regulated procurements.
Section 5 – Future Regulated Procurements Summary	Regulated procurement the authority expects to commence in the next two financial years.
Appendix 1 – Regulated Procurements - 1 April 2023 to 31 March 2024	
Appendix 2 – Future Regulated Procurements 2024-2026	

3.6 The Annual Procurement Report 2023-2024 provides details of spend and percentage of spend with local suppliers, the current figure of local spend is 33% which is in excess of the target set of 30% and above the national average of 29.6%\*. Performance against this metric has decreased from last financial year where local spend was at 35% however spend with local SME's om 23-24 has increased from 23% to 24%. Local Supplier Spend is one of the Key Performance Indicators which is monitored and reported quarterly to the Strategic Procurement Board, and the trend will be monitored to identify whether any further action is required to prevent a further downward trend.

*\*Figure from Local Government Benchmarking Framework for 2022-23*

3.7 The programme of Supplier Development activity is developed for each annual period to build upon current engagement with local and small to medium enterprises which has an increased focus on future, actual contract opportunities (pipelines) across the main commodity categories, particularly where the local business community can help to shape/scope requirements to ensure competitiveness, a diverse marketplace and inclusive participation.

3.8 In the reporting period the approach to sustainable procurement has been guided by the commitments expressed in the joint procurement strategy. The themed approach to community benefits continues to evolve and improve in close alignment with local and national priorities. The total number of Community Benefits included, in process and delivered in this period totalled 1062, with 95% of all regulated procurements having included Community Benefits and Fair Work practices.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

#### 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?
<b>Strategic</b>	No significant strategic risk.	Production and publication of Annual Procurement Report offers assurance around delivery against strategic aims and objectives	L	Yes

<b>Compliance</b>	No significant compliance risk.	Production and publication of Annual Procurement Report ensures Council is meeting legislative procurement duty	L	Yes
<b>Operational</b>	No significant operational risk.	Mandatory procurement training for staff involved in procurement activity supplemented with documented guidance & support offers assurance around delivery of strategic aims and objectives	L	Yes
<b>Financial</b>	No significant financial risk.	Performance against savings targets reported on annually.	L	Yes
<b>Reputational</b>	No significant reputational risks.	Reporting performance through the annual procurement report to Members and in the public domain ensures transparency	L	Yes
<b>Environment / Climate</b>	No significant environment or climate risk	Reporting performance through the annual procurement report to Members and in the public domain will demonstrate progress on reducing carbon in contracts, the data collected will also support the Council's Climate change return.	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Policy Statement</b>	The provision of information on outcomes achieved in the annual procurement report allows for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
<b>Stretch Outcomes (Prosperous Economy/People/Place)</b>	The provision of information on outcomes achieved against the Joint Procurement Strategy in the annual procurement report will allow for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
<b>Regional and City Strategies</b>	Procurement activity conducted in accordance with the Joint Procurement Strategy will deliver outcomes against several Regional and City Strategies, outcomes delivered against the Joint Procurement Strategy will be reported on annually in the annual procurement report presented to Council, allowing for scrutiny by members.
<b>UK and Scottish Legislative and Policy Programmes</b>	Procurement activity is conducted in alignment with relevant UK and Scottish Legislative and Policy Programmes.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Integrated Impact Assessment</b>	It is confirmed by the Chief Officer - Commercial and Procurement that no Integrated Impact Assessment is required.
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

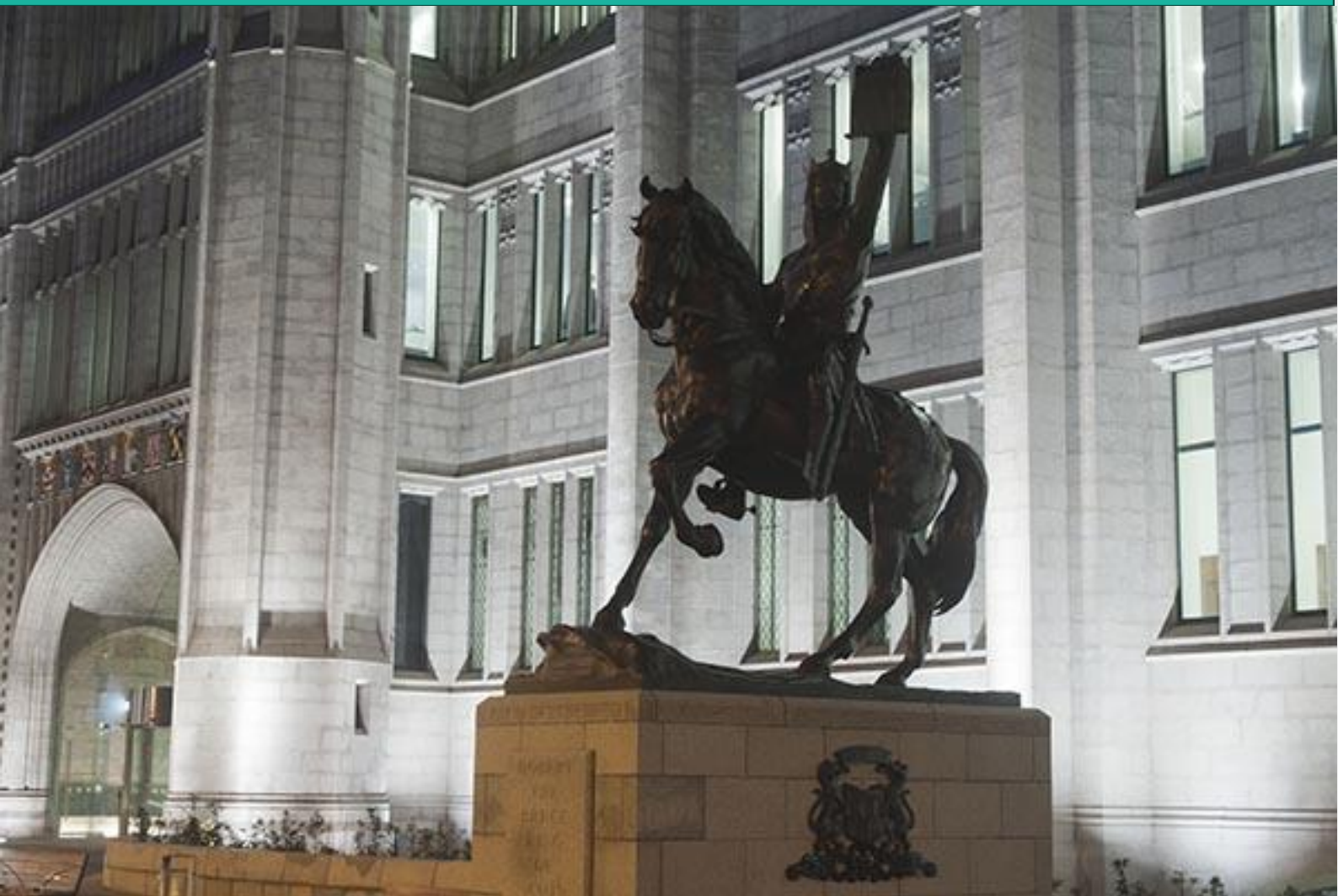
Appendix A – Annual Procurement Report 2023-2024

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Melanie Mackenzie
<b>Title</b>	Strategic Commercial Manager
<b>Email Address</b>	<a href="mailto:MeMackenzie@aberdeencity.gov.uk">MeMackenzie@aberdeencity.gov.uk</a>
<b>Tel</b>	07795 316388



# Aberdeen City Council Annual Procurement Report



1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024



Commercial &  
Procurement  
Shared Service

## Contents

<b>Introduction</b> .....	3
<b>Section 1 – Summary of Regulated Procurements</b> .....	10
<b>Section 2 – Review of Regulated Procurement Compliance</b> .....	12
<b>Section 3 – Community Benefit Summary &amp; Community Outcomes</b> .....	20
<b>Section 4 – Supported Businesses Summary</b> .....	27
<b>Section 5 – Future Regulated Procurements Summary</b> .....	29
<b>Appendix 1 – Regulated Procurements - 1 April 2023 to 31 March 2024</b> .....	29
<b>Appendix 2 – Future Regulated Procurements 2024 - 2026</b> .....	33

## Introduction

---

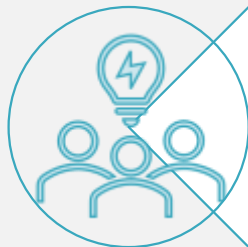
The Aberdeen City Council Annual Procurement Report 2023 - 2024 covers the Council's procurement activity from 1 April 2023 to 31 March 2024. The report includes anticipated future procurement activity over the next two financial years – 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2026.

The annual report records and publicises the Authorities performance and achievements in delivering its procurement strategy. This report has been produced in accordance with the guidance issued by the Scottish Government.

Aberdeen City Council's Procurement is delivered under a shared service agreement with Aberdeenshire Council and The Highland Council, - the Commercial & Procurement Shared Service (C&PSS).

The Joint Procurement Strategy 2023 - 2026 for the three Councils was published in October 2023, the Joint Procurement Strategy is designed to enable the partner Councils to ensure compliance with the Procurement Reform (Scotland) Act 2014, to achieve their strategic objectives and meaningfully contribute to national priorities through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment.

The Joint Procurement Strategy sets out the Procurement Vision and Mission Statement:



### **Procurement Vision**

*"to deliver innovative, sustainable, cost effective and high quality strategic procurement services, maximising outcomes and value and fostering collaboration"*



### **Mission Statement**

*"deliver procurement outcomes that support the wider strategic aims of the Councils and the communities they serve, furthering local and national priorities to the fullest extent possible"*

Within the Joint Procurement Strategy six key themes have been identified in line with local and national priorities, each strategy theme will support a key priority and support the enablement and delivery of procurement and commercial activity:

Theme	Strategic Driver
1. Governance	<ul style="list-style-type: none"> <li>- How procurement will support Council(s) functions and outcomes</li> <li>- Achievement of best value</li> <li>- Equal treatment, transparency</li> <li>- Procurement Priorities</li> </ul>
2. Policy	<ul style="list-style-type: none"> <li>- How the Council(s) will deliver Community Benefits (Social Value) through procurement activity</li> <li>- How the Council(s) will consult and engage with those affected by its procurements</li> <li>- How the Council will incorporate Fair Work Practices into procurement activity</li> <li>- How the Council(s) will Promote compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 Act 1974 (c.37) and any provision made under that Act, and</li> <li>- Policy on the procurement of fairly and ethically traded goods and services,</li> <li>- Policy on prompt payment (ensuring payment to contractors and sub-contractors within 30 days)</li> </ul>
3. Food Procurement	<ul style="list-style-type: none"> <li>- Set out an approach to procurement of food related contracts which will</li> <li>- improve the health, wellbeing and education of communities in the Council(s) area, and</li> <li>- promote the highest standards of animal welfare</li> </ul>
4. Climate Change, Net Zero & Circular Economy	<ul style="list-style-type: none"> <li>- Policy on incorporation of Climate Change &amp; Circular Economy in procurement activity to support Net Zero targets</li> </ul>
5. Commercialisation	<ul style="list-style-type: none"> <li>- Strategy for Commercial activity which will allow for generation of income to support delivery of the Council(s) functions/outcomes</li> </ul>
6. Community Wealth Building	<ul style="list-style-type: none"> <li>- Set out how procurement activity can support Community Wealth Building, supporting local economic development, and redirecting wealth back into the local economy - placing control and benefits into the hands of local people.</li> </ul>

To support delivery of themes within the Joint Procurement Strategy, the Commercial & Procurement Shared Service offers a range of strategic services with dedicated teams providing these services to the partners to the Shared Service agreement, the teams include:

- Category & Commercial Management Team
- Commissioning, Procurement and Contracts (Social Care) Team
- Commercial Legal Team
- Shared Insurance Service

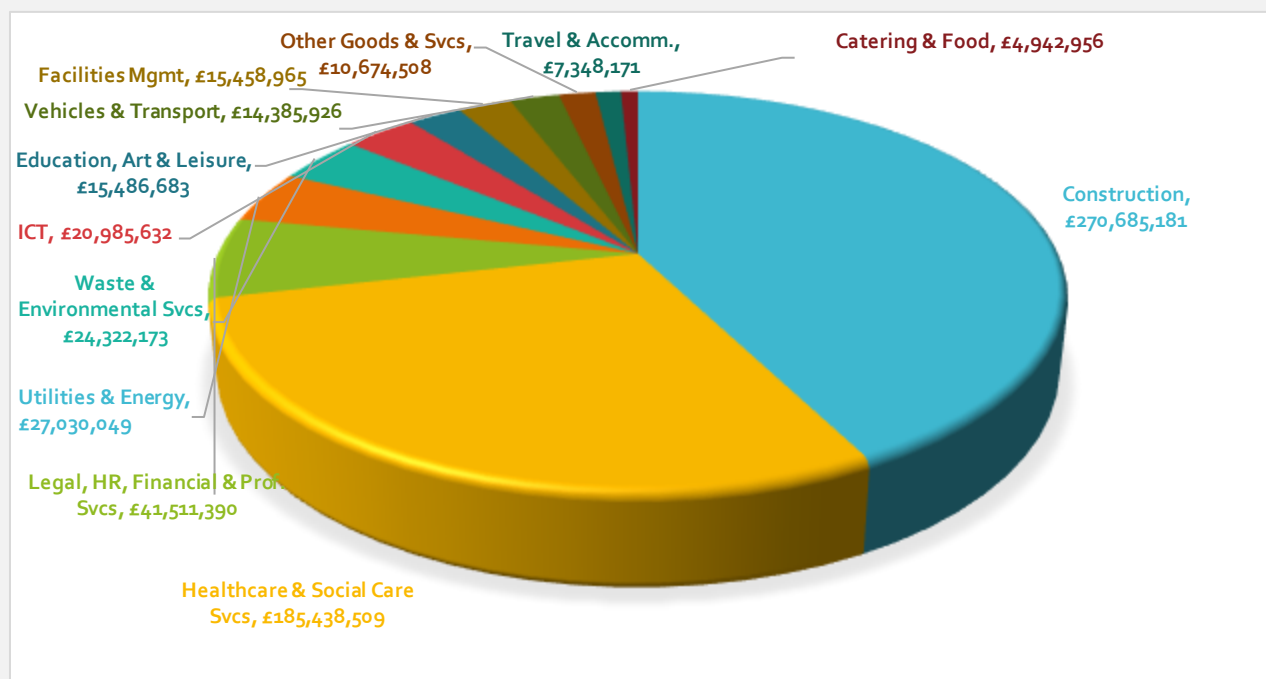
### Category & Commercial Management Team

The primary role of the Category & Commercial Management Team is to enable the partner councils to achieve their strategic objectives through the delivery of goods, works and services procured externally and to deliver improved value/increased revenue opportunity.

The strategic services provided by the team are:

- Data management, performance, analytics and insight.
- Procurement strategy, legislation, policy and advice.
- Strategic Category Management (for all strategic categories of spend).
- Commercial Management – covering revenue opportunities

The below graphic shows the annual expenditure by Category area.



**\*A breakdown of the categories included in Other Goods & Services can be found below:**

Category	Spend	Category	Spend
Marketing & Media	£ 3,081,613	Manufacturing & Machinery	£ 284,926
Security Equipment & Services	£ 1,845,013	Community Development	£ 237,449
Public Sector Bodies	£ 1,270,707	Economic Development	£ 221,259
Business Support Services	£ 1,150,468	Purchasing Services	£ 200,758
Not Classified	£ 865,997	Clothing	£ 190,687
Retail & Wholesale	£ 397,407	Charitable & Religious Activity	£ 57,868
Laboratory	£ 380,525	Animals & Farming	£ 38,803
Stationery & Office Products	£ 354,428	Personal Care	£ 6,600

*The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on the VCode Classification system, which classifies suppliers by their business activities and is specifically designed to allow public sector organisations a more accurate method of classification of suppliers.*

### Commissioning, Procurement and Contracts (Social Care) Team

Because of the complex nature of health and social care services, procurement and contract management are conducted by a resolute Commercial and Procurement Shared Service team – the Commissioning, Procurement and Contracts (Social Care) Team.

The remit of the team is:

- Commissioning – supporting customers to develop and implement strategic commissioning plans
- Procurement – tenders; direct awards; compliance with governance
- Contract management – contract administration; routine monitoring; non-compliance activity; supplier relationship management

Social Care procurement of services is driven by strategic commissioning intentions for services listed under Schedule 3 – Social and Other Specific Services, of the Public Contracts (Scotland) Regulations 2015. Together with Aberdeen City & Aberdeenshire' Health and Social Care Partnerships the shared service social care team has established Commissioning and Procurement boards to create a clearer link between the programmes of work, the associated budgets, and the procurement work plan, in line with the Commissioning Cycle. Collaboration is central to the work of the social care team.

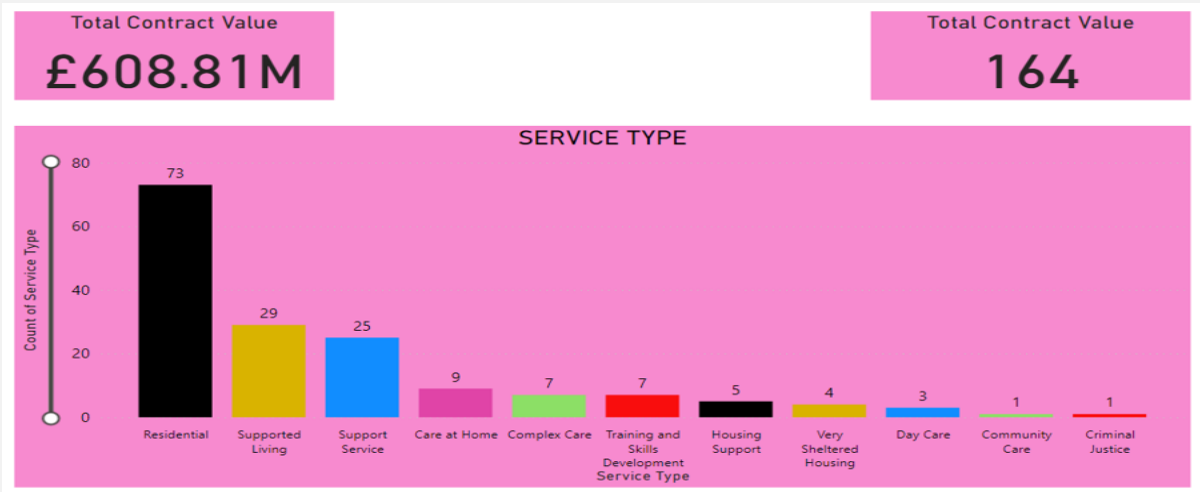
Similarly, the shared service social care team supports and manages the commissioning and strategic procurement of social care services for Aberdeen City and Aberdeenshire Council's Children's Services, Housing Services, and some Education provision.

The social care team's aim is to deliver innovative, cost effective and high-quality strategic procurement services that maximise best value from all commercial relationships, exploiting new opportunities, while ensuring a robust and effective governance framework in support of the wider strategic, financial, and operational needs of the individual Councils and their



partners. We procure high quality services delivering the right services to people in Aberdeen City/Aberdeenshire and commission these in a lawful, fair, and transparent manner.

The Social Care team manages 164 Aberdeen City contracts spread across eleven different functions. The dashboard below shows the split:



The below graphic details the client groups for the 164 contracts – the majority are Learning Disability and Older People which are reflected in the spend:



In this dashboard, you can see the split of the total contract spend of £608m:

Service Type	Count of Service Type	Total Contract Value £ :
Care at Home	9	£208,471,381.00
Community Care	1	£2,059,612.00
Complex Care	7	£0.00
Criminal Justice	1	
Day Care	3	£2,126,276.08
Housing Support	5	£5,939,020.92
Residential	73	£300,206,665.99
Support Service	25	£18,620,652.84
Supported Living	29	£59,783,112.19
Training and Skills Development	7	£6,650,605.00
Very Sheltered Housing	4	£4,953,436.00
<b>Total</b>	<b>164</b>	<b>£608,810,762.02</b>

*\*Spend over duration of contract and not annual value.*



## Strategic Procurement Board

The Shared Service is overseen by the Strategic Procurement Board, the board is comprised of Senior Leaders from across the three partner Councils and has responsibility for:

- Oversight of the delivery of the services set out in the Service Level Agreement (SLA) between the partners to the joint arrangement.
- Reviewing the performance of the service using Key Indicators (such as the following) and providing scrutiny and challenge, where appropriate:
  - Local Supplier Spend.
  - Collaborative Spend.
  - Community Benefits.
  - % of spend on and off contract.
  - Savings flowing from the joint arrangements.
- Oversight of a programme of digitisation of as many procurement processes as possible across the shared arrangement.
- Providing oversight of the roll out of a procurement capability programme across the shared arrangement.

## Supply Chain Challenges

The effects on the global economy and financial markets from geopolitical conflicts, inflation, recession and climate change impacts have made for another challenging year for the Council and its supply chain.

The Commercial & Procurement Shared Service have worked collaboratively with Services and Suppliers throughout the financial year, identifying solutions to challenges and minimising impacts of pricing increases as they have arisen (wherever possible), supporting delivery of vital frontline services whilst maintaining sustainability of our supply chain.

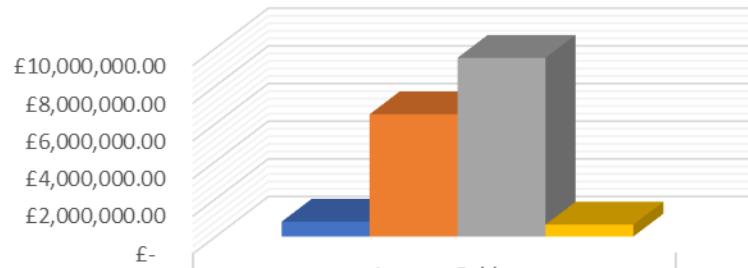
## Covid-19 Pandemic – Supplier Relief

The “Supplier Sustainability Scheme” came to its conclusion on the 31<sup>st</sup> of March 2023, with the final application processed and paid a year later in March 2024.

Following an audit of all the claims made up to and including Period 34 there were in total 1618 applications received and processed for the duration of the scheme for Aberdeen City Council. The total amount claimed by Providers was £21m, however each claim was subject to a forensic review and the actual amount paid to the providers totalled just under £17.5m.

The following graph and table shows the breakdown of the funding paid out for each sector and the difference between claim amount and actual claims paid:

## Aberdeen City Applications



Category	Amount Paid
Adult Residential	£787,473.06
Care at Home	£6,487,630.70
OP & PD Residential	£9,486,969.62
Supported Living	£631,694.99

## Aberdeen City Applications

	Claimed Amount	Amount Paid	Amount Saved
Adult Residential	£ 894,091	£ 787,473	£ 106,618
Care at Home	£ 7,027,314	£ 6,487,631	£ 539,684
OP & PD Residential	£ 12,350,537	£ 9,486,970	£ 2,863,567
Supported Living	£ 725,948	£ 631,695	£ 94,253
<b>Total</b>	<b>£ 20,997,890</b>	<b>£ 17,393,768</b>	<b>£ 3,604,121</b>

A report and presentation have been produced detailing all the work involved, the results and lessons learned.

## Section 1 – Summary of Regulated Procurements

---

Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: “a summary of the regulated procurements that have been completed during the year covered by the report”

Regulated procurements are any procurement for goods and services with a value above £50,000 and works contracts with a value of above £2 million. A summary of the regulated procurements awarded within financial year 1 April 2023 and 31 March 2024 is provided in the table below.

The information below includes the award of mini-competitions or call-offs from established frameworks. The Council use several national framework providers including Scotland Excel and Scottish Government.

The Council maintains and publishes a contract register of contracts awarded on its website. The contract register provides information on current contracts and can be viewed by suppliers to identify any future opportunities they may be interested in.

***A detailed list of the regulated procurements can be found in Appendix 1 – Details of Regulated Procurements.***

### Regulated Procurements from 1 April 2023 until 31 March 2024

Regulated Procurements	
Number of regulated procurements awarded	36
Total estimated value of procurement contracts awarded	£103,652,978
Number of regulated service contracts awarded	31
Number of regulated supply/goods contracts awarded	2
Number of regulated works contracts awarded	3

### Low value/Non-regulated Procurements

The Council promotes the utilisation of Public Contracts Scotland for low value procurements, by facilitating quotes via Quick Quotes for requirements above £10,000 (supply/goods and services) above £50,000 (works), below regulated procurement threshold.

## Low value/Non-regulated Procurements from 1 April 2023 until 31 March 2024

Low value/Non-regulated Procurements	
Number of low value/non-regulated procurements awarded	113
Total estimated value of procurement contracts awarded	£11,059,251
Number of low value/non-regulated service contracts awarded	44
Number of low value/non-regulated supply/goods contracts awarded	2
Number of low value/non-regulated works contracts awarded	67

## External Framework Use (Scotland Excel Membership) 1<sup>st</sup> April 23 – 31<sup>st</sup> March 24

Management information from Scotland Excel at the end of Quarter Four 23/24 shows that Aberdeen City Council participated in fifty-three out of sixty-three (84%) of the available framework agreements. Local suppliers being available for use across these frameworks on 31st March 2024 are as shown below:

Suppliers/Providers	Contracts	All Councils Actual Spend	Aberdeen City Spend	Council % Spend
31	22	£33M	£5M	16.6%

Location of the framework suppliers by postcode is as shown below:



The Aberdeen City Council spend was £5,000,000 with local suppliers on Scotland Excel framework agreements, which is consistent with spend level in the last financial year.

## Section 2 – Review of Regulated Procurement Compliance

---

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

In the Governance Theme of the Joint Procurement Strategy the approach agreed by the three partner Councils to the below is outlined:

- How procurement will support Council(s) functions/outcomes
- Achievement of best value
- Equal treatment, transparency
- Procurement Priorities

### Deliver Value and Innovation and increased collaboration and standardisation

C&PSS enables a greater level of collaboration and standardisation across the three partner councils in the following areas: -

- Identification of consolidation and aggregation of spend opportunities to generate best value
- Identification of product rationalisation and alternatives to generate best value
- Sharing of best practice and processes
- Identification and delivery of commercial opportunities, i.e. - Electric Vehicle Infrastructure and Heat Networks. These commercial projects will also deliver significant Community Benefits, Environmental and Economic Outcomes
- Maximising the benefits of digital technology for example p2p processes, electronic tendering, e-auctions and dynamic purchasing systems

### Financial Efficiencies

The financial situation remained challenging in the period 2023 – 2024 as higher inflation continued to impact the costs of supplies and services, fuel, and energy. Despite these challenges the team supported and enabled the delivery of £820,000 financial efficiencies which resulted in a budget reduction (Revenue Budget) during the period 01 April 2023 to 31 March 2024.

In addition, the Social Care team supported delivery of cost avoidance savings in relation to Social Care details can be found in Section 3 under Social Care outcomes.

## Review of Regulated Procurement Compliance

All regulated procurement in the Council is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with Procurement Regulations and supports delivery of the outcomes within the Joint Procurement Strategy. Legal requirements are set out in the Council's Procurement Regulations and procedural requirements are set out in the Scottish Government Procurement Journey (for general procurement best practice) and through our Procurement Manual (used in conjunction with the internal Procurement Regulations and the Scheme of Governance).

Processes, procedures and guidance are subject to regular review to ensure that all procurement activity is compliant with internal and external regulations. Within the continuous improvement section are details of improvement actions carried out in this financial year and planned activity for next financial year.

## Continuous Improvement

The Commercial & Procurement Shared Services are continually driving improvement, through innovative approaches to delivery of projects and provision of comprehensive guidance and training, all members of staff involved in procurement activity across Aberdeen City Council are required to be approved to a certain Delegated Procurement Authority (or DPA) level, depending on the procurement tasks they perform - from low level purchases to full competitive tenders. Please see below for continuous improvement highlights for financial year 2023-24.

- Further development of Procurement Compliance reporting in conjunction with Internal Audit, compliance issues will be reported through the Aberdeen City Council Risk Board
- Development of a Procurement Blog, providing delegated procurers with regular updates/guidance
- Inclusion of Supplier Development consideration in business case and procurement documents (support Community Wealth Building)
- Revision and consultation on the Joint Procurement Strategy
- Establishment of a regional procurement group with other public sector anchor Institutions to identify areas for regional collaboration to support the aims of Community Wealth Building
- Pilot of a system to capture Community Benefits, Fair Work and Climate data to aid reporting
- Implementation of a new Contract Register Platform, with changes made to improve functionality based on feedback from key stakeholders

## Overview of highlights of 2023/24 for the Social Care Team include:

- All team procedures have been reviewed and updated, as appropriate, including the procurement process documents
- Leading on ensuring all necessary work around supporting services to meet savings target has been completed
- Completing the work to support providers through the “Covid-19 Pandemic – Supplier Relief”
- Further development of Social Care Contract Monitoring– further detail of the monitoring process for 2023/24 can be found below
- Quality Assurance Processes completed in 2023/34 – further detail can be found below on assurance processes conducted for this financial year and the impact on internal audits on Social Care Procurement
- Co-design of Bon Accord Care service specifications for inclusion in new contract from 1 April 2024.
- Participation in Scottish Government’s testing of reporting for the Health & Care (Staffing) Act 2019 which becomes legislation from 1 April 2024.

### Social Care Contact Monitoring 2023/2024

The following details some of the outcomes from the contract monitoring. The team’s Information Analyst provided data on the following service descriptors:

Residential; Care at Home; Day Care; Supported Living; Training & Skills Development; Support Service; Housing; Very Sheltered Housing

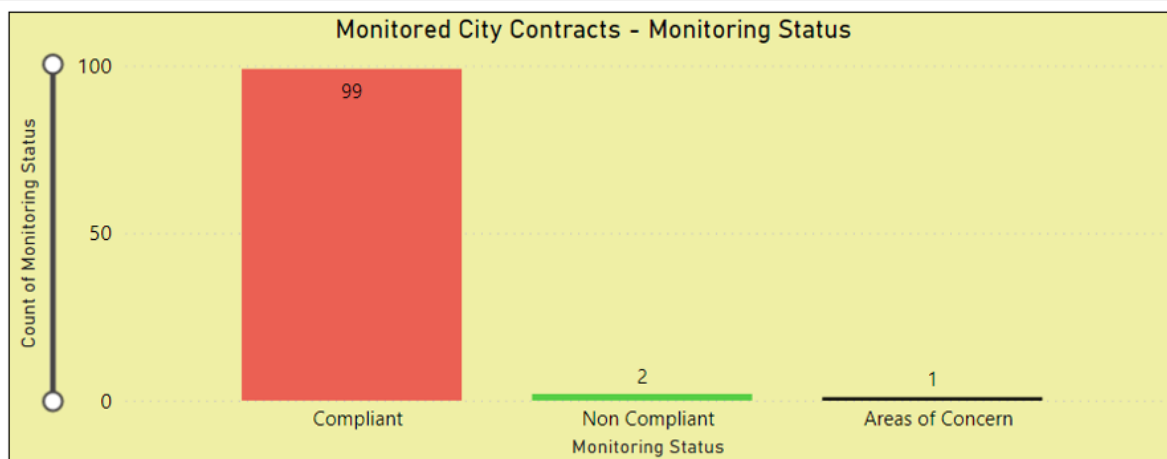
#### Contract Description

In total, **102 Aberdeen City contracts were included in this monitoring cycle.** Although we have 164 current contracts in the portfolio, a number were excluded for example, contracts with zero spend or where they were deemed too new in 2023/2024. Each contract is risk assessed in terms of financial and service risks. The following are highlights from the full report, which is available, on request:

#### Monitoring Status

The monitoring status of the contract tells us if there are any outstanding/current issues with the provider. These issues will be reported to the service managers who are the purchasers of services to inform their placing decisions.





As you can see from the above, we have the following information:

- 97% of contracts are deemed “compliant”. This means the Contract Manager is assured that all reporting and all checks (including a credit check) have come back with no concerns. This suggests a solid working relationship between purchasers and providers. There are no current issues
- One contract is deemed to be in areas of concerns. For the contracts under “areas of concern,” the provider has either failed to respond or failed to provide all the requested information. Information missing is either the ER/BC checklist, fire inspection letter, or the monitoring form. As of the date of the report, the contract under “areas of concern” has been moved to “compliant”.
- Two contracts are currently “non-compliant” and are separate from this process. They are services where there are serious issues and placements will currently be suspended until the appropriate action is taken to ensure high quality services are restored. In general (and in the case of these three contracts), these are care homes for older people.
- Overall, the response rate has improved each of the last three years and is now 100%. The response rate has improved partly down to a) providers being familiar with the ask and b) Contract Managers diligently chasing up and collaborating with providers

### Real Living Wage

The monitoring process also covered Real Living Wage payments to staff delivering care and support, an approach which encourages providers to pay staff at least the Real Living Wage has seen a positive result with all contracts now paying, as a minimum, the Real Living Wage of £12 per hour to social care staff.

### Community Benefits

Over the last four years, Community Benefits have been included in social care contracts, 97% of Social Care contracts now include Community Benefits.

## Further Development of Contract Monitoring

For 2023/2024, additional questions were added to the desktop monitoring process:

- Fair Work First has been expanded from 5 to 7 elements. Can you detail the appropriate channels you have in place to ensure that staff have an 'effective voice'?
- How is your organisation meeting the national drive regarding climate change and circular economy?
- What do you feel is putting your service delivery most at risk?
- How are you mitigating the service delivery risk or risks?
- How do you involve People with Lived Experience?

Why did we ask these questions?

- Since the pandemic, "provider risk" has heightened and managing risk has been supported by working in partnership. As we look forward, it is important to gauge and understand the current risks to the delivery of high-quality services.
- Alongside risk to services, developing a healthy and encouraging workforce is key to service quality – our awareness to staff needs was heightened during the pandemic.
- Collaboration with providers supports an increased understanding of the barriers and enablers of meaningful and inclusive participation of people with lived experience, and recognises the impact of engaging people with lived experience to improve social care outcomes. Providers were asked to detail how they involve those with lived experience in the development of services.
- Finally, there is an ever-increasing demand to address climate change and circular economy in social care. In the main the provider responses showed an understanding commitment to focus on this area.

## What has this round of monitoring told us about the state of the social care market across Aberdeen City?

- Most contracts are compliant with their terms and conditions
- Most contracts are classified as medium risk (based on financial value and service user vulnerability), with the rest being equally split between high and low risk
- A significant majority of contracts have demonstrated compliance with business continuity, insurance, and fire safety (where appropriate) requirements
- For the first time, we have evidence of over 90% of contracts delivering community benefits in the social care sector, including employment opportunities offered and types of employment contracts.
- 100% of social care contracts monitoring in 2023/2024 are paying the Real Living Wage to social care staff.
- Contracts Managers will continue to monitor all contracts, as appropriate

## Internal Audit

Colleagues from internal audit conducted the following audit in October 2023: “Assurance Review of Social Work Procurement”. The outcome was “minor” for net risk rating and “substantial” for assurance assessment. Although the outcome was the recognition for which the team had hoped, we were able to tighten up in a couple of areas: contract award notices and supporting the service to ensure those involved in procurements were appropriately trained.

A second audit on “Social Care Commissioning Support at Home” in which the Health & Social Care Partnership was the process owner resulted in no recommendations for the CPSS Social Care team

### **A look ahead to objectives for delivery in financial year 2024-25:**

- Further development of the system to capture Community Benefits, Fair Work Practices, Sustainability and Climate data
- A comprehensive review and revision will be completed of the Community Benefit and Sustainable Procurement Policy
- A review of Delegated Procurer E-Learning will be undertaken
- A programme of events will be developed in conjunction with the Supplier Development Programme to facilitate involvement of the local supply chain linked to aims of Community Wealth Building
- Identification of opportunities for regional collaboration with members of the North-East Procurement Anchor Group, the group will identify areas of focus to progress in financial year 2024-25
- Development and/or support for Commercial Opportunities, including:
  - o Electric Vehicle Infrastructure – Aberdeen City is a partner in the EVIF project which will support development of a regional electric vehicle (EV) network in collaboration with Aberdeenshire, Highland and Moray Councils, this will further support the Council’s climate change commitments and accelerate the transition to low carbon transport for the Council and its communities along with providing an income stream for the Council.
- Green Energy Revenue Opportunities – review of potential opportunities for the Council including market engagement, route to market development to identify future income streams.

## Supporting the local economy

**Local Supplier Spend** - The Accounts Commission (the public spending watchdog for local government) has a statutory power to specify information that councils must publish about their performance. They do this through statutory performance indicators (SPIs). Each Council collects and publishes its information.

The remit for SPI reporting requirement was amended during 2018-19; with a request that all local authorities report on spend with Core Trade suppliers only. Core Trade being defined as: Suppliers with whom over £1000 has been spent in a 12-month period, that have also been classified as a health, social care, arts, political, religious or trading organization.

Two SPIs relevant to the local economy and procurement related spend are - spend with local suppliers and local SMEs.

The procurement and commissioning of goods and services by local authorities and key anchor institutions is a crucial lever in the building of community wealth. Procurement is one of the five core principles of Community Wealth Building, which has been incorporated into the revised Joint Procurement Strategy for 2023-2026.

The Annual Procurement Report 2023-2024 provides details of spend and percentage of spend with local suppliers, the percentage of spend with local businesses is 33% the percentage remains comfortably above the target of 30%, and above the national average.

The Commercial and Procurement team have been working in collaboration with officers in City Growth who are leading the Councils Community Wealth Building Group to deliver the CWB Action Plan and as part of this identifying upcoming opportunities from the council's contract pipelines for targeted supplier engagement and support. Engagement is planned around specific opportunities in the pipeline to encourage the local supply chain to explore public sector opportunities to support building wealth within the local and regional economy, as well as hosting of events providing general advice on how businesses can be supported, helped and grow by supplying the Council or wider public sector locally through direct or sub-contracting opportunities.

The data on local supplier spend is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on locality and size of business. The table below shows a comparison of core trade spend with local businesses and SME's in financial year 2023-24 and 2022-23:

Categories	22/23 (£)	23/24 (£)	22/23 (% of Total Spend)	23/24 (% of Total Spend)	22/23 - Suppliers	23/24 - Suppliers
Core Trade - All Suppliers	£588,325,940	£618,933,475	100%	100%	2078	1961
Core Trade - Local Suppliers	£208,794,801	£201,185,621	35%	33%	465	396
Core Trade - Local SME's	£138,140,474	£148,806,766	23%	24%	336	291

SME definition as per Spikes is:

Legend	Details
Small	Less than 50 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise.
Medium	Between 50 and 249 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Large	Greater than or equal to 250 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £22.8m will be taken as an indicator that it is a large enterprise.

Spend in the annual report is based on spend by local authority area based on core trade creditors only; the Local authority areas as defined by the ONS (Office of National Statistics); Core-Trade: Suppliers with whom over £1000 has been spent in a 12 month period, that have also been classed as a trading organisation or as a non-trade social care provider.

## Supplier Development Programme

The Supplier Development Programme (SDP) was established in 2008, and is a partnership of Local Authorities, Scottish Government and other public bodies that works together to bring free support in all aspects of tendering to Scottish-based SMEs. Commercial & Procurement Shared Services (CPSS) including Aberdeen City, Aberdeenshire and Highland Councils have participated in the below events and activities with the Supplier Development Programme over the period 1 April 2023 - 31 Mar 2024.

### Meet the Buyer National 2023 - EICC Edinburgh - 17 May 2023

In total, 2,657 suppliers pre-registered interest on the SDP website for the Meet the Buyer National event. There were 1,396 actual attendees on the day. Of those, 862 attendees were from 626 unique Scottish SME businesses with 11 unique Scottish SMEs based in Aberdeen City Council area.

### Meet the Buyer North 2023 – The Music Hall Aberdeen – 12 September 2023

In total, 842 suppliers pre-registered interest on the SDP website for the Meet the Buyer North event. There were 389 actual attendees on the day. Of those, 248 attendees were from 201 unique Scottish SME businesses with 56 unique Scottish SMEs based in Aberdeen City Council area.

### Share your views: Aberdeen City, Aberdeenshire & Highland Council Procurement Strategy Email – 2 May 2023

On 2 May 2023, CPSS worked with SDP to email SDP supplier members in the Aberdeen City, Aberdeenshire and Highland Council regions, asking their views on the authorities' Joint Procurement Strategy 01 April 2023 – 31 March 2026. The email was sent to 1,739 suppliers, it received 47 clicks through to the Aberdeen City, Aberdeenshire, and Highland Council Joint Procurement Strategy Document, and 25 downloads of the CPSS Joint Procurement Strategy Consultation Survey.

## Section 3 – Community Benefit Summary & Community Outcomes

---

### Statutory Requirement

Section 18(2) (d) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: *“a summary of any community benefit requirements **imposed** as part of a regulated procurement **that were fulfilled** during the year covered by the report”.*

### Interpretation

“**Imposed**” has been interpreted to mean community benefit requirements **included** within regulated procurements published in the reporting period. Reporting is intended to capture community benefit inclusion at all stages of incorporation, implementation and fulfilment.

The point at which community benefit requirements are “fulfilled” can be a matter of interpretation. Some community benefits outcomes can take a period of years to complete. “Fulfilled” has been interpreted to include community benefits “**underway**” and “**in process.**” Maximum flexibility is offered to suppliers as to when community benefit requirements commence and are ultimately “fulfilled”. Community benefit requirements and quantities are commonly designed in terms of the total number of outcomes to be delivered over the entire contract term. Suppliers are held to their total community benefit commitments (imposed and volunteered) over the life of the contract

### Reporting Period

In the reporting period, the approach to community benefits within procurement activity has been guided by the commitments and aspirations expressed in our Joint Procurement Strategy. Our “Mission Statement” commits to delivery of:

“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”

Beyond mandatory (£4M) and regulated thresholds (£50K for goods and services/£2M for works) the partner councils routinely seek:

“leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities”

Our themed approach to community benefits continues to evolve and improve in close alignment with the following local and national priorities, As detailed in the Community Benefits Analysis Summary as an organisation we have included, in process or delivered a total of 1062 Community Benefits in this period 01 April 2023 – 31 March 2024.

## Non-financial efficiencies Community Benefits (CB).

In total, **(1062)** community benefit outcomes were included, are in process or were delivered in the reporting



**(18) of (19)**

Regulated contracts

**(95%)** included requirements relating to Fair Work Practices (including Real Living Wage).













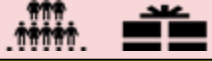





**(18) of (19)**

Regulated contracts

**(95%)** included Community Benefit requirements



**783** Community benefit outcomes delivered across regulated contracts in the reporting year. **Highlights:** volume of new employment and apprenticeship opportunities created, 1082 hours of volunteering support to the local 3<sup>rd</sup> sector and £30,866 donated to local good causes.

Fair Work/real Living Wage <b>11</b> 	Jobs Created <b>31</b> 	Apprenticeships <b>18</b> 	Placements <b>26</b> 
Developing the Workforce <b>259</b> 	Further/Higher Education Engagement <b>130</b> 	Graduate Placement Opportunities <b>4</b> 	School Engagement Activity <b>161</b> 
Employability Engagement Activity <b>39</b> 	Vacancy Sharing <b>5</b> 	Community/3 <sup>rd</sup> Sector Support <b>28</b> (1082 hours/£30,866 donated) 	Local Economic Development Measures <b>21</b> 
Prompt Payment In the Supply Chain <b>8</b> 	Environmental Measures, Fuel Poverty and Climate Literacy <b>12</b> 	Promotion of Adoption & Fostering <b>7</b> 	Innovation/Case Studies <b>23</b> 

## Highlights

In relation to Hydrogen Hub, bp provided funding for 2.5 additional staff at Scarf (a valued, local social enterprise). In the reporting year, this allowed Scarf to make a significant, positive difference to the local community, supporting local people through:

- 920 Enquiries (76 P/m)
- 504 Home visits (42 p/m)
- 870 Advice tips (72 p/m) from advice - estimated total consumer cost savings £27,000
- £7,216 Total fuel bill savings (£601 p/m)
- £21,774 of debt written off (£1814 p/m)

- 76.24t Co2 Savings







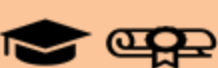










Advice requested and given on topics such as:

- 37% High Bills /Energy/Fuel Debt
- 18% General Energy Advice
- 14 % Grants and funding

Bp has also provided significant funding and corporate support to Scarf's Digital Transformation Programme to be delivered in 2024, which encompasses a bespoke CRM system, updated website and launch of a specific app to ensure Scarf's services are more accessible and inclusive.

The new CRM system represents a significant innovation by enabling staff to enter information into the system when they are on home visits, ensuring better data management. The system automation frees up staff resources as less time is required to manually record essential customer data originating from home visits. The website refresh makes it considerably easier for people (especially individuals with less advanced digital skills) to navigate the website and find the information they require. It is recognised that not every service user has access to a PC or laptop so as a result of the innovations derived from the app, Scarf can reach out to an increasing number of people in communities across the city, providing bespoke support, advice and practical assistance.

**279** Community benefit outcomes imposed across 19 regulated contracts in the reporting year. **Highlights:** volume of apprenticeship opportunities in addition to 360 hours of volunteering support to the local 3<sup>rd</sup> sector.

<p>Fair Work/real Living Wage 18</p> 	<p>Jobs Created (anticipated) 4</p> 	<p>Apprenticeships 36</p> 	<p>Placements 37</p> 
<p>Developing the Workforce 93</p> 	<p>Further/Higher Education Engagement 9</p> 	<p>Graduate Placement Opportunities 1</p> 	<p>School Engagement Activity 9</p> 
<p>Employability Engagement Activity 14</p> 	<p>Vacancy Sharing 3</p> 	<p>Community/3<sup>rd</sup> Sector Support 6 (360 hrs)</p> 	<p>Local Economic Development Measures 4</p> 
<p>Prompt Payment In the Supply Chain 5</p> 	<p>Environmental Measures, Fuel Poverty and Climate Literacy 21</p> 	<p>Promotion of Adoption &amp; Fostering 6</p> 	<p>Innovation/Case Studies 11</p> 
<p>Support Formation of Resident's Association 2</p> 			

## Social Care Community Outcomes Summary 2023/24

The following contains further details on how our communities have benefitted from the social care regulated procurements in 2023/2024, along with details of the good practice outcomes to further develop outcomes for communities and details of cost avoidance activities for Social Care spend:

### Outcomes

- Community Mental Health Interventions Service: It was identified that there were several community-based mental health interventions and therapies being delivered within Aberdeen City. These service models had been developed over time to meet presenting need. As a result of strategic review of these services and a collaborative commissioning process involving mental health professionals, providers and people with lived experience, the requirement for a single service was identified. A tender for this service will be conducted in 2024. A key driver is to improve mental health and wellbeing by promoting early intervention and building resilience of individuals in addition to providing timely and responsive support in periods of distress or crisis.
- Supported Living Service for Young Adults with Learning Disabilities: The Commissioning, Procurement and Contracts Team worked in partnership with Housing Services and the Learning Disability Service to develop a new supported living service for young people with a learning disability. The service has a focus a trauma informed/nurturing approach to support, enablement, and support for individuals to engage in their local community and move into employment/volunteering. It is not envisaged that the service will provide a 'home for life' but that the young people will be supported to move on to mainstream housing as and when appropriate. The service opened in December 2023, although early days in the development of this new model of service, the outcomes for the individuals have been very positive, as they are supported to be effective and active members of their local community.
- Enhanced Monitoring of 4 care homes has prevented closure by facilitating significant improvements and therefore improved outcomes for individuals as a result.
- 43 Interim beds – establish and monitor their effectiveness. By freeing up scarce hospital beds, having the interim beds prevented ambulance stacking and subsequently ambulance availability throughout Grampian throughout 22/23 and into 2024.
- Ensuring individuals with lived experience were able to be consulted and participate in the tendering process for the new Alcohol and Drugs Service; their input and ideas were invaluable to the overall process for e.g. suggestions that individuals could access both alcohol and drugs services by separate entrances was agreed by commissioners and the service.

## Savings:

For the full financial year 2023/2024, the total efficiencies (cost avoidance savings) realised by Aberdeen City Social Care Contracts Team were **£2,442,260** for Aberdeen City. These efficiencies were realised through robust scrutiny of spend and by ensuring the following:

- Where block bookings for interim beds were in place the team adjusted the number of beds used i.e. approval was in place for 43 block funded beds but a reduction was seen in the beds paid for, by setting the terms out clearly in the contract and by making variations to make savings.
- Beds that were not being used appropriately were decommissioned, these were specialist beds and the team have worked with NHS colleagues to 'upskill' several providers so that a greater number of provider beds can be utilised at no extra cost with staff now trained to manage the specialism.
- Individual placements were scrutinised so that it was clear what services would be provided and work was carried out in conjunction with the Care Management service in costing out the true cost of the service, this has allowed enabled the team to ensure the client receives the service commissioned for them.
- Seven bed services were moved to a 'spot purchase' model, to avoid payment when these were unused.
- Work is ongoing to ensure client contributions are received by the council.
- Contract monitoring identified where services were not being delivered in line with the contract service specification, following negotiations with the provider in one instance this led to a proportion of the budget being returned to the Partnership. This reduction in funding will be incorporated into the future funding for this service.

## Section 4 – Supported Businesses Summary

---

### Statutory Requirement

Section 18(2) (e) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: **“a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”**.

### Related Duties

- Engaging with those affected by our procurements;
- Ensuring regulated procurements contribute to the carrying out of our functions/achieving our purposes;
- Acting in a transparent and proportionate manner;
- Policy on the use of community benefit requirements;
- Compliance with the sustainable procurement duty.

Details of the total spend in 2023-2024 with supported businesses is shown below.

### Contracted Supported Businesses



#### Contract with Passion4Social: IT services website design

*(\*Contract for services to the Commercial & Procurement Shared Service covering Aberdeen City, Aberdeenshire, Highland Councils)*



Report Images © Norman Rose, Audio Visual Content Officer, Aberdeen City Council



## Section 5 – Future Regulated Procurements Summary

### Appendix 1 – Regulated Procurements - 1 April 2023 to 31 March 2024

PCS Document ID	Description	Contract Type	Total Value	Supplier Name(s)	Award Date
761546	Award of Bulk Print and Mailing Service	Services	£ 950,000	Critiqom Limited (trading as Adare SEC) (GB)	28/03/2024
761618	District Energy Transmission Pipeline - Feasibility Study and Design to RIBA Stage 3	Services	£ 142,467	WSP UK Ltd (GB)	20/03/2024
760628	Award of Mini Comp for wheeled and bulk bins	Supply	£ 1,162,288	Storm Environmental Ltd (GB) / MGB PLASTICS (GB)	11/03/2024
757526	Provision of Sheriff Officer Services	Services	£ 2,000,000	Scott & Co (Scotland) LLP (GB)	07/02/2024
757472	Care At Home & Housing Support Service in Victoria Grange Very Sheltered Housing, Aberdeen	Services	£ 1,858,936	My Care (Grampian) Limited (GB)	07/02/2024
755959	Award of Employability Provision to Provide English for Speakers of Other Languages (E	Services	£ 65,250	Pitman Training Aberdeen (GB) / Parker Enterprise Company Ltd (GB)	23/01/2024
755019	Award of Pavement Parking Survey in Aberdeen City	Services	£ 53,150	Jacobs U.K. Limited (GB)	11/01/2024
754987	Award of Aberdeen City Council Maintenance 23-24 Central	Services	£ 79,816	CHAP Group (Aberdeen) Ltd (GB)	11/01/2024

PCS Document ID	Description	Contract Type	Total Value	Supplier Name(s)	Award Date
754776	Older People's Residential Care Home Aberdeenshire	Services	£ 2,772,120	Parklands Ltd (GB)	09/01/2024
754623	Dynamic Purchasing System for the Provision of Contracted Passenger Transport Services (Q3 2023/24)	Services	£ 117,934	Falcon Coach Hire Ltd (GB) / First Group t/a First Aberdeen Limited, First Glasgow Limited, First Scotland East Limited (GB) / WILLIAM ANDERSON CARS LTD. (GB)	08/01/2024
754376	2023 Alcohol and Drugs Support Service - Aberdeen City	Services	£ 8,668,939	Alcohol and Drugs Action (GB)	03/01/2024
753865	Award of Contract - Network Technology Partner - CCS Framework	Supply	£ 4,650,872	Roc Technologies Limited (GB)	20/12/2023
753787	Structural Testing of Street Lighting Apparatus in Aberdeen City and Aberdeenshire	Services	£ 79,557	Electrical Testing Ltd (GB)	20/12/2023
753084	Award of Invitation To Mini Comp For The Provision Of Prepaid Card Services	Services	£ 80,000	Prepaid Financial Services (Trading as EML Payments) (GB)	12/12/2023
752345	Retail capacity turnover and opportunity in Aberdeen City/Aberdeenshire	Services	£ 73,938	Hargest Planning Ltd (GB)	05/12/2023
750994	Hire, laundry and repair of coveralls and workshop rags	Services	£ 50,000	Johnsons Workwear (GB)	21/11/2023
750850	Award of Rosemount Square Window Replacements - RE-ISSUE	Works	£ 2,665,247	North Contracts (GB)	17/11/2023

PCS Document ID	Description	Contract Type	Total Value	Supplier Name(s)	Award Date
749370	Award of Lease Agreement 5yrs for ZIP Taps at Marischal Towns House and Spring Garden	Services	£ 122,940	Zip Water UK (GB)	03/11/2023
747805	Dynamic Purchasing System for the Provision of Contracted Passenger Transport Services (Q2 2023/24)	Services	£ 1,691,021	Central Taxis (abdn) Ltd (GB) / Watermill Coaches Ltd (GB) / WILLIAM ANDERSON CARS LTD. (GB) / AJS Contract Cars Ltd (GB) / Fairview Executive Hire (GB) / First Group t/a First Aberdeen Limited, First Glasgow Limited, First Scotland East Limited (GB) / Falcon Coach Hire Ltd (GB)	18/10/2023
746971	Award of Library Management System	Services	£ 160,000	Civica UK Limited (GB)	09/10/2023
746043	Aberdeen City Council - Dementia Services - Adults	Services	£ 495,299	Alzheimer Scotland (GB)	02/10/2023
745146	Provision of Electoral Services to the Returning Officer	Services	£ 1,100,000	Idox Software Ltd (GB)	19/09/2023
745074	Dynamic Purchasing System for the Provision of Contracted Passenger Transport Services	Services	£ 17,303,360	Aberdeen Taxis Ltd (GB) / AJS Contract Cars Ltd (GB) / Bluebird Buses Ltd (GB) / Central Taxis (abdn) Ltd (GB) / ComCab (GB) / DAb plus CIC (GB) / D A Travel Ltd (GB) / Fairview Executive Hire (GB) / Falcon Coach Hire Ltd (GB) / First Group t/a First Aberdeen Limited, First Glasgow Limited, First Scotland East Limited (GB) / newmacharcoaches (GB) / Pele's taxis (GB) / Watermill Coaches Ltd (GB) / WILLIAM ANDERSON CARS LTD. (GB)	18/09/2023
744632	Award of A96 Transport Corridor Study - STAG Detailed Options Appraisal & Outline Business Case	Services	£ 119,260	Stantec UK Limited (GB)	13/09/2023
742992	Delivery of Spectra Festival of Light 2024	Services	£ 400,000	Live Event Management LTD (GB)	28/08/2023
742281	Aberdeen City Advocacy Services	Services	£ 2,008,500	Advocacy Service Aberdeen (GB)	21/08/2023

PCS Document ID	Description	Contract Type	Total Value	Supplier Name(s)	Award Date
741581	Dynamic Purchasing System for the Provision of Contracted Passenger Transport Services (Q1 2023/24)	Services	£ 451,000	Bluebird Buses Ltd (GB) / Falcon Coach Hire Ltd (GB) / Central Taxis (abdn) Ltd (GB) / WILLIAM ANDERSON CARS LTD. (GB) / AJS Contract Cars Ltd (GB)	14/08/2023
740461	Framework Agreement for the Provision of Teaching Agency Services	Services	£ 11,000,000	Seven Resourcing Limited (GB) / Timeplan Education Group Ltd (GB) / Uteach Ltd (GB) / Career Teachers Ltd (GB) / Hays Specialist Recruitment Ltd (GB) / Hammond Recruiting Specialists Limited (GB)	02/08/2023
737712	Roads Maintenance Framework	Works	£ 5,500,000	CHAP Group (GB) / Tayside Contracts (GB) / Breedon Trading Limited (GB) / Lightways Contractors Limited (GB) / KIELY BROS LTD (GB) / Markon Limited (GB) / John McGeady Ltd (GB) / Hunter Construction (Aberdeen) limited (GB) / Highland Surfacing& Contracting (GB) / Leiths (Scotland) Ltd (GB) / W M Donald Ltd (GB)	04/07/2023
736269	Award of Fire Alarm Panels (Housing) Revised Weekly Charge	Services	£ 51,018	Realm Fire & Security Ltd (GB)	22/06/2023
731996	Care Home Service for Adults with Neurodisabilities (DVC)	Services	£ 18,593,030	Sue Ryder Care (GB)	12/05/2023
731980	Adult Learning Disability Residential Service	Services	£ 8,385,288	Camphill Ruldolf Steiner Schools Limited (GB)	12/05/2023
731938	Care Home for Adults with Physical Disabilities	Services	£ 5,036,154	Blackwood Homes and Care (GB)	12/05/2023
730722	Award of Faulds Gate Network Renewal	Works	£ 5,531,398	Leiths (Scotland) Ltd (GB)	28/04/2023
729245	Independent delay expert in relation to disputes	Services	£ 74,190	GPW UK Ltd (GB)	14/04/2023
720935	Independent quantum expert in relation to disputes	Services	£ 160,007	GPW UK Ltd (GB)	14/04/2023

## Appendix 2 – Future Regulated Procurements 2024 - 2026

Contract Name	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Pilot Scheme for Communal Cleaning	New Procurement	Jun-2024	£80,000	
Mechanical and Electrical Engineering	New Procurement	Jan-2025	£2,000,000	
Tree Works	New Procurement	Jul-2024	£500,000	
Portable Toilets and Welfare Units	New Procurement	Aug-2024	£165,000	
Facilities Contract - NESPF	New Procurement	Jul-2024	£175,000	
Opentext - Invoice Management	Direct Award	Apr-2024	£92,000	
Datacentre	Direct Award	Jun-2024	£1,100,000	
Microsoft - Anywhere 365	Direct Award	Aug-2025	£297,000	
Capita One Revs & Bens	Direct Award	Mar-2026	£543,000	
Master Data Management	Direct Award	Mar-2026	£379,000	
Hydraulic Hoses	New Procurement	Aug-2024	£128,840	
North of Scotland Electric Vehicle Charging Infrastructure Initiative	New Procurement	Apr-2024	£7,000,000	
Tyres and related services	Direct Award	Aug-2024	£234,000	
Visible Learning Teacher Training	Direct Award	Sep-2025	£150,000	
Curriculum Support for SVQ, Foundation and Modern Apprenticeships	Direct Award	Sep-2025	£110,000	

Contract Name	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Butchered and Cooked Meat	Call Off	Apr-2024	£2,000,000	
National Assistance Funeral Services	New Procurement	Apr-2024	£92,000	
Supply and Installation of an Integrated CCTV Control System for Aberdeen	Extension	Aug-2024	£412,000	
Groceries & Provisions	Call Off	Nov-2024	£2,400,000	
PPE & Workwear	Extension	Dec-2024	£300,000	
Water Coolers	Extension	Jun-2025	£200,000	
Supply of Electricity	Extension	Oct-2025	£10,000,000	
Frozen Food	Call Off	Oct-2025	£3,000,000	
Commercial Catering Equipment	Extension	Nov-2025	£80,000	
Oxygen Supplier incentive service	Direct Award	May-2024	£250,000	
Treasury Management Services	Mini Competition	May-2024	£68,000	
Cash in Transit	Renewal	May-2024	£185,000	
Banking Services	Renewal	May-2024	£232,000	
Skip hire general	Renewal	Mar-2026	£1,800,000	
Bird Hazard Management	Renewal	Dec-2024	£193,500	
National Care Home Contract (24 Care Homes) & Respite Beds	Service	01/04/2025	£37,000,000	

Contract Name	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value	Comments
Supported Living Framework agreement (spot purchase contracts)	Service	March 2024	£80 million	
Care and Support at Home Contract	Service	May 2024	£117 million	
Complex Care Framework	Service	June 2024	tbc	
Out of area placement standalone contracts	Service	April 2024	£2 million	
Criminal Justice Outreach Support	Service	April 2024	£477,829	
Criminal Justice Employability Support	Service	April 2024	£334,405	
Mental Health Community Services	Service	March 2024	£3,753,925	
Castlehill Housing Support	Service	March 2024		
Suicide Prevention Services	Service	March 2024	£500,000	
Bon Accord Care	Services	March 2024	£146 million	
Dual Sensory Service0	Services	March 2025	£3.5 million	
Housing First and Outreach Support Services	Service - Tender	Published 22/04/2024	£6,375,750	
Young Carers	Service - Tender	September/October 2024	£750,000	
Linksfild - Residential	Service – Direct Award	September 2024	£4,470,300	
Clifton Road – Throughcare and Aftercare	Service – Direct Award	September 2024	£4,025,392	
Scotland Excel Framework – 0219 Secure Care	Renewal	TBC	TBC	



<b>Contract Name</b>	<b>Type of Contract</b>	<b>Estimated Contract Notice Publication Date</b>	<b>Estimated Contract Value</b>	<b>Comments</b>
Aberlour - CWD	Service -Tender/Direct Award	TBC	TBC	
Aberdeen City & Aberdeenshire - 1140 hours	Service – Direct Award	TBC	TBC	
Community Hosting	Service - Tender	TBC	TBC	

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Treasury Management Strategy – Mid-Year Review
<b>REPORT NUMBER</b>	CORS/24/323
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Neil Stewart
<b>TERMS OF REFERENCE</b>	5 and 6

### 1. PURPOSE OF REPORT

- 1.1 To update the Council on Treasury Management activities undertaken to date during financial year 2024/25.

### 2. RECOMMENDATION

That Council: -

- 2.1 Note the Treasury Management activities undertaken to date in the 2024/25 financial year as detailed in this report.

### 3. CURRENT SITUATION

#### Introduction

- 3.1 The Council approved a Treasury Management policy for the financial years of 2024/25 to 2026/27 on 7 February 2024. The policy indicates that a mid-year review is to be reported on Treasury Management activities during each financial year.

- 3.2 Historically, the Council's annual programme of capital investment has been funded by Treasury Management activities, such as additional long-term borrowing. It is a requirement of CIPFA "Code of Practice for Treasury Management in the Public Services" that Treasury Management is conducted in accordance with good professional practice, which this Council does.

#### Treasury Management 2024/25

- 3.3 The following is a summary of the significant Treasury Management activities which were undertaken to date during financial year 2024/25: -

- 3.4 Long-Term Borrowing – Two new long-term Public Works Loan Board loans for £20m have been drawn down during this financial year to date. The loans were for 3 and 4 years respectively, and the average rate on these loans is 4.68%.

Substantial long-term borrowing was planned for this financial year, but this has been deferred due to market conditions, which have resulted in relatively high long-term borrowing rates. We remain open to the possibility of undertaking some longer-term borrowing, during this financial year, once longer-term interest rates fall to target levels.

- 3.5 Short-Term Borrowing - At the time of writing, the Council currently has c£360m of temporary borrowing from other local authorities. The average interest rate on these loans is 5.27%. More borrowing of this type may have to be undertaken during the year, as necessary, until longer-term interest rates become favourable.

- 3.6 North East Scotland Pension Fund – The Council's Loans Fund has an ongoing Temporary Loan from the North-East of Scotland Pension Fund. This represents the Pension Fund's excess level of cash funds on hand, which is driven by the Pension Fund's cashflow requirements. This temporary loan is a means of earning the Pension funds a fair short-term interest rate from these funds, rather than a means of borrowing for the Loans Fund. As at 14<sup>th</sup> November 2024, the balance of the temporary loan was £24.5m.

- 3.7 Investments - The Council currently has c£35.6m of Temporary Investments. These funds are invested across a range of highly rated Banks and Money Market Funds in line with the Council's current Counterparty List. The average rate of these investments is 4.77%.

- 3.8 Money Market Funds - Money Market Funds are AAA rated, short term pooled investment vehicles. They offer security, counterparty diversification and instant access to funds, when required. The Council operates seven Money Market Fund accounts. These Money Market Fund accounts greatly assist the Council in spreading its Counterparty risk while also improving short-term cashflow liquidity.

- 3.9 Common Good Fund Investment - A decision was taken by the Council in 2021 to invest £30m of Common Good cash in a Multi-Asset Income fund, which generates greater income for the fund, when compared with traditional fixed-term bank deposits. Several funds were considered for this purpose, and after a period of meetings and further due diligence, the decision was taken to proceed with Fidelity International's Multi-Asset Income fund.

To date this fund has raised £4.2m in interest at an average rate of 5.29%.

- 3.10 Retail Price Index (RPI) – At the time of writing, the latest RPI rate (Sept 24) was 2.7%. The movements to this rate have particular relevance to the Council in relation to its 2016 Bond issuance. Increases in the RPI rate are used to calculate indexation, which is paid alongside half yearly repayments of the Bond debt.

3.11 Moody's Credit Rating - The annual review meeting regarding the Council's credit rating took place on 30<sup>th</sup> September 2024. In late October 2024, Moodys confirmed it had made no changes to the Council's credit rating of A2, with a rating outlook of "stable". A copy of the Moody's Credit Opinion is attached at Appendix 1 for information.

3.12 National Wealth Fund – Formerly known as the UK Infrastructure Bank, the National Wealth Fund (NWF) was announced by Chancellor Rachel Reeves in October. The Fund will offer low cost finance to local authorities delivering economic infrastructure projects in the UK.

The revised fund plans to expand its remit beyond infrastructure in support of the UK Government's industrial strategy. The fund now has additional financial capacity and an enhanced risk budget to catalyse private investment in the market.

The fund offers an additional funding option to the Council going forward, and this will be considered as part of the overall funding approach for future projects, where appropriate.

3.13 Service Concessions update – On 3 July 2024, the Council agreed to include information about service concession monies used in the 2024/25 budget, in the next Treasury Management report to Council.

3.14 The Service Concession flexibility comes in the form of statutory guidance that Scottish Ministers introduced and permitted Local Authorities to extend the repayment period for the capital financing of PF/PPP schools contracts. The contracts were set up a decade or more ago and were structured to repay the debt to the financing company over the life of the contract, rather than over the useful life of the school. This was inconsistent with the repayment of debt on other assets that the Council had borrowed directly for.

3.15 The statutory guidance had to be implemented in financial year 2022/23 or 2023/24, and in the March 2023 it was approved by Council that this flexibility would be implemented during 2023/24.

3.16 There were three aspects to the implications:-

- it lowered the annual cost that the Council would have to account for in the General Fund for the PPP contracts
- the Council's General Fund would continue to account for the cost of debt repayment until 2076/77, reflecting a useful life for the schools of 60 years
- and it created a usable reserve on the Balance Sheet, that was made up of the difference between the actual repayments that had made to the Lenders and new lower value that could now be accounted for based on useful life.

3.17 At the point of implementation the annual saving to the General Fund was approximately £4m, and the usable reserve created amounted to approximately £40m.

3.18 The guidance and accounting entries for the service concession flexibility transaction does require the reserve to be borrowed initially, but this will be

reversed over the full term of the flexibility, i.e. cash will replace the borrowing requirement in future years, returning the reserves position of the Council back to a neutral one when complete in 2076/77.

- 3.19 In March 2024 the Council approved the use of £30m of the useable service concession reserve to support the capital programme. As the Council does not borrow against individual or specific assets, there is often a difference between what the Council needs to borrow on a long-term basis and when it needs to borrow it, which is influenced by market conditions including interest rates.
- 3.20 With this in mind, and having discussed how other Directors of Finance were treating this arrangement, to fund the cash requirements the Council is managing the borrowing requirement through its treasury management cashflow arrangements rather than borrowing long-term fixing the Council into an additional loan that will not ultimately be needed with the flexibility ends in 2076/77.
- 3.21 As Council reserves will ultimately be funded by cash, borrowing for the service concession flexibility will be managed through the day to day cashflow needs of the Council. The cost of borrowing this way I have estimated to be achievable within the parameters of the Medium Term Financial Strategy assumptions. Treasury management is expected to provide the Council with an income of c.£250k, based on current interest rates the forecast at Quarter 2 shows that this remains achievable.
- 3.22 As at 31 March 2024, the balance on the Service Concession earmarked useable reserve is £5.257m, with a commitment to fund the cost of Voluntary Severance/Early Retirement (VSER) scheme for 2024/25 to be funded from this during the year. The cost at Quarter 2 was approximately £0.5m, with further approvals expected in the second half of the year. This funding remains the only monies set aside to support the VSER scheme.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Treasury Management activities influence the loans pool interest rates and aims to minimise the cost of borrowing. This directly impacts on costs chargeable to the Council's revenue budgets through the interest rates that are applied to capital financing costs. Whilst the level of borrowing a Council can undertake is now devolved from the Scottish Government to individual Councils, it will still be constrained by the requirement for capital investment to be affordable, sustainable and prudent. The main test of affordability will be whether the capital financing costs can be contained within the revenue budgets.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report, however it should be noted that the issuance of the Bonds requires the Council to comply with the Market Abuse Regulations, the Disclosure and Transparency Rules, the Listing Rules and ongoing obligations as set out in the London Stock Exchange Admission and Disclosure Standards.

## 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?
<b>Strategic Risk</b>	No significant risks identified			
<b>Compliance</b>	No significant risks identified			
<b>Operational</b>	No significant risks identified			
<b>Financial</b>	Loss of deposit in a failed bank or financial institution	The Council has strict lending criteria, only financial institutions with the highest credit ratings are included on the Council's Counterparty list. The list is compiled in conjunction with the Council's Treasury	L	<b>Yes</b>
<b>Reputational</b>	No significant risks identified			
<b>Environment / Climate</b>	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
<b>Integrated Impact Assessment</b>	It is confirmed by Chief Officer - Finance that no Integrated Impact Assessment is required
<b>Data Protection Impact Assessment</b>	Not required

## 10. BACKGROUND PAPERS

- 10.1 CIPFA "Code of Practice for Treasury Management in the Public Services "  
CIPFA "The Prudential Code for Capital Finance in Local Authorities"  
Link Asset Services "Treasury Management Annual Investment Strategy"  
Scottish Government "The Investment of Money by Scottish Local Authorities"
- 10.2 [Treasury Management Policy, approved 7th February 2024](#)

## 11. APPENDICES

Appendix 1 – Moody's Credit Opinion

## 12. REPORT AUTHOR CONTACT DETAILS

<b>Name</b>	Neil Stewart
<b>Title</b>	Accountant
<b>Email Address</b>	nstewart@aberdeencity.gov.uk
<b>Tel</b>	(01224) 522696

**CREDIT OPINION**

18 October 2024

Update

Send Your Feedback

**RATINGS**

**Aberdeen City Council**

Domicile	Aberdeen, United Kingdom
Long Term Rating	A2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

**Contacts**

Lenaic Couderc +44.20.7772.1799  
Analyst  
lenaic.couderc@moodys.com

Timothy Doherty +44.207.772.1114  
Ratings Associate  
timothy.doherty@moodys.com

Sebastien Hay +34.91.768.8222  
Associate Managing Director  
sebastien.hay@moodys.com

**CLIENT SERVICES**

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

# Aberdeen City Council (UK)

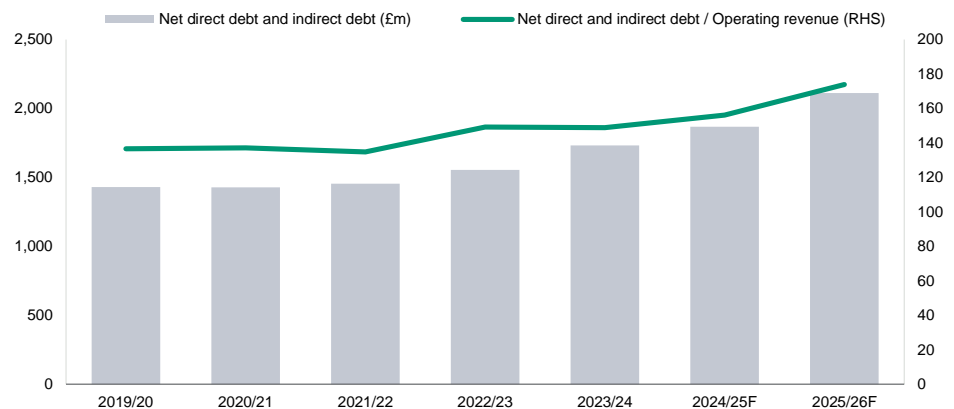
## Update to credit analysis

### Summary

The credit profile of [Aberdeen City Council](#) (Aberdeen, A2 stable) reflects a strong institutional framework, albeit with limited fiscal flexibility, a wealthy local economy and a strong track record of operating performance, balanced by a high and increasing debt burden and some exposure to commercial properties. Aberdeen's credit profile benefits from our assumption of a high likelihood that the government of the [UK](#) (Aa3 stable) would act in a timely manner to prevent a default.

Exhibit 1

### We expect debt to continue rising over the next two years



Source: Aberdeen City Council and Moody's Ratings

### Credit strengths

- » Good track record of financial performance despite medium-term pressures
- » Strong institutional framework for Scottish local authorities
- » Wealthy local economy but highly concentrated in the energy sector

### Credit challenges

- » High and increasing debt levels weighing on debt affordability
- » Increasing exposure to commercial properties
- » Low reserves levels compared to peers

### Rating outlook

The stable outlook reflects our view that Aberdeen will be able to manage current budgetary pressures without a material deterioration of its reserve buffers thanks to tight expenditure



control and its good track record of financial management. It also reflects the stable outlook on the UK sovereign rating.

### Factors that could lead to an upgrade

Upward pressure on the ratings could emerge if the sector's funding settlement aligns with service demand and cost inflation, thereby supporting strong operating performance over the medium term. A decline in debt and a material increase in reserve buffers would be positive for the ratings. An upgrade of the UK sovereign rating would also result in upward pressure on the ratings.

### Factors that could lead to a downgrade

Downward pressure on the ratings could result from a sustained deterioration in operating performance and a material depletion of usable reserves or a material increase in debt levels. A downgrade of the UK sovereign rating or a sustained weakening of the UK's institutional framework and extraordinary support mechanisms for local authorities could also lead to downward pressure on the rating.

### Key indicators

Exhibit 2

Aberdeen City Council	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25F	2025/26F
Net Direct and Indirect Debt / Operating Revenue (%)	136.6	137.2	134.8	149.1	148.8	156.2	173.9
Interest Payments / Operating Revenue (%)	5.1	4.4	4.6	5.8	6.4	6.9	7.3
Primary Operating Balance / Operating Revenue (%)	4.9	10.9	7.8	6.0	6.2	5.0	4.7
Usable Reserves / Operating Revenue (%)	5.7	9.6	12.4	14.9	13.6	11.2	11.1
Regional GDP Per Capita (£)	48,920	43,673	45,815	52,517	50,935	50,624	50,382
Short-Term Direct Debt / Direct Debt (%)	14.8	16.6	15.7	20.1	23.9	22.1	19.5

Source: Aberdeen City Council and Moody's Ratings

### Detailed credit considerations

Aberdeen's A2 ratings combine: (1) a Baseline Credit Assessment (BCA) of baa1; and (2) a high likelihood of extraordinary support from the UK government would act in a timely manner to prevent a default.

#### Baseline credit assessment

##### Good track record of financial performance despite medium-term pressures

Aberdeen exercises prudent financial planning, for example projecting no council tax increase or additional government grants, which is supported by recent assessments from the Accounts Commission. As a result, it has an established track record of good budgetary performance with an average primary operating surplus of 6.7% over the last three years. Aberdeen has also delivered significant savings over the last decade.

That said, Aberdeen faces pressures from increasing demand for services and we forecast the primary operating balance to deteriorate in the coming years. Spending on homelessness and children social care has seen the largest increase over the last few years. Aberdeen forecasts a budget gap of £44 million over the next three years as staff and service costs will increase faster than revenue. The budget gap does not account for the remediation of Reinforced Autoclaved Aerated Concrete (RAAC) in over 500 council houses given the uncertainty related to the costs of demolishing and rebuilding affected properties. We expect some of these costs will be borne by the council and add to existing budgetary pressures.

##### Strong institutional framework for Scottish local authorities

The institutional framework for UK local authorities is mature, highly developed and underpinned by a number of key pieces of legislation. The UK local authority system is one of the most centralised in Europe. This results in a close link between the policies and resources of the government and local authorities. Local government is a matter devolved to the Scottish government, resulting in a slightly different funding and regulatory model compared to England.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

The sector is supported by a stable institutional framework illustrated by the legal requirement to set a balanced budget; statutory codes of practice for capital spending, investments, treasury management and borrowing; and strong market access in the form of the PWLB, which also acts as the sector's lender of last resort. Similar to their English counterparts, grants, council taxes, business rates and user fees are the primary sources of revenue for Scottish local authorities. However, government grants make up a larger share of funding and can be spent more flexibly. Scottish local authorities are also more insulated from economic cycles as grant funding is adjusted to smooth fluctuations in business rates. However, we consider that fiscal flexibility has deteriorated due to consistently high expenditure pressures and funding levels that do not keep pace with cost inflation and demand.

### **Wealthy local economy but highly concentrated in the energy sector**

Aberdeen has the highest GDP per capita in Scotland after Edinburgh, standing at £52,517 in 2022. This reflects the concentration of high value-added jobs, particularly in the energy sector. Aberdeen is a global centre for the oil and gas industry, which accounts for 24% of employment and generates over 50% of gross value added in the North East of Scotland.

However, this high degree of concentration exposes the local economy to short-term fluctuations in the sector. Over the longer run, Scottish oil and gas production will decline due to the depletion of reserves and global efforts towards carbon transition. That said, Aberdeen's budget is relatively insulated from those economic fluctuations.

Diversification away from oil and gas will be key for Aberdeen's long-term economic prospects. Significant investment is underway in sectors such as green energy, life science and tourism. Aberdeen has been able to form partnerships with the private sector and receives ongoing support from the Scottish and UK governments towards economic diversification.

### **High and increasing debt levels weighing on debt affordability**

Aberdeen's debt burden is high, standing at 149% of gross operating revenue as of FYE2024. It increased significantly in the last five years from 137% in FYE2020 to support its development programme. We expect debt to increase further over the next three years to reach 185% of revenue by FY2027 to fund the council's investment plans. Aberdeen plans to invest £600 million over the period (50% of its operating revenue), of which 78% will be financed through borrowing. The main investment projects are related to town centre regeneration, schools and transport. However, we expect slippages in the delivery of its capital plans, which will likely lead to a slower debt increase than we currently forecast.

The majority of the council's debt is at long-dated maturities including PWLB loans (36% of total), a 38-year bond issued in 2016 (26%) and some LOBOs (6%). We also include in our definition of debt two PPPs contracts related to schools (7%) as well as a long-term lease on Marischal Square (3%).

Aberdeen is more exposed to interest rate movements than peers with 24% of its borrowing being short-term. As a result, interest costs have increased and absorbed 7% of gross operating revenue in FY2024 up from 4.3% in FY2020. We expect debt affordability to deteriorate further in line with the expected increase in debt. In addition, the outstanding bond is linked to inflation, which exposes the council to inflation risks because only a limited proportion of its revenue increases with inflation.

### **Increasing exposure to commercial properties**

Aberdeen has increased its exposure to commercial investments, demonstrating the council's higher risk appetite than a typical local authority. Aberdeen entered a 35-year finance lease in 2017 for the redevelopment of Marischal Square, consisting of a hotel, retail and office premises. The Event Complex Aberdeen (TECA), which comprises a multi-purpose arena, two hotels, car parking facilities and an anaerobic digestion plant, represents its largest risk exposure. The project was completed in 2019 at a cost of £425 million and is intended to support the diversification of Aberdeen's economy through leisure and business tourism. TECA is expected to contribute an additional 4.5 million visitors to the city, resulting in a £63 million gross value added by 2030. Operations were significantly impacted by the pandemic and the recovery has been slower than expected.

Aberdeen is exposed to fluctuations in commercial income from those projects although they remain a relatively minor portion of its budget at around 2% of gross operating revenues in FY2024. The council has also earmarked reserves that can be used to deal with commercial revenue volatility and is not planning any further commercial investments.

**Low reserve levels compared to peers**

Reserve levels are low compared to rated peers at 13.6% of operating revenue in fiscal 2024. We note that this is in line with the rest of Scotland where reserves tend to be lower given the more generous grant regime. Reserves significantly increased in the last three years reflecting one-off unspent grants received during the pandemic. Most of those reserves are earmarked for specific purposes and the extent to which they can be made available therefore varies. We forecast reserves to reduce over the medium-term to cover some of the budget gap and fund capital expenditures.

**Extraordinary support considerations**

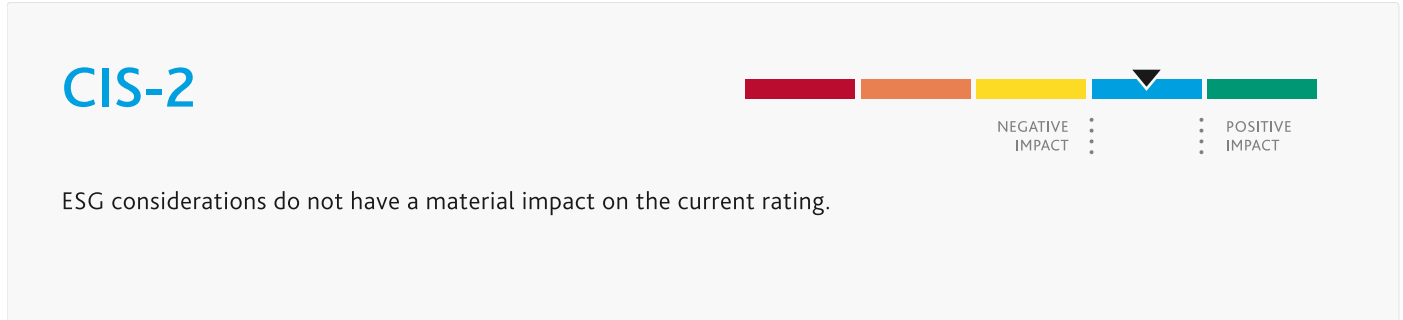
We consider that there is a high likelihood that the UK government would intervene in a timely manner to prevent default. The UK government has regularly intervened when councils indicated a failure to balance budgets, providing the ability to fund operating deficits through capital sources, including borrowing. We note that those mechanisms remain untested in Scotland but it is our expectation they would be closely aligned to England. We also expect that PWLB would have the ability to act as lender of last resort in the event of severe liquidity stress in the sector.

## ESG considerations

Aberdeen City Council's ESG credit impact score is CIS-2

Exhibit 3

### ESG credit impact score

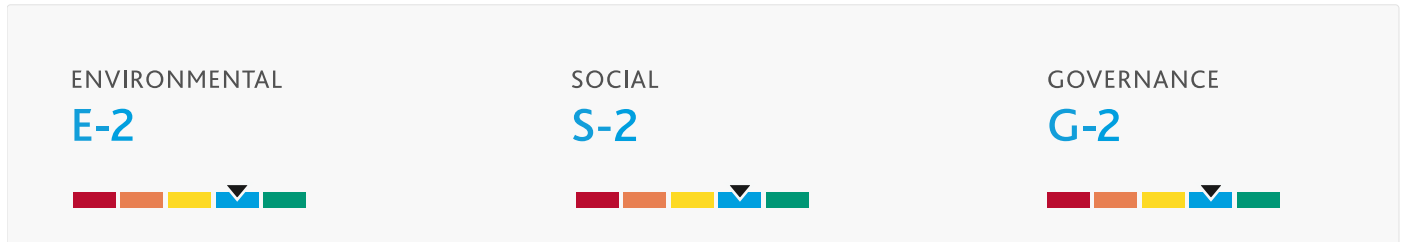


Source: Moody's Ratings

Aberdeen's **CIS-2** indicates that ESG risks have a limited impact on its ratings. Environmental risks are low although the concentration of its economy in the oil and gas sector poses long-term challenges. Its main exposure to social risks relates to housing risks, due to housing shortages and unaffordability, which increases housing expenditure. However, its strong governance mitigates the impact of these risks on its ratings.

Exhibit 4

### ESG issuer profile scores



Source: Moody's Ratings

#### Environmental

Aberdeen has limited exposure to environmental risks (**E-2**), which reflects a generally low exposure across most categories. However, the city is exposed to carbon transition risks due to its status as a global hub for the oil and gas sector. This high degree of concentration exposes the local economy to short-term fluctuations in the sector and will require significant investments to diversify away from fossil fuels. That said, its operating budget is relatively insulated from economic fluctuations and we expect that the private sector and the central and Scottish governments will fund most of the economic diversification efforts.

#### Social

Aberdeen has limited exposure to social risks (**S-2**), reflecting a generally low exposure across most categories. The one exception relates to housing, where Aberdeen is assessed to have a material exposure to risks due to the city's housing shortages and unaffordability. The lack of affordable housing directly impacts local authorities because of their statutory responsibility to supply housing for residents, consequently leading to increased expenditure pressures particularly on temporary accommodation.

#### Governance

Aberdeen has limited governance risks (**G-2**), reflecting its strong track record of budgetary management and high levels of transparency. However, these strengths are offset by a weakened institutional framework, characterised by limited fiscal flexibility, and increased debt and revenue risks due to investments in significant projects, such as a multi-purpose arena and a mixed-use town

centre development. As the owner, Aberdeen bears the responsibility for all revenue losses associated with these projects, although they constitute a relatively minor portion of its budget.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The assigned BCA of baa1 is in line with the scorecard-indicated BCA.

For details about our rating approach, please refer to [Rating Methodology: Regional and Local Governments](#), 28 May 2024.

Exhibit 5

### Aberdeen City Council Regional & Local Governments

Baseline Credit Assessment – Scorecard	Score	Value	Sub-factor Weighting	Sub-factor Score	Factor Weighting	Total
<b>Factor 1: Economy</b>					<b>25%</b>	<b>1.37</b>
Regional Income [1]	1.13	74236.60	15%	0.17		
Economic Growth	12.00	ba	5%	0.60		
Economic Diversification	12.00	ba	5%	0.60		
<b>Factor 2: Institutional Framework and Governance</b>					<b>30%</b>	<b>2.25</b>
Institutional Framework	6.00	a	15%	0.90		
Governance	9.00	baa	15%	1.35		
<b>Factor 3: Financial Performance</b>					<b>20%</b>	<b>1.81</b>
Operating Margin [2]	9.80	6.16%	10%	0.98		
Liquidity Ratio [3]	13.54	4.97%	5%	0.68		
Ease of Access to Funding	3.00	aa	5%	0.15		
<b>Factor 4: Leverage</b>					<b>25%</b>	<b>2.60</b>
Debt Burden [4]	9.44	148.83%	15%	1.42		
Interest Burden [5]	11.87	6.37%	10%	1.19		
<b>Preliminary BCA Scorecard-Indicated Outcome (SIO)</b>						<b>(8.03) baa1</b>
<b>Idiosyncratic Notching</b>						<b>0.0</b>
<b>Preliminary BCA SIO After Idiosyncratic Notching</b>						<b>(8.03) baa1</b>
<b>Sovereign Rating Threshold</b>						<b>Aa3</b>
<b>Operating Environment Notching</b>						<b>0.0</b>
<b>BCA Scorecard-Indicated Outcome</b>						<b>(8.03) baa1</b>
<b>Assigned BCA</b>						<b>baa1</b>

[1] Regional GDP per capita in terms of purchasing power parity (PPP) terms, in international dollars

[2] Primary Operating Balance / Operating Revenue

[3] Cash and Cash Equivalents / Operating Revenue

[4] Net Direct and Indirect Debt / Operating Revenue

[5] Interest Payments / Operating Revenue

Source: Moody's Ratings; Fiscal 2023.

## Ratings

Exhibit 6

Category	Moody's Rating
<b>ABERDEEN CITY COUNCIL</b>	
Outlook	Stable
Baseline Credit Assessment	baa1
Issuer Rating -Dom Curr	A2
Senior Unsecured -Dom Curr	A2

Source: Moody's Ratings

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Council
<b>DATE</b>	11 December 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Council Annual Effectiveness Report
<b>REPORT NUMBER</b>	CORS/24/349
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Vikki Cuthbert
<b>REPORT AUTHOR</b>	Martyn Orchard
<b>TERMS OF REFERENCE</b>	14

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the annual effectiveness report for Council to enable Members to provide comment on the data contained within.

### 2. RECOMMENDATIONS

That Council:-

- 2.1 provide comments and observations on the data contained within the Council annual effectiveness report as appended to the report; and
- 2.2 note that the annual effectiveness reports of the committees have been, and are being, reported to the various committees from 5 November to 13 December 2024 inclusive.

### 3. CURRENT SITUATION

#### **Annual Reports on Terms of Reference**

- 3.1 The annual committee effectiveness reports were introduced in 2018/19 following a recommendation from the Chartered Institute of Public Finance and Accountancy (CIPFA) as part of the Council's work towards securing that organisation's accreditation in governance excellence. The Terms of Reference set out that each committee will review its own effectiveness against its Terms of Reference through the mechanism of the annual report.
- 3.2 The annual effectiveness reports were mentioned by CIPFA in their report which awarded the Mark of Excellence in Governance accreditation to Aberdeen City Council. CIPFA highlighted the implementation of the annual effectiveness reports as a matter of good practice in governance and were encouraged that, during consideration of the reports at committee and Council, Members had made suggestions for improvements to the reports in future years.



- 3.3 Data from the annual effectiveness reports is used to inform the review of the Scheme of Governance, ensuring that Committee Terms of Reference are correctly aligned, and identifying any areas of the Terms of Reference which had not been used throughout the year in order that they can be reviewed and revised if necessary. The information from the effectiveness reports has also been used in the past to feed into the Annual Governance Statement.
- 3.4 The reports provide a mechanism for each committee to annually review its effectiveness, including data on attendance, any late reports, referrals to Council and the number of times officer recommendations were amended, and to ensure that it is following its Terms of Reference.
- 3.5 Similarly, recording the sections or stretch outcomes of the Local Outcome Improvement Plan (LOIP) which apply to each report allows Members to be aware of the direct impact of any proposals before them on the LOIP, and gives a general overview at the end of each year of the number of reports which have had an impact on the LOIP stretch outcomes.
- 3.6 Any comments from Members on areas of data that should be considered would be welcomed to ensure that Members are presented with meaningful data.
- 3.7 The annual effectiveness report for 2023/2024 is therefore appended for Council's consideration.
- 3.8 Below are links to the annual effectiveness reports for the various committees which have been (or shortly will be) considered by the respective committees. At the time of publication of this report, the annual reports have been considered by nine of the ten committees, with the Pensions Committee still to meet on 13 December 2024.
- [Finance and Resources Committee Annual Report](#)
  - [Anti-Poverty and Inequality Committee Annual Report](#)
  - [Planning Development Management Committee Annual Report](#)
  - [Net Zero, Environment and Transport Committee Annual Report](#)
  - [Staff Governance Committee Annual Report](#)
  - [Communities, Housing and Public Protection Committee Annual Report](#)
  - [Education and Children's Services Committee Annual Report](#)
  - [Audit, Risk and Scrutiny Committee Annual Report](#)
  - [Licensing Committee Annual Report](#)
  - [Pensions Committee Annual Report](#)
- 3.9 The annual effectiveness reports have been noted at all committee meetings where they have been considered to date.
- 3.10 Section 14 of the Council annual effectiveness report provides combined data for all committees during the reporting period.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications from the recommendations of this report.

#### 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 environmental implications arising from the recommendations of this report.

#### 7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	N/A			Yes
<b>Compliance</b>	Failure to submit this report would mean that the Council would not be complying with its instruction that all committees and Full Council receive such a report each year.	L	Council is given the opportunity to consider the report and provide feedback on any amendments Members would wish to see in the content so that this can be taken on board for next year's Scheme of Governance review.	Yes
<b>Operational</b>	N/A			Yes
<b>Financial</b>	N/A			Yes
<b>Reputational</b>	N/A			Yes
<b>Environment / Climate</b>	N/A			Yes

#### 8. OUTCOMES

There are no links to the Council Delivery Plan, however the committee effectiveness annual reports link to the Scheme of Governance, by ensuring that each committee is fulfilling its Terms of Reference.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	It is confirmed by Interim Chief Officer - Governance (Assurance), Vikki Cuthbert, that no impact assessment is required.
Data Protection Impact Assessment	Not required

## 10. BACKGROUND PAPERS

None.

## 11. APPENDICES

A Council Annual Effectiveness Report 2023/2024

## 11. REPORT AUTHOR CONTACT DETAILS

Martyn Orchard  
Committee Lead  
[morchard@aberdeencity.gov.uk](mailto:morchard@aberdeencity.gov.uk)  
01224 52067598

# Council Annual Effectiveness Report 2023/2024



## Contents

1. Introduction from the Lord Provost .....	3
2. The Role of the Council.....	4
3. Membership during 2023/2024 .....	4
4. Membership Changes.....	5
5. Member Attendance .....	5
6. Meeting Content.....	7
7. Reports and Decisions .....	9
8. Reports with links to the Local Outcome Improvement Plan .....	10
9. Training and Development .....	11
10. Code of Conduct Declarations and Transparency Statements.....	11
11. Civic Engagement.....	11
12. Executive Lead - Commentary .....	12
13. The Year Ahead .....	12
Appendix 1 – Local Outcome Improvement Plan Stretch Outcomes .....	14
Appendix 2 - Council Terms of Reference.....	15

## 1. Introduction from the Lord Provost

- 1.1 I am pleased to present the fifth annual effectiveness report for Full Council. During 2023/24, the Council made a number of significant decisions, for example the progression of the City Centre and Beach Masterplans and in relation to the presence of Reinforced Autoclaved Aerated Concrete (RAAC) within some of the city's housing stock. Furthermore, the annual review of the Scheme of Governance has resulted in a number of positive changes in terms of how the organisation conducts its business and makes decisions.
- 1.2 One of my many highlights of the past year was in September, when I hosted a civic reception at the Town House for Community Councillors and the staff who support them. I was honoured to present a number of long service certificates to Community Councillors who have given many years of distinguished service to their communities and the city as a whole. In my speech that evening, I commented that Community Councils are the first pillar of local government, and I hugely appreciated the work they do. On that note, it was very pleasing to see the progress made with the review of the Community Council governance documents which were unanimously approved by Council in April 2024.
- 1.3 It is very encouraging to see that only one exempt/confidential report was considered by Full Council in the past year, and this demonstrates our commitment to conducting as much business in public as possible. Furthermore, there were no late reports which provides a good level of assurance with regard to our governance arrangements.
- 1.4 The number and length of Full Council meetings remains a challenge, however I remain resolute in my view that it is better to adjourn lengthier meetings and re-convene on a second day, rather than continuing late into the night, without sufficient breaks and where due diligence on very important matters could be sacrificed.
- 1.5 As we approach the end of the year and the start of the festive season, I wish you all the best and good wishes for 2025.



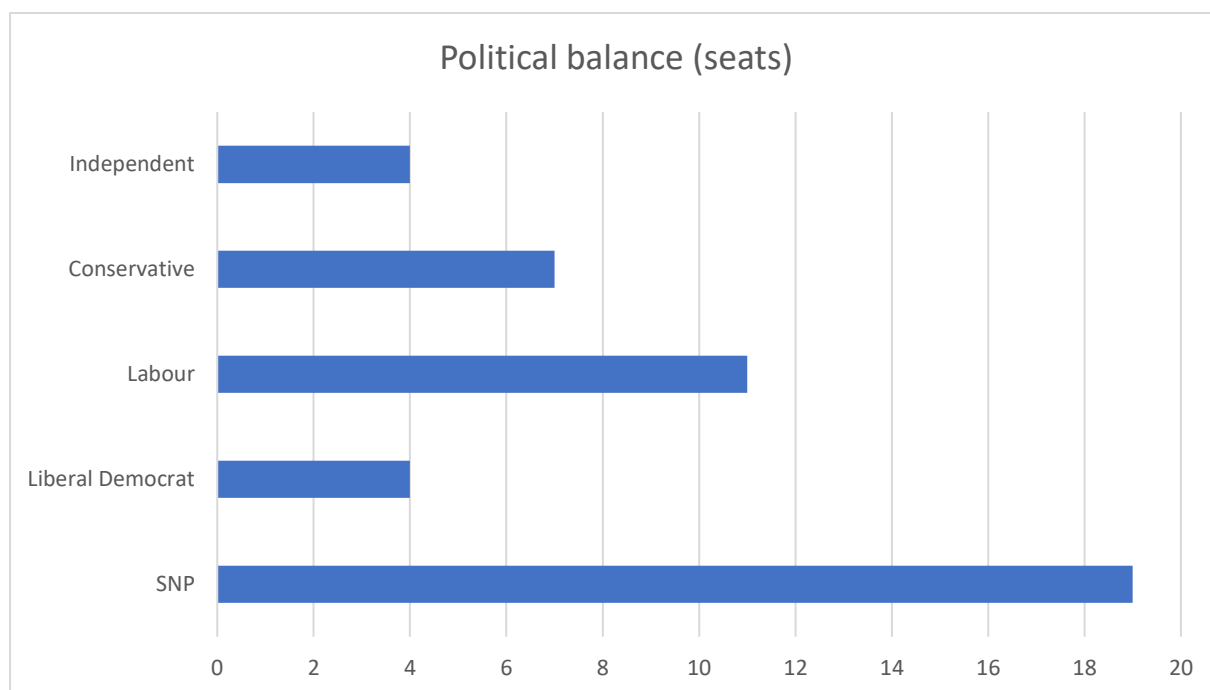
Councillor David Cameron  
Lord Provost

## 2. The Role of the Council

- 2.1 The Council is the overall decision-making body of the organisation. It is responsible for agreeing the Council's budget and setting Council Tax. Council delegates the discharge of its functions to various committees and joint committees, as well as officers under the terms of the Local Government (Scotland) Act 1973. However, any delegation to a committee or an officer does not prevent the Council from determining the matter, or exercising the power so delegated.
- 2.2 The Terms of Reference for Council, as approved by Council in August 2024, are appended to the report.

## 3. Membership of the Council during 2023/2024

- 3.1 The Council has 45 Elected Members, and the composition during the reporting period (15 October 2023 to 15 October 2024) was:-



## 4. Membership Changes

4.1 There were no membership changes during 2023/24.

## 5. Member Attendance

<b>Member</b>	<b>Total Anticipated Attendances</b>	<b>Total Attendances</b>
Lord Provost	18	18
Depute Provost	18	18
Councillor Al-Samarai	18	16
Councillor Ali	18	18
Councillor Allard	18	18
Councillor Alphonse	18	18
Councillor Blake	18	15
Councillor Bonsell	18	18
Councillor Boulton	18	16
Councillor Bouse	18	17
Councillor Brooks	18	18
Councillor Hazel Cameron	18	18
Councillor Clark	18	18
Councillor Cooke	18	18
Councillor Copland	18	18
Councillor Cormie	18	18
Councillor Crockett	18	18
Councillor Cross	18	10
Councillor Davidson	18	18
Councillor Fairfull	18	10
Councillor Farquhar	18	18
Councillor Graham	18	18
Councillor Grant	18	18
Councillor Greig	18	18
Councillor Henrickson	18	18
Councillor Houghton	18	7
Councillor Hutchison	18	18
Councillor Kusznir	18	14
Councillor Lawrence	18	18
Councillor Macdonald	18	18
Councillor MacGregor	18	18
Councillor McLellan	18	18
Councillor McLeod	18	16
Councillor McRae	18	14
Councillor Malik	18	16



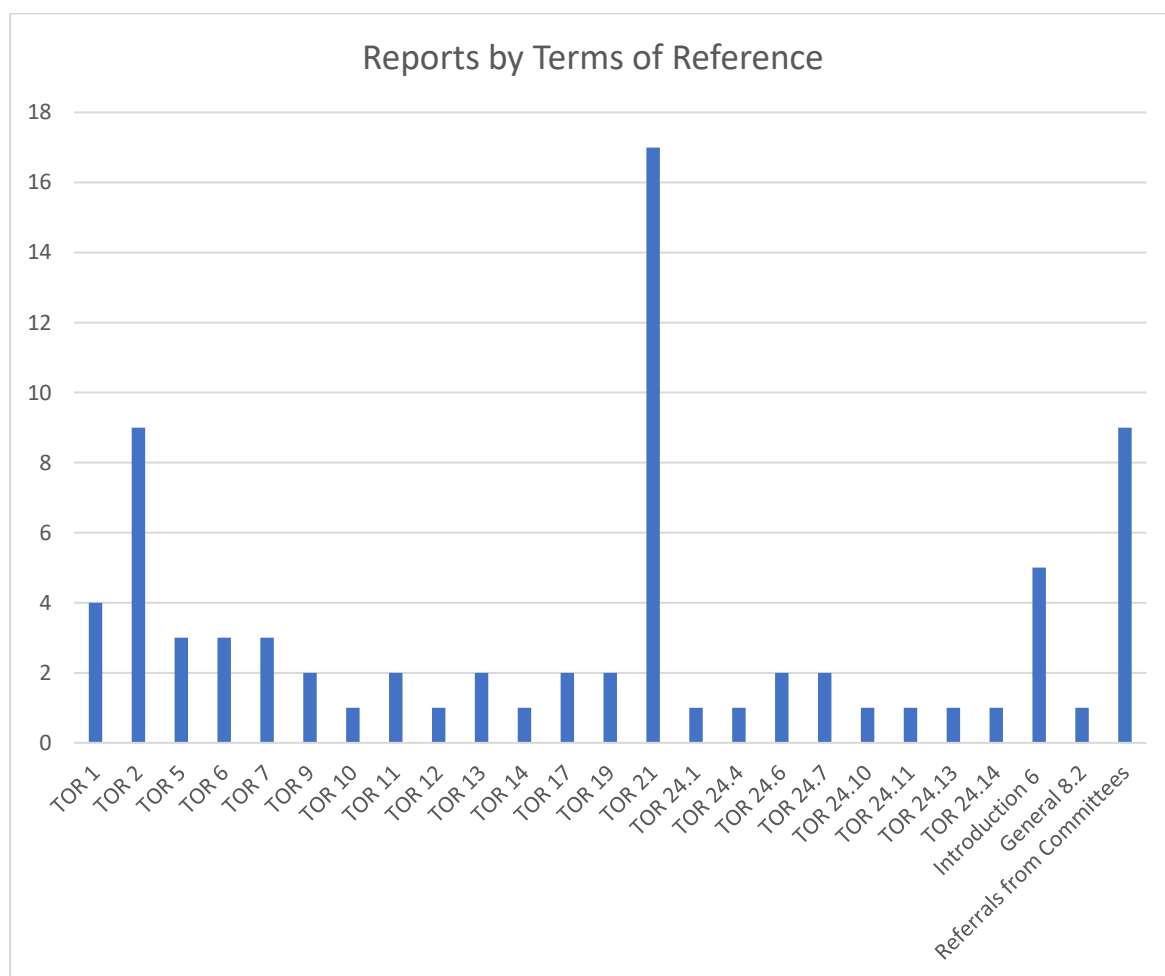
<b>Member</b>	<b>Total Anticipated Attendances</b>	<b>Total Attendances</b>
Councillor Massey	18	14
Councillor Mennie	18	18
Councillor Nicoll	18	17
Councillor Radley	18	18
Councillor Mrs Stewart	18	10
Councillor van Sweeden	18	18
Councillor Thomson	18	17
Councillor Tissera	18	14
Councillor Watson	18	17
Councillor Yuill	18	18

## 6. Meeting Content

6.1 During the 2023/2024 reporting period (15 October 2023 to 15 October 2024), the Council had 18 meetings and considered a total of 64 reports. This is a higher number of meetings than previous years, and an increase of 4 meetings from last year. Of the 18 meetings, 7 were scheduled meetings, 2 were special meetings for Community Council Governance, 4 were re-convened meetings and 5 were requisitioned meetings under Standing Order 8.2.

### 6.2 Terms of Reference

6.2.1 The following chart details how reports aligned to the Terms of Reference for Council. A small number of reports (5) did not fall within specific Terms of Reference and were reported to Council in accordance with Introduction 6 within the Terms of Reference document - "in accordance with Standing Order 47.7, Council can determine any matter which would otherwise fall to be determined by a committee or sub-committee". It should be noted that the combined total is more than 64 as some reports fell within more than one of the Terms of Reference.



- 6.2.2 During the course of 2023/2024 the Council received reports under 22 of the 38 sections of the Terms of Reference, with the highest number (17) of reports falling under Terms of Reference 21 – “to consider any matter which the Council has previously considered and agreed to receive a further report on”. This is predominantly due to reports relating to the City Centre and Beach Masterplans and Reinforced Autoclaved Aeriated Concrete (RAAC) having been considered, which were previously considered at the Finance and Resources Committee or the Communities, Housing and Public Protection Committee.
- 6.2.3 Of the sections of the Terms of Reference where there were no reports, no reports were required in 2023/2024 - for example no members required to be elected to the Licensing Board and no reports needed to be considered relating to the Standards Commission for Scotland with regard to the overseeing of members’ standards of conduct. However, those Terms of Reference need to remain in place as reports will fall under those Terms of Reference in the future.
- 6.2.4 As the committee structure was reviewed in late 2022, few changes to the Terms of Reference were made following the Scheme of Governance reviews in 2023 and 2024. Any changes that were made, were generally in relation to committees to provide clarity where required, to ensure consistency between committees and to reflect the new management structure. The Terms of Reference will continue to be monitored throughout the year, in preparation for the 2025 Scheme of Governance review.

## 7. Reports and Decisions

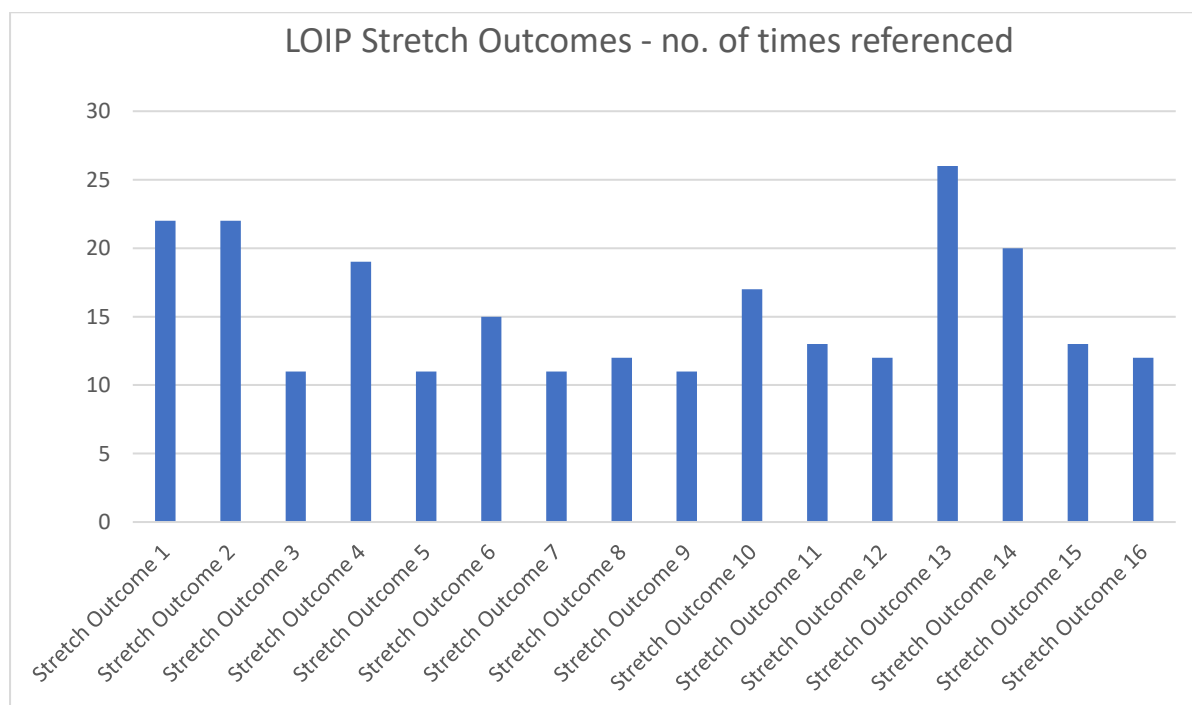
7.1 The following information relates to the reports and Notices of Motion presented to Council throughout the reporting period, as well as the use of Standing Orders and engagement with members of the public.

	Total	Total Percentage of Reports
Confidential Reports	1	2%
Exempt Reports	1	2%
Number of reports where the Council amended officer recommendations	11	17%
Number of reports approved unanimously	22	34%
Number of reports or service updates requested during the consideration of another report to provide additional assurance and not in business planner	12	
Number of reports deferred or referred to a committee	7	11%
Number of times the Lord Provost has had to remind Members about acceptable behaviour in terms of the Member Officer Relations Protocol/Councillors' Code of Conduct	9 (an increase of 1 from the previous year)	
Late reports received (i.e. reports not available for inspection at least 3 clear days before the meeting)	0	0%
Number of referrals to Council under SO 34.1	7 (an increase of 2 from the previous year)	

Notices of Motion, Suspension of Standing Orders, Interface with the Public	
Number of Notices of Motion to Council	17
Number of times Standing Orders suspended	6
Specific Standing Orders suspended	29.2 (submission of budgets) 40.2 - 4 times (length of meeting) 42.1 ("six month rule")
Number of deputations heard	12
Number of petitions considered	1

## 8. Reports with links to the Local Outcome Improvement Plan

8.1 The following table details of the 64 reports, how each report linked to the Local Outcome Improvement Plan (LOIP). The LOIP Stretch Outcomes are appended to this report for reference at Appendix 1. As can be seen from the chart below, the most common Stretch Outcomes referred to were Stretch Outcomes 1 (20% reduction in the percentage of people who report they have been worried they would not have enough food to eat and/or not be able to heat their home by 2026), 2 (74% employment rate for Aberdeen City by 2026), 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) and 14 (increase sustainable travel: 38% of people walking; 5% of people cycling and wheeling as main mode of travel and a 5% reduction in car miles by 2026).



## 9. Training and Development

- 9.1 Committee specific training opportunities for Members during the reporting period are covered within the committee annual effectiveness reports. Further development opportunities will be considered for next year based on committee business throughout the year, Executive Lead proposals and Member feedback on what may be required to assist them in performing their roles.

## 10. Code of Conduct Declarations and Transparency Statements

- 10.1 14 declarations of interest and 113 transparency statements were made by Members during the reporting period. Information in respect of declarations of interest and transparency statements is measured to evidence awareness of the requirements to adhere to the Councillors' Code of Conduct and the responsibility to ensure fair decision-making.

## 11. Civic Engagement

- 11.1 Civic leadership and engagement are at the heart of the Council's Operating Model. The values and principles of civic leadership and engagement are being driven through the Council's transformation programme.
- 11.2 There have been good examples of civic engagement in the course of business submitted to Council in 2023/24, for example in relation to Community Council Governance, the City Centre and Beach Masterplans, the Council's budget consultation and in relation to the review of polling districts and polling places. A number of different consultation events took place with good levels of attendance and high levels of engagement.
- 11.3 Further civic engagement activities are set out in each committee's individual annual effectiveness report.

## 12. Executive Lead - Commentary

- 12.1 This has been an extremely busy year for Council which has made key decisions on city centre masterplanning projects, transformation activity and the very complex response to Reinforced Autoclaved Aerated Concrete (RAAC) in some of the city's housing stock. The Council's Medium Term Financial Strategy was the subject of two comprehensive reports, updating members on the serious financial challenges faced within the city and on the public's response to two rounds of engagement on potential budget options. It has also responded to an increased number of referrals from committees. The volume of business under consideration has resulted in some scheduled Council meetings being adjourned in order that business can be concluded on a second day.
- 12.2 Notwithstanding, Council has achieved some significant milestones by setting a balanced budget in March 2024, approving the revised Council Delivery Plan and Community Planning Aberdeen Outcome Improvement Report and Locality Reports, and the Scheme of Governance following its annual review by the cross-party Governance Reference Group. In addition, the Scheme for the Establishment of Community Councils was unanimously approved, including some boundary changes, in order to support our growing number of operational community councils in the city.

## 13. The Year Ahead

- 13.1 In December 2024, the Council will consider a report on Phase 2 of the Budget consultation which follows on from the Council decision of 3 July 2024 to update the Budget Protocol as part of the Scheme of Governance. This helps to ensure that elected members understand the impact, under the Public Sector Equality Duty, of the budget agreed by Council in March 2025.
- 13.2 During the 2024/25 annual reporting period, officers will progress the transformation programme to allow the Council to set a budget in a manner that strategically allocates resources against the Local Outcome Improvement Plan. The Council's outcome focused approach recognises the influence which local authority services can have on the health and wellbeing of citizens. These wider determinants of health, specifically how they might prevent poor outcomes, will be reflected in the budget report and associated delivery plan due to come before Full Council in March 2025. A development programme to increase awareness and understanding of the wider determinants of health and support the use of relevant evidence in decision making will be available for elected members and staff during 2024/25.

## 14. Combined Committee Data

- 14.1 During the reporting period, 366 reports were considered by the 10 committees which are the subject of annual effectiveness reports. This does not include reports relating to planning or licensing applications which are subject to a separate reporting process, however these are covered in the annual reports for the Planning Development Management and Licensing Committees.

	Total	Total Percentage of Reports
Confidential Reports	0	0%
Exempt Reports	24	6.5%
Number of reports where the Committee amended officer recommendations	11	3%
Number of reports approved unanimously	304	83%
Number of reports or service updates requested during the consideration of another report to provide additional assurance and not in business planner	16	
Number of reports delayed for further information	0	0%
Number of times the Convener has had to remind Members about acceptable behaviour in terms of the Code of Conduct	0	
Late reports received (i.e. reports not available for inspection at least 3 clear days before the meeting)	2	0.5%
Number of referrals to Council under SO 34.1	7	

Number of Notices of Motion	12
Number of times Standing Orders suspended	9
Number of deputations heard	16
Number of petitions considered	0



## Appendix 1 - Local Outcome Improvement Plan Stretch Outcomes

<b>Economy</b>	
1.	20% reduction in the percentage of people who report they have been worried they would not have enough food to eat and/ or not be able to heat their home by 2026
2.	74% employment rate for Aberdeen City by 2026
<b>People (Children &amp; Young People)</b>	
3.	95% of all children will reach their expected developmental milestones by their 27-30 month review by 2026
4.	90% of children and young people report they feel listened to all of the time by 2026
5.	By meeting the health and emotional wellbeing needs of our care experienced children and young people they will have the same levels of attainment in education and positive destinations as their peers by 2026
6.	95% of children living in our priority neighbourhoods (Quintiles 1 & 2) will sustain a positive destination upon leaving school by 2026
7.	83.5% fewer young people (under 18) charged with an offence by 2026
8.	100% of our children with Additional Support Needs/disabilities will experience a positive destination
<b>People (Adults)</b>	
9.	10% fewer adults (over 18) charged with more than one offence by 2026
10.	Healthy life expectancy (time lived in good health) is five years longer by 2026
11.	Reduce the rate of both alcohol related deaths and drug related deaths by 10% by 2026
12.	Reduce homelessness by 10% and youth homelessness by 6% by 2026, ensuring it is rare, brief and non-recurring with a longer term ambition to end homelessness in Aberdeen City.
<b>Place</b>	
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
14.	Increase sustainable travel: 38% of people walking; 5% of people cycling and wheeling as main mode of travel and a 5% reduction in car miles by 2026
15.	26% of Aberdeen's area will be protected and/or managed for nature and 60% of people report they feel that spaces and buildings are well cared for by 2026
<b>Community Empowerment</b>	
16.	100% increase in the proportion of citizens who feel able to participate in decisions that help change things for the better by 2026

## Appendix 2 - Council Terms of Reference

## **ABERDEEN CITY COUNCIL**

The Council reserves the following functions:

1. The setting of council tax in accordance with s93(1) of the Local Government Finance Act 1992 or the setting of a reduced amount of council tax under s94 of that Act or paragraph 3 of Schedule 7 to that Act.
2. The setting of a balanced budget annually, including the setting of fees and charges, including the approval of commissioning intentions and service standards.
3. The approval of the capital programme.
4. The borrowing of money as provided for in s56(6)(d) of the Local Government (Scotland) Act 1973.
5. The approval of any annual investment strategy or annual investment report required by any consent issued by Scottish Ministers under s40 of the Local Government in Scotland Act 2003.
6. The approval of the Council's Treasury Management Policy and Strategy.
7. The appointment of committees, including external members, and the number and allocation of committee places, the appointment and removal from office of the Lord Provost, Depute Provost, Leader or Co Leaders and/or Depute Leader and a convener for each committee and a vice convener as appropriate and the approval of senior councillor allowances. However the appointment of external *advisers* to committees is not reserved to the Council and may be undertaken by the relevant committees themselves.
8. The election of members to the Licensing Board.
9. The review of polling districts and polling places.
10. Subject to the Powers Delegated to Officers, the administration of trusts in respect of which the Council is sole Trustee.
11. The approval of the Local Development Plan.
12. The approval of an Administration's political priorities.
13. The consideration of the Council's Delivery Plan.
14. The consideration of its annual report of its effectiveness.
15. The consideration, where required, of reports by both the Standards Commission for Scotland and the Financial Conduct Authority, and the overseeing of members' standards of conduct.
16. The establishment of the Appointment Panel in accordance with the Standing Orders for Council, Committees and Sub Committees.
17. The approval of the Council's Scheme of Governance.
18. The approval of the Council/Committee Diary.
19. The approval of Schemes for the Establishment for Community Councils and the review or amendment of such Schemes in terms of sections 52 and 53 of the Local Government (Scotland) Act 1973; and the revocation of such Schemes (or amended Schemes) and the making of new Schemes in accordance with section 22 of the Local Government etc. (Scotland) Act 1994.
20. The establishment of Working Groups.

21. To consider any matter which the Council has previously considered and agreed to receive a report (or further report) on.
22. To consider Monitoring Officer reports under Section 5 of the Local Government and Housing Act 1989.
23. Making schemes for the reorganisation of educational endowments under section 112(2) or 112(3) of the Education (Scotland) Act 1980.

#### 24. ANALYSIS

- 24.1 to receive a bi-annual Population Needs Assessment to understand the needs which public bodies must address;
- 24.2 to receive, as appropriate, an in-depth analysis of key groups, priorities and challenges across public services to identify and action potential efficiencies and improvements to help ensure that the needs of customers and citizens are met and commissioning intentions are delivered; and
- 24.3 to receive, as appropriate, sufficiency and market analyses to understand existing and potential provider strengths and weaknesses, and identify and take action in respect of any opportunities for improvement or change in providers.

#### PLANNING

- 24.4 to endorse the refresh of the Local Outcome Improvement Plan (LOIP) including recommending any changes which may be required; and
- 24.5 to approve annual procurement workplans, reflecting the LOIP, the Population Needs Assessment, the Council's commissioning intentions, the Council's service standards, the views of customers and citizens, and the best evidence of effective interventions to ensure a preventative focus on demand reduction.

#### DOING

- 24.6 to establish Arm's Length External Organisations (ALEOs) where it is determined that services should not be provided in-house;
- 24.7 to decommission services, including ALEOs, that do not meet the Council's commissioning intentions and outcomes;
- 24.8 to take such action to ensure that appropriate supply management and capacity building (market facilitation) is in place to ensure a good mix of resilient service providers, that offer customers an element of choice in how their needs are met; and
- 24.9 to approve the Strategy Framework to facilitate the delivery of agreed outcomes.

#### REVIEWING

- 24.10 to approve amendments to the Council's Performance Management Framework (PMF);
- 24.11 to receive annual reports on the LOIP and Locality Partnership Plans;
- 24.12 to consider and monitor performance associated with the Council's agreed commissioning intentions and ultimate contribution to the LOIP outcomes;
- 24.13 to receive annual reports from each of the Council's ALEOs to enable scrutiny of performance;

**24.14** to receive an annual procurement performance report to enable scrutiny of performance; and

**24.15** to receive reports on any changes in legislative requirements, policy and population needs which may facilitate opportunities to work differently to improve outcomes or may require revisions to existing commissioning intentions and outcomes.

For the avoidance of any doubt, this reservation 24 does not affect the Terms of Reference of the Pensions Committee, Aberdeen City Region Deal Joint Committee or Aberdeen City Integration Joint Board, and it does not prevent the exercise of delegated powers where authority is delegated to officers under the Powers Delegated to Officers, Procurement Regulations or otherwise.

**EXECUTIVE LEAD: CHIEF EXECUTIVE**