

Questions to Council

- (1) Does the Convener of Finance and Resources agree with his party colleague Councillor Ramsay Milne who was quoted in the Evening Express on Tuesday 15 May saying, 'If we are to apply a TIF a better use would be the AWPR'? If so can he give an indication of how Tax Increment Finance would be used to fund such a project, and given that the economic benefit of the AWPR is set to be felt across the whole of the North East, where would the 'red line' be drawn for the purposes of collecting the incremental Non-Domestic Rates?

Answer:-

I can confirm that my colleague Councillor Ramsay Milne and I agree on most things and his knowledge on matters relating to Tax Incremental Finance is exemplary. It is disappointing to note that the former Council Leader is so out of touch with his own Scottish Government's position on Tax Incremental Finance and, in order to assist, I have reproduced the following information from the Scottish Government's own web site to help him and his colleagues better understand this matter. "When a public project such as a new road system is constructed within a specific area, increases in the value of the land as well as new property and business investment can occur. Resultant increased site value and investment generates increased tax revenues. These increased tax revenues (whether domestic or business property) are the 'tax increment'. In Scotland, extra public revenues would come from Non Domestic Rates (NDR) raised." It is my clear understanding that the AWPR is a new road system.

It would in all probability be better for the former Council Leader to ask the Scottish Executive the second part of his question as he may find that their response mirrors that of Councillor Milne's. Again, for the former Council Leader's knowledge and understanding, I have taken the liberty of reproducing the following from the Scottish Government's web site. "Local authorities are encouraged to propose their own TIF schemes, but these will need to be supported through the development of a Business Case which should detail the justification for utilising TIF to deliver investment within the proposed area, the basis for the selection of the chosen enabling infrastructure and why it is believed this infrastructure will deliver the growth and additionality envisaged."

I am positive the former Council Leader agrees that it was the Scottish Labour Party that first proposed the AWPR as it recognised the economic benefits to Aberdeen. I am positive that Aberdeenshire Council would wish to explore any proposal that benefits the building of the AWPR and I confirm that I intend to ask my Labour colleague and one of Aberdeenshire Council's COSLA representative Councillor Alison Evison to seek out the views of Aberdeenshire Council on Councillor Ramsay Milne's helpful suggestion.

Councillor McCaig has requested that the above question be placed on the agenda as he considers that it only partly answers his question and stated "referring me to ask my question of someone else because they will agree with Councillor Milne isn't an answer to my question, and I would be grateful for the Convener's view on how a TIF funding for the AWPR would work in particular where the 'red line' would be, he is after all responsible politically for the city's finances. Furthermore, it would seem to be more than slightly unedifying of someone in the Convener's position to engage in personalisation when answering a question asked in good faith. Perhaps it would be worth the Convener reflecting on this fact should he be asked further questions of a factual nature."

- (2) Does the Convener of Finance and Resources wish to see the AWPR funded through TIF?

Answer:-

What I want to see is the AWPR being built. The SNP Scottish Government has for the last 5 years dragged their feet on this issue. Many of Aberdeen's citizens will remember that the first task the SNP Government did in 2007 was to announce a one year delay to the AWPR. Some citizens will remember that Alex Salmond stated that he would look at the feasibility of starting the northern stretch of the AWPR route while the debate about the southern stretch was ongoing. Unfortunately for our City, the Scottish Government backtracked from this commitment. As Convener of Finance and Resources, I will be required to look at all options of how this Council delivers on its legal obligation to fund its share of the AWPR. At this stage of proceedings I rule nothing in and nothing out

Councillor McCaig has requested that the above question be placed on the agenda as he wishes further clarity from the Convener.

- (3) To the Convener of Finance and Resources - is the administration obliged by statute to pay Conveners £28,410 per annum or is this the maximum amount payable?

Answer:-

Can I refer the former Council Leader to the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 as amended and to agenda item 5 paragraph 7.3 of the Statutory Council meeting held on Wednesday 16th May 2012. Can I remind the former Council Leader and his colleagues that SNP Senior Councillors up and down the length and

breadth of Scotland are receiving allowances comparable with Senior Councillors in Aberdeen.

Councillor McCaig has requested that the above question be placed on the agenda as he considers that the answer does not answer the question and tries to divert from the fact by answering questions about other local authorities.

- (4) Can the Convener of Finance and Resources confirm that the salary paid to administration Conveners is £28,410 and that that is a greater amount than was paid to administration Conveners last year, which I believe to have been £26,990. If this is correct would he consider this increase in pay to be a pay rise?

Answer:-

Can I remind the former Council Leader of the inspiring, but ineffectual in terms of number of seats gained at the Local Elections 2012, speech of Councillor James Kiddie at the last Council meeting before the election as to why the SNP supported the Scottish Labour Party's position on no outsourcing of jobs following the report on the ADM Project. I note, unlike Councillor Kiddie, the former Council Leader is not a member of a Trade Union and I would ask the former Leader of the Council seeks guidance from Councillor Kiddie as to why it is never a good idea to take a reduction in pay.

In respect of the substantive point Senior Councillor allowances are recommended by the Scottish Local Authorities Remuneration Committee to the Scottish Government and then approved or otherwise by them. The current scales of these allowances were set in 2009 and remain in force today I would confirm that the allowances taken by conveners this year are comparable with allowances taken by the Administration he supported.

Councillor McCaig has requested that the above question be placed on the agenda as he considers that Councillor Young is answering a question that appears not to be the one he asked. He would therefore like an answer to the question he asked and stated that for clarity his question was about pay rises, not pay cuts.

- (5) Given that the pay cut that was taken by all Conveners (5%) and Vice-Conveners (reduction to £21,000) with the exception of the former Convener of Audit and Risk, is the Council Leader aware that this saved the Council £12,079, and would he like to reconsider his statement that the pay cut was an 'empty populist gesture' as he was quoted in the press saying?

Answer:-

No

Councillor McCaig has requested that the above question be placed on the agenda as he believes the Council Leader has only answered one part of his question.

- (6) Can the Council Leader confirm what the lowest salary paid by this Council to a full time employee was last financial year, and this financial year following the introduction of the living wage?

Answer:-

During financial year 2011/2012 the lowest hourly rate paid to a Council employee was £6.76 which was equivalent to £13,006 per year for a full time employee.

During this financial year 2012/2013 the lowest hourly rate paid to a Council employee is £7.20 which is equivalent to £13,853 per year for a full time employee.

These figures exclude employees on supported placements and apprentices who may be paid lower hourly rates.

Councillor McCaig has requested that the above question be placed on the agenda as he would like more detail from the Council Leader on the pay of apprentices and employees on protected placements.