

ABERDEEN CITY COUNCIL

Town House,
ABERDEEN, 5 March 2025

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
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
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.

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WELCOME

1. The Lord Provost welcomed a group of students from the University of Aberdeen who were observing the meeting, along with their lecturer, as part of their MSc Sustainability Transitions course.

Councillor Ali moved as a procedural motion, seconded by Councillor Tissera:-

That the Council suspend Standing Order 14.5.3 to hear the deputation from Aberdeen Trades Union Council.

On a division, there voted:-

For the procedural motion (14) - Councillors Ali, Blake, Bonsell, Boulton, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Nicoll, Thomson, Tissera and Watson.

Against the procedural motion (23) - 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, Radley, van Sweeden and Yuill.

Declined to vote (7) - Councillors Brooks, Cross, Farquhar, Houghton, Kuszniir, McLeod and Massey.

The Council resolved:-

to reject the procedural motion.

Councillors Ali, Blake, Bonsell, Crockett, Graham, Grant, Lawrence, Macdonald, Malik, Nicoll, Thomson, Tissera and Watson intimated their dissent against the foregoing decision in accordance with Standing Order 32.8.

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. Councillor Blake and the Lord Provost advised that they had a connection in relation to the budget by reason of being 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.

There followed an understanding that there was no requirement for Councillors to intimate transparency statements in relation to the budget as there would be so many, and that only declarations of interest were required.

GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2025/26 TO 2029/30 - CORS/25/048

3. The Council had before it a report by the Chief Officer - Finance which provided the Council with information on both the revenue budget for 2025/26 and the capital programme for the period 2025/26 to 2029/30. It aimed to enable the Council to set the

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approved budgets and Council Tax rate for main and second homes for the year commencing 1 April 2025. In addition, it addressed the need for the Council to decide on an Empty Property Relief Scheme following the devolution of Non-Domestic Rates Empty Property Relief to Local Government.

The Council also had before it a report by the Chief Officer - Finance which provided details of the draft Common Good budget for 2025/26, to enable the Council to approve a final budget that would take effect on 1 April 2025.

The Council also had before it a report by the Chief Officer - Strategic Place Planning which sought approval for the Council Carbon Budget for the financial year 2025-26, to support the Council Climate Change Plan.

The reports recommended:-

that the Council -

Balance Sheet

- (1) note the projected balance sheet position including the reserves as at 31 March 2025, shown at Appendix 1;
- (2) agree that the Council needs to find recurring funding solutions to meet recurring costs while retaining prudent reserves that will be available should they be needed, particularly given the wide range of financial risks that remain outside the control of the Council;
- (3) note that the Council's Risk Appetite Statement reflects a cautious appetite for longer term capital and financial investment, and remains averse to risks associated with impairing financial stewardship, internal controls, and financial sustainability;
- (4) give due regard to the Council's Financial Resilience Framework measures, included at Appendix 2, and Prudential Indicators, at Appendix 3, when setting Council Tax and the Revenue and Capital budgets;
- (5) approve the Prudential Indicators as attached at Appendix 3 and agree to limit the annual Cost of Financing Capital at 11% of projected Net Revenue;
- (6) approve the General Fund Capital Programme as attached at Appendix 4;
- (7) consider the capital projects described in Appendix 5, which were referred to the General Fund Capital Programme;
- (8) approve the Revenue and Capital Reserves Statement for 2025/26 as detailed in Appendix 6;
- (9) approve the use of the Capital Fund to support any financial implications arising from Council's support to owners of properties affected by RAAC, see Section 8;
- (10) continue to retain the Service Concession Reserve to support the commitment to no compulsory redundancies, as a funding source for continued use of the voluntary severance/early retirement scheme (VSER);

Medium-Term Financial Projections

- (11) note the forecast medium-term financial projection for the period ending 31 March 2030 as shown in paragraph 5.18;
- (12) instruct the Chief Officer - Finance to refresh the Medium Term Financial Strategy and report to the Council by the end of September 2025 in line with the requirements of the budget protocol;

Risks

- (13) note the Aberdeen City IJB is forecast to use all of its available reserves in 2024/25 to address an in-year budget deficit;

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- (14) give due regard to the deficit scenarios that face the Aberdeen City IJB ('Upside' £6.5m; 'Central' £12.5m; and 'Downside' £19m) and the financial exposure in 2025/26 that will mean the Council is prepared in the event of a budget deficit crystalising;
- (15) acknowledge that the Aberdeen City IJB Integration Scheme determines the methodology for financial contributions from partners in the event of an in-year deficit being recorded, and this split is approximately 60:40 (NHSG/ACC);
- (16) agree that the Council exposure to the deficit scenarios is 'Upside' £2.5m; 'Central' £5m; and 'Downside' £7.5m and that the Council should ensure that a minimum of £2.5m of financial risk is addressed on a recurring basis in setting the General Fund budget for 2025/26;
- (17) agree that there will be a funding shortfall to support increased Employer National Insurance Contributions (ENIC), that comes into effect from 1 April 2025, and include budget proposals of a recurring nature, on how the Council will ensure this risk of at least £3m is addressed in 2025/26, as described in the scenarios at paragraph 3.19, which indicates the financial risk could be as much as £8m;
- (18) note that pay negotiations for financial year 2024/25 have concluded but were more expensive than the Council had set aside in the 2024/25 budget and have only been afforded with support from Scottish Government (funding the difference between 3% and the overall average 4.27% cost of implementation). In the context of the public sector pay policy announced in December 2024, and current inflationary position, the 2025/26 budget model includes provision for a 3% pay award;
- (19) note the ongoing exposure that the local government sector has to inflation, with CPI rising to 3% in January 2025, and has remained above Bank of England targets in recent months;
- (20) note the extent of contingent liabilities described in Appendix 13;
- (21) instruct the Chief Officer - Finance, to monitor the delivery of the approved budget and advise the Finance and Resources Committee of any in year changes required via the Financial Performance reports.

Annual Revenue Budget Recommendations

- (22) note, that on a like for like basis, the 2025/26 Local Government settlement has resulted in the Council receiving an additional £8.9m of revenue funding being awarded from the current year;
- (23) note that the conditions outlined by the Scottish Government within the Local Government Finance Settlement for 2025/26 are met by the proposals set out in the report, including the requirement to maintain teacher numbers at 2023 levels;
- (24) note that the General Fund budget has £4m of in-year contingencies included to provide for unknown risks that may arise during the year, this represents only 0.6% of the net budget, which leaves the smallest of margins when operating c.£1bn of gross expenditure per annum;
- (25) approve the savings and redesign of Council services to address demand, and to set at least a balanced budget for financial year 2025/26, having due regard to the:
 - a) Budget Model as contained in paragraph 5.18 that identifies a revised funding shortfall of £18.1m for 2025/26, after recognition of the emerging financial risks from the Aberdeen City IJB and shortfall in funding for Employer National Insurance Contributions (ENIC);

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- b) Revenue and Capital Reserves Statement, that sets out the Council should maintain uncommitted General Fund balances of between a minimum of £12m and £34m;
 - c) Savings options and cost of implementation put forward in Appendix 8 and Fees and Charges proposals in Appendix 9;
 - d) Convention of Scottish Local Authorities (Cosla) commitment to 1% of the budget being subject to participatory budgeting;
 - e) Revenue items referred to the budget process, as shown in Appendix 10;
 - f) Council's Risk Appetite Statement; and
 - g) Public Sector Equality Duty and the Integrated impact assessments provided;
- (26) approve funding awards for the Cultural Investment Framework for 2025/26, and indicative funding for the following two years;
- (27) note the Commissioning Intentions and approve the Service Standards as shown in Appendix 11;
- (28) instruct the Chief Executive, in light of the notified retirement of the current postholder of the Chief Officer - Capital, to commence a recruitment and selection process to consider internal and external applications together, in accordance with Appendix 3 of the Standing Orders: Protocol for Appointment of Chief Officers;
- Annual Revenue Budget Recommendations - Aberdeen City Council Group**
- (29) approve the level of funding for the Aberdeen City Health & Social Care Partnership IJB 2025/26 to meet the conditions of the Scottish Government Financial Settlement, with reference to paragraph 6.8, and to note the financial scenarios for 2025/26 that apply to the Aberdeen City IJB, considering the implications for the Council and noting that the IJB will determine how it will balance its budget in March 2025;
- (30) approve the fees and charges for the Aberdeen City Health & Social Care Partnership IJB, as shown in Appendix 9;
- (31) approve the level of funding for the Council's other group entities and Arm's Length External Organisations (ALEOs), in 2025/26 with reference to paragraph 6.8; and note that it will be for the ALEOs themselves to determine how they will balance their budgets;
- (32) instruct the Chief Officer - Finance to give notice to the Board of Directors of NYOP Education (Aberdeen) Ltd to disburse the notified surplus of £908,991 from financial year 2023/24 to one or more nominated charities of NYOP;
- Taxation Recommendations**
- (33) acknowledge that the Local Government Settlement for 2025/26 contains no conditions on the setting of Council Tax;
- (34) note, that in line with the MTFs, the Chief Officer - Finance had previously recommended a real terms increase in the rate of Council Tax equivalent to 7% for 2025/26. The Chief Officer - Finance further recommends that consideration must be given to exercising discretion over Council Tax to address the unexpected cost pressures and financial risks described in the report;
- (35) note that an additional increase of c.4% would generate sufficient funding to meet the additional costs from the IJB 'upside' scenario (£2.5m) and the shortfall in funding for ENIC costs (£3m);
- (36) approve a Band D equivalent Council Tax rate of up to £1,653.40 (11% increase), with effect from 1 April 2025;

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- (37) impose and levy Council Tax assessments for the period 1 April 2025 to 31 March 2026 on all chargeable dwellings in Aberdeen City to be paid by the persons liable therefor under the Local Government Finance Act 1992, as amended by the Local Government etc. (Scotland) Act 1994;
- (38) note that the Council implements revisions to the national Non-Domestic Rates (NDR) scheme as defined by the Scottish Government within the relevant legislation and Finance Circulars, with effect from 1 April 2025;
- (39) approve an Empty Property Relief Scheme for Aberdeen City with effect from 1 April 2025, as set out from paragraph 5.29;
- (40) impose and levy Non-Domestic Rates assessments for the period 1 April 2025 to 31 March 2026 on all occupiers in Aberdeen City to be paid by those liable;
- (41) note that the Finance and Resources Committee, 12 February 2025, approved that wider consultation would now be undertaken on the introduction of a Visitor Levy in Aberdeen. Instruct the Chief Officer - Finance to incorporate the forecast financial implications into the Medium Term Financial Strategy as appropriate.

Integrated Impact Assessments

- (42) consider the IIAs prepared by officers which reflect the findings from Phase 1 and 2 of the public engagement on the budget, including face to face and targeted sessions with individuals and those that represented people with protected characteristics, and the requirements under section 149 of the Equality Act, as set out in the Legal Implications section, which should be applied in respect of a balanced budget for the year 2025/26;
- (43) thank all the members of the public that took the time and made the effort to participate and engage in our public consultations during 2024;

Common Good Budget 2025/26

- (44) approve the Common Good budget for 2025/26 as detailed in Appendix 1 [of the report];
- (45) consider and decide on each of the new requests for funding detailed in Appendix 3 [of the report], taking account of the affordable funding available for 2025/26;
- (46) note the inclusion of the tiered trend analysis of the Common Good Budget 2025/26;
- (47) note the review of the Common Good Investment Strategy and approve the continuation of the Multi Asset Income Fund investment and planned actions to maintain oversight of the investment performance;
- (48) recognise the inextricable link between the General Fund and the Common Good, and approve the inclusion of the Common Good budget, in future, as an Appendix to the General Fund budget report;

Carbon Budget 2025/26

- (49) approve the Council Carbon Budget 2025/26 including carbon target for 2025/26 of 22,567 tonnes of carbon dioxide equivalent (tCO₂e) and note the provisional 5 year carbon budget forecast to 2029/30;
- (50) instruct the Chief Officer - Strategic Place Planning to update the carbon budget forecast position, where required, following publication of UK Government Greenhouse Gas reporting conversion factors June 2025;
- (51) note the indicative Function/Cluster carbon budget allocation, as attached at Appendix A [of the report];
- (52) instruct the Chief Officer - Strategic Place Planning to liaise with relevant Chief Officers, on any realignment of carbon budget allocations required by changes to

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legislation, services, operations, targets and plan-making ahead of the 2026 Council Carbon Budget;

- (53) note the national policy changes emerging over this 5 year period (paragraphs 3.13 - 3.17 [of the report]) relevant to carbon budget data, methodology and achievable savings; and
- (54) instruct the Chief Officer - Capital, following approval of the budget in March, to ensure any new projects being put forward to the capital programme include information on the expected operational carbon impact of the development.

Councillor McLellan moved, seconded by Councillor Greig:-

That the Council approve the budget contained within pages 3 to 76 of the following [link](#).

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

That the Council approve the budget contained within pages 77 to 153 of the following [link](#).

Councillor Brooks moved as a second amendment, seconded by Councillor McLeod:-

That the Council approve the budget contained within pages 155 to 231 of the following [link](#).

Councillor Boulton moved as a third amendment, seconded by Councillor Nicoll:-

That the Council approve the budget contained within pages 233 to 367 of the following [link](#).

There being a motion and three amendments, the Council first divided between the amendment by Councillor Brooks and the amendment by Councillor Boulton.

On a division, there voted:-

For the amendment by Councillor Brooks (7) - Councillors Brooks, Cross, Farquhar, Houghton, Kuszniir, McLeod and Massey.

For the amendment by Councillor Boulton (3) - Councillors Boulton, Crockett and Nicoll.

Declined to vote (34) - Lord Provost; Depute Provost; and Councillors Ali, Al-Samarai, Allard, Alphonse, Blake, Bonsell, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Graham, Grant, Greig, Henrickson, Hutchison, Lawrence, Macdonald, MacGregor, McLellan, McRae, Malik, Mennie, Radley, van Sweeden, Thomson, Tissera, Watson and Yuill.

The Council then divided between the amendment by Councillor Malik and the amendment by Councillor Brooks.

On a division, there voted:-

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

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For the amendment by Councillor Brooks (7) - Councillors Brooks, Cross, Farquhar, Houghton, Kuszniir, McLeod and Massey

Declined to vote (25) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Boulton, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Nicoll, Radley, van Sweeden and Yuill.

The Council then divided between the motion and the amendment by Councillor Malik.

On a division, there voted:-

For the motion (23) - 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, Radley, van Sweeden and Yuill.

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

Declined to vote (9) - Councillors Boulton, Brooks, Cross, Farquhar, Houghton, Kuszniir, McLeod, Massey and Nicoll.

The Council resolved:-
to adopt the motion.

COUNCIL DELIVERY PLAN 2025/26 - CORS/25/038

4. The Council had before it a report by the Chief Officer - Data Insights which presented the Council Delivery Plan for 2025/26.

The Council resolved:-
to defer consideration of the report to the Council meeting on 16 April 2025.
- DAVID CAMERON, Lord Provost.