Aberdeen City Council: Financial Resilience Framework[1]

6. RESERVES AND FINANCIAL RESILIENCE FRAMEWORK

Useable Reserves

6.1 Local authorities must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.

6.2 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.

6.3 Therefore, reserves are mainly available to;

✓ Manage the impact of cuts over a longer period;

✓ Invest in schemes that allow services to be delivered cheaper;

✓ Take “one-off hits” for the council as a whole without the need to further reduce service budgets;

✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;

✓ To temporarily roll over unused portions of grants that can legally be used at a later date;

✓ To insure against major unexpected events (such as flooding);

✓ To guard against general risk (such as changes in contingent liabilities);

✓ To guard against emergent specific risks (such as Covid-19).

6.4 The likelihood of these risks arising is predicted to continue to increase.

Reserves Statement[2]

6.5 The council’s policy on reserves is outlined within the MTFS principles as follows:

- The council will maintain its general reserve at a minimum of £12m to cover any major unforeseen expenditure. The council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the unearmarked General Fund Reserve.
- The council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed annually.

---

[1] Extract from Medium Term Financial Strategy 2024, Council 11 October 2024
[2] Council Reserves Statement, March 2024, Report Number 4, Appendix 6

- The council's general reserve is available to support budget setting over the period of the MTFS and usage should be linked to the achievement of financial sustainability over the medium term.

Review of Reserves

6.6 A review of reserves is undertaken twice a year and covers:

- The purpose for which the reserve is held,
- An assessment of the appropriate level of the reserve to meet potential future liabilities, in line with the Council's reserves policy and aligned to the risk management framework,
- Procedures for the reserve's management and control,
- A process and timescale for future reviews to ensure continuing relevance and adequacy.

6.7 The Audited Annual Accounts for 2023/24[3] show the balance of General Fund usable reserves of £94m (including earmarked reserves of £82m).

6.8 An explanation of each earmarked reserve and values as at 31 March 2024 can be found in the council's audited annual accounts for 2023/24.

6.9 For financial resilience the council should consider use, replenishment and increase of the unearmarked General Fund Reserve over the MTFS period.

6.10 The overall level of financial resources available to the council is finite and therefore any continued use of reserves cannot be sustained in the longer term without placing the council's financial position at risk. The MTFS recognises that the council's financial reserves are maintained at a prudent level to protect present and future council services.

6.12 The council accepts that while balancing the annual budget by drawing on general reserves can be in certain circumstances a legitimate short-term option it is not considered good financial management to finance recurrent expenditure in this way. Where this approach is adopted, the council will be explicit as to how such expenditure will be funded in the medium to long term to achieve financial sustainability. The council recognises that usage of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term.

Financial Resilience Framework

6.13. **Introduction**

6.14 For Local Authorities generally, the measure of financial resilience has been to rely on in-year contingencies and its Reserves Policy.

6.15 The Council acknowledged, in the reports to the Urgent Business Committee and City Growth and Resources Committee in 2020, that financial resilience was a crucial aspect of financial management that became more important in times of crises, such as a global pandemic.

6.16 It was recognised that financial resilience was more than about its reserves and there was a need to be more comprehensive in the assessment of the measures of resilience. In the Medium Term Financial Strategy 2020, approved on 28 October

[3] Audit, Risk & Scrutiny Committee, June 2024, Audited Annual Accounts 2023/24 (CORS/24/200)

2020 it was agreed that the Council's approach to financial resilience was to be developed further.

6.17 While the Covid-19 pandemic brought a specific focus to the subject, it was not the sole reason for further work. The ongoing national debate on the financial sustainability of the local government sector in Scotland, the increasing number of local authorities in England in recent years that have found themselves in financial difficulty, resulting in Chief Financial Officers having to prepare formal s114 notices.[4]

6.18 There has been greater emphasis from external auditors on the assurance and demonstration of the concept of 'going concern' for local authorities and this being a key area of audit activity now.

6.19 All of this adds up to the need for greater attention to be paid to the financial resilience of the Council and to consider what financial resilience is, how it is defined and measured and what it leads us to do.

6.20 The development of a financial resilience framework to shape the Council's understanding of key aspects of financial strength is the starting point and to define the areas that are most appropriate to consider. Further work will be done to develop this further, to look at the comparators and where this applies, and to consider in more detail the exposure the Council has from its Group entities.

6.21 The framework is developing in terms of the data that we are collecting, and it will continue to be further developed to support our approach to financial resilience.

6.22 **<u>Background</u>**

6.23 The Council has always reviewed and paid attention to its usable reserves, those that it can draw on in a time of need. To this effect the Council has in place its Reserves Policy, which it reviews annually as part of the budget setting process. This is done in the context of assessing the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Chief Officer - Finance is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.

6.24 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Council time to ride any short-term situations before returning to normal.

6.25 Therefore, reserves are mainly available to;

✓ Manage the impact of cuts over a longer period;

✓ Invest in schemes that allow services to be delivered at lower cost;

✓ Take "one-off hits" for the council as a whole without the need to further reduce service budgets;

✓ Provide capacity to absorb any non-achievement of planned budget reductions in each year;

---

[4] Section 114 notices are the mechanism through which English local authorities report that they are unlikely to achieve a balanced budget for the financial year.

✓ To temporarily roll over unused portions of grants that can legally be used at a later date;

✓ To insure against major unexpected events (such as flooding);

✓ To guard against general risk (such as changes in contingent liabilities);

✓ To guard against emergent specific risks (such as a pandemic or financial crisis).

6.26 The Council looks at financial resilience as a much wider subject as it is about our ability to anticipate, prepare for and respond to the changing financial environment, derived from internal decisions and external factors. To be financial resilient, is to know what would be available in the time of crisis, is to understand the exposure to loss of income, and commitment to expenditure, as well as understanding the flexibility the Council has in terms of accessing funds when they are needed.

6.27 In this strategy financial resilience has been broken into the following four areas:

- Review of the Council's Balance Sheet
- Capital financing; investment, and borrowing
- Build financial resilience and independence
- Identify those that should pay by minimising fraud and avoidance

6.28 Maintaining a strong balance sheet provides the assurance that the Council can respond in the time of crisis, it can meet its obligations and provides confidence in the Council's ability to participate with our full range of stakeholders. They include our external auditors, our bond holders, credit rating agency, contractors and suppliers, and ALEOs. Notably the Local Government Benchmarking Framework (LGBF), in the analysis of 2019/20 it started to incorporate financial sustainability information which is of a similar nature. This provides a Scotland wide comparison of some of the key elements that are included in the Council Framework.

6.29 Supporting our resilience in our balance sheet includes:

- In-year financial performance to manage the budget position, including cashflow;
- An annual review of the balance sheet by our treasury advisors, with a focus on capital financing requirement, liquidity and long-term borrowing;
- Regular review of usable reserves and the appropriateness of sums earmarked; and
- Regular review of provisions held.

6.30 Bringing all of this together to provide the information to the Council in a form that it can take account of in its decision making is an important next step. To inform that, further consideration has been given to the LGBF financial sustainability measures, CIPFA Resilience Index that has been prepared with English Local Authorities, Moody's credit rating assessment reports and careful thought about what is important to the resilience of the Council the areas will be refined to be more specific.

6.31 **<u>Framework</u>**

6.32 The framework has the following components:

- Council reserves and liquidity *(the availability of resources)*;
    - Reserves

  - Net Worth
  - Liquidity
  - In this section further work is anticipated regarding the Council exposure to its Group

- Capital financing; investment, and borrowing *(the creation of resources and gearing)*;
  - Capital Finance Requirement
  - Debt
  - Prudential indicators
  - Investment

- Build financial resilience and independence *(the longevity and trends in resources)*;
  - Top income streams
  - Top expenditure commitments
  - Operational Cashflow understanding
  - Exposure to areas of high demand (e.g. Adult and Children Social Care, Education), with consideration also to be given to the proposals for a National Care Service in Scotland
  - In this section further work is anticipated regarding the Council exposure to its Group

- Identify those that should pay by minimising fraud and avoidance *(the security of resources)*.
  - Counter fraud policy and procedure
  - Counter fraud resource
  - National Fraud Initiative
  - Internal and external audit assurance

6.33 The Council's financial resilience framework now sits within this document and has been populated based on the audited annual accounts up to 31 March 2024.

6.34 The framework uses relevant information to measure the Council finances using the Financial Statements and additional information obtained from the Annual Accounts. This provides the data to calculate a consistent set of relevant ratios that are important to measuring the strength and depth of the Council finances.

6.35 The intention is to go further and understand other aspects of the Council's financial position using trend data to consider the impact of history and where possible to look forward based on Council approved plans and strategies. This remains work in progress with resources required to consider fully.

6.36 The relevance and purpose of ratios needs to be carefully considered as they should all have a purpose. The proposal is to avoid simply listing lots of calculations just because they can be calculated, they will have a defined purpose. Examples of the type of ratio that are likely to be included are:

APPENDIX 2

Ratios/Measures	2019/20	2020/21	2021/22	2022/23	2023/24	
Availability of Resources						
Usable Reserves / Net Revenue inc. HRA (%)	10.8%	16.4%	22.0%	25.0%	23.6%	
Usable Reserves - GF / Net Revenue (%)	7.7%	14.2%	15.7%	16.4%	16.7%	
Usable Reserves - HRA / HRA Revenue (%)	12.7%	14.3%	14.7%	16.0%	13.5%	
Reserves Sustainability Measure	6.6	100.0	100.0	100.0	100.0	
Level of Usable Reserves	10.8%	16.4%	22.0%	25.0%	23.6%	
Change in Usable Reserves	-31.4%	50.7%	128.5%	159.4%	59.6%	
Council Tax Requirement / Net Revenue (%)	26.9%	24.5%	25.5%	25.4%	25.0%	
Unallocated Reserves	2.6%	2.5%	2.4%	2.3%	2.1%	
Earmarked Reserves	5.1%	11.7%	13.3%	14.1%	14.5%	
Change in Unallocated Reserves (over last 3 years)	5.4%	10.0%	16.1%	0.8%	-2.9%	
Change in HRA Reserves (over last 3 years)	13.3%	24.6%	23.6%	22.7%	-3.6%	
Current Ratio	77.2%	81.6%	63.6%	49.7%	47.1%	
Working Capital	£0k	£0k	£0k	£0k	£0k	
Creation of Resources & Gearing						
Net Worth / Net Direct & Indirect Debt (%)	88.1%	101.8%	101.9%	97.4%	78.3%	
Net Direct & Indirect Debt / Net Revenue inc. HRA (%)	247.6%	228.9%	235.8%	248.2%	256.7%	
Capital Financing Requirement / Total Gross Income (%)	119.7%	115.8%	121.9%	142.2%	127.9%	
Short-Term Direct Debt / Direct Debt (%)	16.9%	18.8%	17.6%	22.4%	26.3%	
Interest Payments - GF / Net Revenue (%)	10.0%	7.9%	8.5%	9.7%	10.6%	

Ratios/Measures	2019/20	2020/21	2021/22	2022/23	2023/24	
Interest Payments - HRA / HRA Revenue (%)	7.4%	5.7%	6.5%	10.0%	13.3%	
Interest Payments / Net Revenue inc. HRA (%)	9.6%	7.5%	8.1%	9.7%	11.1%	
Net Worth	£1,216m	£1,413m	£1,461m	£1,501m	£1,350m	
Gross External Debt	£1,380m	£1,388m	£1,434m	£1,542m	£1,723m	
	Longevity & Trends in Resources					
Adult Social Care Ratio	19.6%	18.7%*	20.9%	23.4%	21.4%	
Children Social Care Ratio	10.4%	8.7%*	8.7%	n/a	n/a	
Education Ratio	39.0%	36.5%*	35.9%	n/a	n/a	
	*** Note:** 2020/21 figures show the impact of increased government funding to support the Covid-19 pandemic, which means that Net Revenue for the year was increased beyond the approved Local Government financial settlement, money was received late in the financial year and remained unspent at 31 March 2021, also resulting in increased useable reserves. This should be considered when reviewing the indicators – 2020/21 was not a regular year.					

6.37 The data on income and expenditure trends has been taken from audited Annual Accounts, budgets, CIPFA and Scottish Government returns, the contracts register and Scottish Government finance circulars.

6.38 For the purposes of materiality and relevance, we have focused on the highest value 'top 20' income streams and expenditure commitments that the Council has (Appendix 1).

6.39 Security of resources will rely on the three lines of defence in the Risk Assurance Maps, including findings and the opinion of internal and external auditors.

6.40 **<u>Using the Financial Resilience Framework</u>**

6.41 Financial resilience ratios, trends and data collated to support a comprehensive view of the Council is not about there being one answer, nor is about a statement of right or wrong. Instead, it is about providing context for decision making and planning. Through understanding other aspects of Council finance, it's expected the Council can consider more than simply balancing the budget. This might include decisions to grow reserves or address an adverse trend in expenditure commitments or reduce borrowing. This will assist the Council to be well informed and can make the choices it is entitled to make.

6.42 Councils have a very long history and decisions have been taken at different times for different reasons both at a local and national government level that leaves each Council today in the situation it is. Therefore, every Council is in a different position, no two Councils will have experienced the same history and it is inevitable the financial resilience of all will be different.

6.43 The financial resilience framework is be used as the basis for understanding the underlying financial position of the Council, from which decisions must be taken, to provide the basis for highlighting where action is required or where it should be considered. The opportunity to get an insight into aspects of Council finance that may only emerge over time and that on an annual cycle could be overlooked or not given sufficient consideration.

6.44 Some ratios having a direct impact on the short-term financial planning of the Council, while other being considered with aspiration and objectives stretching out over the medium to long term.

6.45 The data can act as triggers for action, with the final chosen ratios, where appropriate, to have in place some parameters to define or describe the urgency, scale and pace of action that is required. As the information accumulates then it can act as an early warning of emerging pressures.

6.46 Interpretation of the data has been indicated in the table at 6.36 and if the ratio appears to be stable or improving or if we should be watching it .

<u>Chief Officer – Finance : Summary</u>

6.47 In relation to the “Availability of Resources” indicators there is an unnatural financial position created by the funding provided to support the Covid-19 pandemic as at the end of March 2021. Increased income was paid late in financial year 2020/21, resulting in large sums of funding being carried forward by the Council and this was replicated in all other Scottish Local Authorities. The indicators do show that the Council has maintained its strong reserves position going into subsequent financial years with healthy values of usable reserves and an appropriate sum uncommitted for specific purposes. Rising reserves in 2021/22 and again late funding in respect of resettlement programmes for Ukrainians in 2022/23 pushed reserves further upwards, as did a revaluation of long term investments and a recategorization of capital grants, which are all committed for future projects. Working capital values and the standard affordability test don’t present what would be seen as an ideal position (i.e. under 100%) but given the Council’s statutory position and treasury management strategy there are no concerns about being unable to meet short-term obligations.

6.48 The Council has maintained strong financial performance into 2024/25 and based on the assumptions within the Quarter 1 Financial Performance results, referred to earlier, the Council aims to maintain a balanced budget although this relies on continued delivery of the budgeted savings and no exposure to additional financial shocks or liabilities. At present use of earmarked reserves is limited to the purposes they are held for and the Council continues to hold uncommitted usable reserves, which it expected to be retained at the end of the financial year.

6.49 The ‘Creation of Resources & Gearing” indicators show the cost of capital investment tracking upwards, with the cost of interest on both the General Fund and HRA borrowing now over 10% of net revenue. Upward pressure has also been applied from the higher inflation levels in the last two years and this applying to financing arrangement such as the Bond where the additional cost, alongside rising interest rates has the effect of increasing the future Loans Fund pooled interest rate. This is important as this underpins the calculation of changes that the General Fund and HRA will have to fund in the future. The means of reducing this would be through reducing expenditure (reducing the capital programmes) increasing external grant funding or contributions from partners. The Council has applied all the most recent accounting policy options in respect of the capital financing costs and prudently extending the useful lives of assets to better reflect the actual consumption of the assets a few years ago.

6.50 The value of total external debt must be viewed in the context of the overall assets and resources of the Council as debt arises from investment in our assets. The Net Worth of the Council, after accounting for the debt owed, has reduced to £1.35bn at 31 March 2024. The value of debt has increased over the years in line with the capital programme decisions that have been made for both General Fund and Housing. Through reference to the approved Prudential Indicators, that accompanied the 2024/25 budget in March 2024, the capital financing requirement (CFR, as referenced in section 4) is planned to increase and there will be corresponding increases to the annual repayment values. These have been included in the financial scenario planning within this strategy. Rising interest rates have also been factored into forward projections in the MTFS for the cost of financing debt however the cost of borrowing is continuing to increase and inflation impacts approximately 25% of the external debt, the remaining 75% being based on fixed interest agreements.

6.51 The longevity and trends in resources is the least developed currently, and while there is information available it requires further analysis before fully presenting it. That includes the schedule of most valuable income streams and highest value contractual obligations and have been updated to show 2023/24 as the base year. These are shown in Appendix 1.

6.53 An overview of the top 20 income streams shows a picture of generally increasing income on major areas of the budget. Notable however is the extent to which high value income is often associated directly with spend on specific functions and obligations, such as Housing Benefit (where the downward trend is to be expected due to the rollout of Universal Credit), and the Aberdeen Roads Ltd Contract payment, which matches the expenditure also incurred.

6.54 General Revenue Grant shows the impact of additional funding being provide and passported to the Health and Social Care Partnership through the financial settlement and direction of Scottish Government. There has also been funding to support pay awards now for the last two years and this is making a difference. None of this represents an underlying increase in funding for core/current services making the analysis complex. Council Tax increases in recent years was showing as a positive development, however the acceptance of the Council Tax freeze grant provided by Scottish Government for 2024/25 will shift the emphasis further towards reliance on Revenue Grant Funding to support services.

6.55 Over the 20 categories of income it represents over £850m of income to deliver the gross cost of Council services amounting to approximately £900m, or 94% showing how much the Council relies on these very specific funding streams.

6.56 Looking at the expenditure table, there is substantial fixed cost associated with the top 20 commitments, determined and influenced by national conditions, contractual obligations and statutory duties. Representing over £730m of expenditure it demonstrates the categories of spend that need to be influenced and changed to support major resource changes, savings and cost reductions.

6.57 As noted above there are many of these expenditure categories or contracts that need to be looked at as cost neutral as the income is funding the delivery of our services. The Council should continue to ensure that is the case and not commit additional expenditure/cost to these fully funded areas of spend.

6.58 Similar to the income the influence of potential change coming in the future from statutory or policy changes and review is an important factor, and the Council should use this as a means of determining how cost reduction can be incorporated alongside the changes.

6.59 **Future development**

6.60 As referred to above, the Council has group entities that are incorporated into its accounts and therefore holds risk and reward from the relationships that it has. Given the cost of living, inflation and supply chain challenges plus the legacy impact of the pandemic on the group entities, to work with them and analyse their balance sheets and income and expenditure sensitivities, will be an important next step in understanding the relevant exposure that the Council has to each and to document this in an appropriate way. Prioritisation of this work is required when resources allow. This is more important as the resources and demand for social care services continue to be under increased pressure and financial constraint.

6.62 The ambition is that with further development and engagement with stakeholders in Scotland this can become more meaningful. Work already published in the Local Government Benchmarking Framework (LGBF) from 2019/20 onwards shows the extent of variation in respect of some of the key indicators that support sustainability and care needs to be taken in interpreting the results, particularly differences between Councils where, for example, some no longer have Housing Revenue Accounts.

6.63 Further work will have to be done on appropriate comparison with other Councils to set the Aberdeen City data in context, rather than for direct comparison, as each Council is following a different strategic plan and are at different stages in those plans and by using information from a common data set, prepared using the same accounting standards it gives the opportunity to compare the Council with its peers. Taking this forward, our Framework has been shared with the Director of Finance Section for Scottish Local Government and has been added to their work plan. Conclusions and recommendations from that work will be updated as part of future strategies.

Top 20 Income and Expenditure Categories

	Top 20 Revenue Income Sources by Value 2023/24							
	Title	Type of Income	2023/24 Actual Value £'000	last 3-year change (21/22) £'000	last 5-year change (19/20) £'000	Continues for at least 5 years?	Subject to regulation/ policy change in next 2 years?	Dependencies
1	GRG + NDR Distribution	Non-Specific Grant	424,275	48,255	90,005	Yes	Yes	Barclay review - Spending Review
2	Council Tax	Fiscal Powers	141,475	13,074	18,658	Yes	Yes	SG / LG Fiscal Framework Outcomes
3	Building Services	Fees & Charges	56,556	17,539	25,682	Yes	No	HRA work programme
4	AWPR / Aberdeen Roads Ltd	Specific Grant	44,301	(10)	(65,396)	Yes	No	Contract terms and conditions
5	Housing Benefit	Specific Grant	38,066	(3,311)	(10,664)	Yes	No	Universal Credit & Economic Conditions
6	NHS Grampian	Specific Grant	37,869	(7,848)	915	No	Yes	NCS (Scotland) Bill
7	Property Letting	Fees & Charges	21,730	5,586	7,018	Yes	Yes	Economic conditions in Aberdeen
8	ELC Expansion	Specific Grant	19,935	(7,613)	14,067	No	Yes	To become part of general settlement
9	Aberdeenshire Council Charges	Fees & Charges	14,282	(6,938)	(14,390)	Yes	No	Capital programmes
10	Capital cluster - General Fund Capital	Fees & Charges	11,387	(7,436)	(16,546)	Yes	No	Capital programmes
11	Adult Social Care Residential	Fees & Charges	11,051	1,867	(245)	No	Yes	NCS (Scotland) Bill
12	Parking Charges/Fines	Fees & Charges	9,326	3,193	1,424	Yes	No	Customer behaviour
13	Capital cluster - Housing Capital	Fees & Charges	6,163	3,891	3,023	Yes	No	Capital programmes
14	Common Good Charges	Fees & Charges	4,055	2,434	(190)	Yes	Yes	Council review of Common Good
15	Moray Council Charges	Fees & Charges	3,878	(2,033)	(3,109)	Yes	No	Capital programmes
16	NESPF Charges	Fees & Charges	2,293	482	698	Yes	Unknown	National LGPS Review in Scotland remains a commitment
17	Planning / Building Control Fees	Fees & Charges	2,200	(49)	(453)	Yes	Yes	Statutory basis, resourcing consultation summer 2024
18	Bereavement Services Fees	Fees & Charges	2,014	219	191	Yes	No	Competition
19	Garden Waste Charges	Fees & Charges	1,102	(15)	489	No	Yes	Charges reviewed by Council at Budget 2024
20	Ukrainian Integrated Support	Specific Grant	786	786	786	No	Yes	No of Ukrainian refugees
			852,744	62,073	51,963			

Top 20 Revenue Expenditure Commitments by Value 2023/24								
	Title	Type of Expenditure	2023/24 Actual Value £'000	last 3-year change (21/22) £'000	last 5-year change (19/20) £'000	Continues for at least 5 years?	Subject to regulation/ policy change in next 2 years?	Dependencies
1	Pay bill - non teachers	Staff	231,198	37,217	44,961	Yes	No	Local Terms & Conditions & National pay negotiations NCS (Scotland) Bill
2	Pay bill - teachers	Staff	123,321	20,997	31,939	Yes	No	National Terms & Conditions & pay negotiations
3	Care Home Placement - Adults	Contracts	65,472	16,798	18,855	No	Yes	NCS (Scotland) Bill
4	Capital Financing Costs	Capital Financing	53,636	15,510	18,141	Yes	Yes	Capital programme
5	AWPR / Aberdeen Roads Ltd	Contracts	44,301	(10)	(65,396)	Yes	No	Contract terms and conditions
6	Housing Benefits	Transfer	41,122	(970)	(8,786)	Yes	No	Universal Credit & Economic Conditions
7	Bon Accord Care - ALEO	Contracts	34,637	282	4,258	No	Yes	NCS (Scotland) Bill
8	Waste Disposal Contracts	Contracts	23,464	7,577	7,694	No	Yes	Contract terms and conditions
9	Unitary Charge - Schools	Assets	21,948	2,391	2,722	Yes	No	Inflation & Number of Buildings
10	Utilities	Assets	21,523	9,919	9,847	Yes	No	Inflation
11	Care Home Placement - Children	Contracts	14,083	1,771	3,843	No	Yes	NCS (Scotland) Bill
12	Non-domestic Rates	Assets	13,376	986	1,245	Yes	Yes	Number & Value of Buildings
13	External Rents	Assets	8,915	3,094	1,998	Yes	No	Contract terms and conditions
14	Fostering Payments - External	Contracts	8,191	(1,434)	(2,222)	No	Yes	NCS (Scotland) Bill
15	ELC Provider Payments	Contracts	7,738	(2,502)	3,947	Yes	Unknown	Living Wage & sustainable rate
16	Software Licences	Contracts	7,273	2,505	3,885	Yes	No	Inflation
17	Hire of Vehicles	Contracts	4,909	320	105	Yes	Yes	Number of Employees
18	Sport Aberdeen - ALEO	Contracts	3,852	(1,043)	(267)	Yes	No	Budget decisions
19	Homeless - Hotel & B&B Charges	contracts	3,263	3,180	3,042	Yes	No	Rapid Re-housing programme
20	Provision for Bad Debt	Contracts	2,758	(252)	1,793	Yes	No	Collection levels
			734,981	116,334	81,605			