

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	General Fund Revenue and Capital Budget 2015/16 and Indicative 5 Year Budgets
REPORT NUMBER:	CG/14/133
CHECKLIST RECEIVED	Yes

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide the Committee with details of the 2015/16 General Fund Revenue budget along with indicative 5 year budgets for the General Fund and an indicative investment level of £361 million for the Non Housing Capital Programme during the same time frame, incorporating the recently approved Strategic Infrastructure Plan.
- 1.2 These budgets are based on the current settlement information from the Scottish Government (Finance Circular 6/2014) and are therefore subject to change once an updated settlement position is announced.

### **2. RECOMMENDATIONS**

- 2.1 It is recommended that the Committee:
  - a) Notes the attached 2015/16 draft revenue and capital budget proposal which will be presented to the 5 February 2015 Budget Setting Council meeting;
  - b) Notes the continuation of a Risk Fund (held as an earmarked sum) to mitigate against any in year cost pressures subject to final Council approval in February 2015; and
  - c) Agrees that the Council continues to retain uncommitted revenue reserves in accordance with the Reserves Strategy, which presently shows a requirement for £11.3m to be held.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The Council has had in place a comprehensive Priority Based Budget approach to the setting of its budget for a number of years now. This has been the platform from which all financial planning has been built.
- 3.2 Accompanying the 2015/16 budget, the Council has produced a 5 year budget outlining the financial position over this period and this has been updated to reflect a more detailed understanding of the cost pressures, financial out-turn and Scottish Government settlement figures. The latest version of the budget is based on Finance Circular 6/2014. The final settlement letter is expected in February 2015.
- 3.3 The process for determining the 2015/16 budget built on the risk based approach begun in previous years, to ensure that the Council places itself in a strong financial position to meet the demands on its services.
- 3.4 This involved identifying cost pressures for future years and understanding the risk associated with these. They were then subject to a robust challenge process in order to remove elements of priced-in risk. The risk fund which was created in 2013/14 will continue, such that in being prudent, identified cost pressures could be set against the risk fund which Services will work on mitigating against in-year.
- 3.5 A major element within the budget process is that of workforce planning. The workforce plan is strategically aligned to the Council's budget process and will be provided to Council as part of the budget report in February 2015 in order to provide a holistic view of the Council's position.
- 3.6 The five year position shows a net projected deficit by 2019/20 of in excess of £50 million, assuming that the Council does nothing and accepts estimated cost pressures. The Corporate Management Team are identifying ways in which the Council can close this funding gap, focusing on improving the outcomes for the people of Aberdeen by transforming services. Areas for consideration include, but are not restricted to:

Procurement: The Procurement Team are actively working in conjunction with all Service areas to identify further efficiencies through new contract design, contract management and collaboration.

PACE (Procurement Achieving Commercial Excellence): Six projects have been identified and will be progressed to achieve benefits for both Aberdeen City and Aberdeenshire Councils.

Reclaiming Social Work: This provides for a systemic unit model approach for the delivery of children's services, with the aim of reducing the number of children in care, and providing better outcomes and more consistent support for children and families.

Inclusion Review –The review is likely to suggest ways of realigning and remodelling existing education services in order to meet the requirements of children with additional support needs more effectively.

Property rationalisation – the introduction of our smarter working policy, changing the way in which the Council's assets are utilised, should generate efficiencies; also a review of the Council's sport and leisure assets is ongoing.

- 3.7 In setting the budget for 2015/16 the Council needs to recognise that sufficient working balances are set aside to meet any future unforeseen expenses over the 5 year period. This is of high importance given:
- The continued economic outlook for the United Kingdom and further afield;
  - The continued austerity measures being implemented by the UK government have an increased impact over the 5 year period;
  - The level of inflation that continues to be inherent within the current economic climate;
  - The impact of rising energy prices;
  - Other cost pressures arising directly from rising prices, demographic changes or additional legislative burdens placed on the Council; and
  - The uncertainty that exists for Local Government as no funding settlement is known beyond 2015/16.
- 3.8 As reported and agreed at Finance & Resources Committee on 4 October 2012 the Council has continued to set aside £11.3million as uncommitted General Fund reserves, with the express intention of ensuring that it can deal with unexpected and unplanned expenditure should the need arise.
- 3.9 In line with this approved strategy officers continue to monitor and examine the opportunities and need for increasing the level of working balances.
- 3.10 As part of the Council's year end process the optimum position will be identified and further review will be undertaken as part of the report to Council in February 2015.
- 3.11 The numbers presented are currently in the format of the Council's previous directorate structure. Officers are currently working on migrating the budgets into the Council's new structure and this will be incorporated into the report to be presented to Council in February 2015.

#### **4. OTHER IMPLICATIONS**

- 4.1 The Council is required to set its Council Tax levels before the 11 March in the financial year preceding that for which it is set as governed by the Local Government Finance Act 1992.
- 4.2 A continued major impact on the Council's position for 2015/16 and future year budgets is the current prolonged economic down turn of the United Kingdom economy and the subsequent impact this has had on the level of funding available to the public sector.
- 4.3 In setting the General Fund budget it is assumed that a funding envelope of approximately £361 million will be provided for capital investment over the 5 year period. The Council has a process for identifying and ranking projects, or bids, and the proposed plan is attached at Appendix 3. This includes projects within the Strategic Infrastructure Plan as appropriate.
- 4.4 There is an increasingly challenging financial position over the next 5 years, together with wider uncertainty regarding the longer term global, UK wide and Scottish funding environment. This, together with increasing customer expectations for higher quality services results in the need for a stronger evidence base regarding the level of cost and quality of service.
- 4.5 The Council's new budget process will ensure that this evidence is aligned to our community and corporate planning objectives and outcomes. The new process will allow for wider engagement and ownership of the budget throughout the Council. Review and effective challenge will add value to the quality of our plans.
- 4.6 The core aims of our new budget approach will therefore be to ensure that we are making the best use of limited resources; delivering to our priority outcomes; and that this is backed up by robust evidence.
- 4.7 Pilot areas for this new approach are currently being considered and the evidence will be developed during the early part of 2015.

## 5. REPORT

5.1 The budget proposals being recommended by officers is summarised in the table below and broken down further in Appendix 1 of this report:

<u>Note</u>	<u>Funding</u>	<u>£</u> <u>million</u>
1	General Revenue Grant	120.562
1	Non Domestic Rates	217.237
2	Council Tax (including Arrears)	<u>102.903</u>
		440.702
	Add:	
	Trading Services/Other Grants	<u>13.329</u>
	<b>Total Funding</b>	<b>454.031</b>
	<b><u>Projected Expenditure</u></b>	
	Current Estimated Spend	454.031
	<b>Total Projected Expenditure</b>	<b><u>454.031</u></b>
	<b>Net Spend</b>	<b><u>0</u></b>
3	Risk Fund	<b>5.514</b>

**Note 1** – This is the total funding notified to the Council per the current Finance Circulars available based on Non Domestic Rates and General Revenue Grant (GRG). The GRG figure is represented by £109.311m GRG plus £11.251m for the 85% floor.

**Note 2** – A review of Council Tax has been undertaken and it is estimated that an increase in the number of Band D equivalent properties for 2015/16 can be anticipated.

**Note 3** – The risk fund was established in 2013/14 and will continue to be earmarked for this purpose in 2015/16.

## **Financial Settlement Position**

5.2 It is worthwhile noting that as part of the overall settlement agreement provided by the Scottish Government the Council is expecting that it has to ensure that it has adequate budgetary provision to:

- Maintain a Council Tax freeze for the financial year 2015/16; and
- Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme. It is understood that this measure is being looked at and may well be replaced with an outcome based metric.

Note: The potential loss of revenue grant for not maintaining the council tax freeze would be £3.2m, and for not maintaining the pupil number ratio it would be approximately £1.8m.

5.3 The Council has received the Finance Circular for 2015/16 (Local Government Finance Circular no. 6/2014) and this is in line with previously reported expectations. The figures within this report reflect the funding position per the issued circular.

## **Council Tax Assumptions**

5.4 The current level of Council Tax Band D equivalent is £1,230.39 per annum. It should also be noted that this assumes:

- Council tax non-collection rates are maintained at 2014/15 levels for the 5 year period (which will be monitored closely given the impact of Welfare Reform);
- Council tax levels are frozen at 2012/13 prices until 2016/17 when it is assumed that the charge will increase by 2% per annum;
- The number of Band D equivalent properties has been increasing in recent years and the assumed level of Council Tax reflects this, particularly in 2017/18 where an additional 1,000 properties are expected to be inhabited.

## 5 Year Investment

- 5.5 As part of the overall direction of travel in delivering the 5 year budget the Council undertook wide reviews of its areas of spend and re-aligned this to its Corporate Priorities.
- 5.6 The table below shows the net movement within each of the Service Directorates.

### Net Movement by Service:

	2014/15	2015/16	2016/17	2017/18	2018/19
	to	to	to	to	to
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
<b>Service</b>					
Corporate Governance	(153)	418	335	329	299
Social Care and Wellbeing	3,950	2,499	2,299	2,099	2,349
Education, Culture and Sport	4,991	6,078	2,526	2,496	2,161
Housing and Environment	(2,383)	3,159	928	397	825
Enterprise, Planning and Infrastructure	1,774	1,613	1,618	1,548	2,274
Office of Chief Executive	(82)	1	318	(352)	35
Council Expenses	0	0	0	0	0
Miscellaneous Services	3,202	5,348	6,601	3,965	4,031
Joint Boards	0	0	0	0	0
	<b>11,300</b>	<b>19,116</b>	<b>14,625</b>	<b>10,483</b>	<b>11,974</b>
Trading Services Surplus	245	217	606	67	67
	<b>11,545</b>	<b>19,333</b>	<b>15,231</b>	<b>10,550</b>	<b>12,041</b>

- 5.7 The net movement above includes previously approved PBB service options, growth items and investment, (see Appendix 2) and corporate adjustments such as realignment of rates budgets.
- 5.8 For Corporate Governance and Housing & Environment the reason for a reduction in annual movement between 2014/15 through to 2015/16 is again primarily due to the continued delivery of Priority Based Budget service options, as previously reported.
- 5.9 The Miscellaneous Services budget contains provision for the financial impact of assumptions made around energy, pay awards and capital financing costs.

- 5.10 As part of the process officers have recognised the need for services to have investment built into their budgets to aid transformation and to address pay and price rises, as well as changes to the needs and volume of the Council's customers and citizens. Gross investment in Services is provided in more detail in the table below:

**Annual Gross Investment (excluding previously agreed service options):**

	2014/15 to 2015/16 £'000
<b><u>Current Movement</u></b>	
Corporate Governance	839
Social Care and Wellbeing	7,716
Education, Culture and Sport	6,252
Housing and Environment	458
Enterprise, Planning and Infrastructure	2,407
Office of the Chief Executive	35
Miscellaneous Services	5,444
Trading Services	942
	<b><u>24,093</u></b>

- 5.11 The table above, in which Appendix 2 to this report provides further detail, demonstrates the Council's commitment to delivering front line services in line with the vision set out in Aberdeen – The Smarter City.
- 5.12 It further demonstrates the Council to be in a strong financial position to deliver this level of investment despite the current austerity measures that are in place by various governments within Europe.
- 5.13 Also contained within the overall five year budget are allowances for the following assumptions:
- A 1% annual pay award for all categories of staff for each of the 5 years (2% in 2017/18);
  - An increase in the level of utility bills for the five year period to reflect increasing prices;
  - A capital investment programme, incorporating the Strategic Infrastructure Plan of £361 million over the next 5 years, the detail of which will be reported back to Council in February 2015;
  - Increased investment to reflect the increasing demographic factors impacting on the delivery of Social Care and Wellbeing Services;
  - Increased investment in primary teachers to reflect the growing numbers of school children; and
  - Increased investment in waste to ensure the delivery of the Council's waste strategy.



## Adult Health and Social Care Integration

- 5.14 The legislation that underpins Adult Health and Social Care Integration; The Public Bodies (Joint Working)(Scotland) Act, came into force in April 2014. Aberdeen City Council and its partner NHS Grampian formed a Transitional Leadership Group (TLG) in early 2014 to oversee a programme toward formal integration and work is ongoing in support of full integration of delegated services. The TLG will develop over the course of 2014/15 into a shadow Integrated Joint Board (IJB) and will be formally constituted as a legal entity by April 2016 at the latest at which time services, functions and budget will be formally devolved.
- 5.15 The legislation sets out those services from both a Local Authority and NHS Board that **must** be delegated and those services that **may** be delegated. The scope of Aberdeen City Council Adult Social Care Services and budget that are proposed to be delegated are:
- Social work services for adults and older people including commissioning budgets that fund both Bon Accord Care and external third and Independent sector provision;
  - Criminal Justice Services will remain under the line management of the Head of Adult Services and within the remit of the IJB, but with a “ring-fenced” budget;
  - Housing Aids and Adaptations.
- 5.16 Work is now taking place to finalise a draft Integration Scheme which will be the partnership agreement for the developing IJB. This will be formally consulted upon over December 2014 and January 2015 and will be submitted to the Scottish Government in March 2015. It is likely that this will be agreed by a Parliamentary Order in June-July 2015. In parallel to this a Strategic Plan will be developed with wide partner engagement and participation. This will set the IJB's direction of travel, ambition and delivery for its initial 3 years and, once this has been agreed, the IJB is formally constituted.
- 5.17 The current proposed budget for the services to be transferred to the IJB is attached at Appendix 4. This is still subject to final verification.

## **Reclaiming Social Work**

5.18 Aberdeen City Council is transforming children's social work services in Aberdeen under the Reclaiming Social Work Model. This is in order to:

- Meet the increase in demand
- Improve outcomes for children and young people
- Ensure that work with families helps them make positive changes to their lives
- Enable practitioners to spend more time working directly with families
- Give staff the tools (systems, reflective space, support, training and kit) to do the job well
- Ensure relationships with partners support effective work with families
- Create a culture to support social work practice to thrive

5.19 The proposed model ensures a robust level of intervention to support sustainable change. The Service will be redesigned into small units of professionals who work directly with families. Services will be provided to complement the work of the fieldwork units – these services will not hold case responsibility. The benefits of this will be less looked after children, better staff recruitment and retention, and reduced staff sickness levels.

5.20 There are additional costs associated with the implementation of this model. To this end an earmarked reserve will be set aside to cover these costs in the early years until the new structure is embedded and predicted savings are released.

## **Capital Programme**

5.21 The capital programme has been developed and is attached at Appendix 3. In preparing the capital programme, officers have worked through a number of workstreams, including scoring the projects which allowed them to be ranked against one another. The profiling for the City Centre Regeneration Programme will be reviewed as part of the ongoing budget process.

5.22 The South of the City Academy has now been fully funded through revenue support from the Scottish Government, on the assumption that the Council allocate the £10m previously set aside for this, to a new school. This has allowed the Council to fund Stoneywood school.

5.23 The cost profile for Greenbrae primary school now reflects an anticipated £750,000 of developer's contributions, and £750,000 contained within the 2015/16 Condition & Suitability programme of £7m, giving a net cost of £3.711m over the 5 year period.

- 5.24 An allowance of inflation for existing projects has been introduced into the capital programme. This is due to recent tenders being priced by contractors at higher than expected levels, due to the demands on the construction industry within the City. There are a large number of major projects currently ongoing within the City, such as Prime 4 and Dyce Business Park. When coupled with the AWPR and the Council's capital programme, this places huge pressure on a geographically limited workforce, leading to increased costs for both staff and accommodation, amongst other things.
- 5.25 Whilst not exhaustive, the major projects which will be going to tender in 2015/16 include the Art Gallery Redevelopment, the new Academy to the South of the City, and the Altens East Waste Facility.
- 5.26 Whilst the Council is committed to reducing its overall debt portfolio, the existing capital programme will make this challenging if the contracts to be let are priced at more than the inflation provision. This will therefore increase the pressure on borrowing.
- 5.27 In arriving at the capital programme, an assessment has been made of the likely value of capital receipts that may materialise over the 5 year period, along with the value of capital grant and other grant funding.
- 5.28 Regarding Marischal Square, the programme assumes that the capital receipt will be made in 2014/15, however officers are currently exploring when the most opportune moment to take the receipt is, as by delaying the receipt, the Marischal Square development would benefit at no cost to the Council, and thereby mitigate against any cost pressures or reduce the call on the profit development account.
- 5.29 In noting the General Fund budget, it assumes, in principle, a £361 million programme and all capital financing charges, charged to the revenue account, are allowed for in the 5 year business plan.

### **Long Term Financial Plan**

- 5.30 Officers are currently preparing a long term financial plan, the purpose of which is to provide Aberdeen City Council with a clear understanding of its long term financial opportunities and challenges within the context of the medium term financial stability that it has achieved in recent years.
- 5.31 Appendix 5 shows a possible financial projection for Aberdeen City Council over the next 10 years.

5.32 These figures continue with the assumptions already included in the 5 year model, with the following variations in years 6-10:

- A small reduction in General Revenue Grant (GRG) Funding;
- A small increase in Non Domestic Rates (please note that no increase has been allowed for the rating revaluation in 2017/18; however an uplift of 25% has been applied for the revaluation due in 2022/23)

5.33 An increase in GRG of 1% per annum would reduce the financial pressures in Year 10 by £6m; similarly a pay award of 2% per annum in Years 6-10 would continue to add financial pressures.

5.34 In looking at the long term it is essential that the Council understands its cost drivers and where the demand for those cost drivers stem from. The demand comes from, primarily, two areas. These areas are either households or businesses. As such, all Council services are provided to meet the needs of these two stakeholder groups.

5.35 This demand provides the basis for then understanding the secondary demand drivers flowing from these primary elements. For example, the secondary drivers would include such items as: the number of school children, social work demographics, number of waste collections, new roads etc. These drivers in essence provide the determination of the outcomes the Council wants to achieve and this in turn requires staff. Combining these two elements allows the cost to be derived.

5.36 This is the underpinning principle of the Council in constructing the “Shaping Aberdeen Triangle” which is shown below. What this shows, pictorially, is how the stakeholder and the staff experience drives the cost base, or the funding, element of the triangle.



- 5.37 While it is understood that these two stakeholder groups provide the basis for the cost drivers for the Council it is also recognised that there are other drivers. For example, the wider economic impact, whilst directly impacting on these two stakeholder groups, will also impact on the investment returns for the North East of Scotland Pension Fund which in turn drives the employer's superannuation contribution rate.
- 5.38 The other main driver for a City is daily migration. This can in essence be tied back to business and the migration of people out with the City commuting daily to work within the City boundary. It is also recognised that the City provides regional facilities and demand needs to be adjusted to reflect this.
- 5.39 Where these other external drivers impact on the Council's cost base they will be looked within the context of the Long Term Financial Plan, to be presented to Council on 5 February 2015.

## **6. IMPACT**

- 6.1 As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore, Services are expected to work within a financial constraint as defined by their annual budgets.

## **7. BACKGROUND PAPERS**

Scottish Government Finance Circulars  
2014/15 Monitoring Reports

## **8. REPORT AUTHOR DETAILS**

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<b>Appendix 1</b>							
<b>General Fund Revenue Budget 5 Year Position</b>							
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	
<b>Service</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Governance	29,065	28,912	29,330	29,666	29,995	30,294	
Social Care and Wellbeing	123,346	127,296	130,225	133,354	135,518	137,792	
Education, Culture and Sport	171,320	176,311	182,390	184,916	187,412	189,573	
Housing and Environment	36,458	34,030	37,188	38,116	38,513	39,338	
Enterprise, Planning and Infrastructure	40,542	42,316	43,929	45,546	47,094	49,368	
Office of Chief Executive	943	861	863	1,180	829	864	
Council Expenses	2,136	2,136	2,136	2,136	2,136	2,136	
Miscellaneous Services	37,454	40,656	46,004	52,605	56,570	60,601	
Joint Boards	1,512	1,512	1,512	1,512	1,512	1,512	
<b>Net Cost of Service</b>	<b>442,776</b>	<b>454,031</b>	<b>473,577</b>	<b>489,032</b>	<b>499,580</b>	<b>511,479</b>	
<b>Funding</b>							
General Revenue Grant	(135,075)	(109,311)	(109,311)	(109,311)	(109,311)	(109,311)	
Non Domestic Rates	(193,738)	(217,237)	(217,237)	(217,237)	(217,237)	(217,237)	
85% Floor	0	(11,251)	(11,251)	(11,251)	(11,251)	(11,251)	
Teachers Induction Scheme Grant		0	0	0	0	0	
Council Tax	(100,344)	(102,903)	(105,314)	(108,696)	(108,696)	(108,696)	
Trading Services Surplus	(13,619)	(13,329)	(13,112)	(12,506)	(12,439)	(12,372)	
<b>Funding</b>	<b>(442,776)</b>	<b>(454,031)</b>	<b>(456,225)</b>	<b>(459,001)</b>	<b>(458,934)</b>	<b>(458,867)</b>	
<b>Budget (Surplus)/Deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>17,352</b>	<b>30,031</b>	<b>40,646</b>	<b>52,613</b>	

<b>APPENDIX 2</b>		2015/16	2016/17	2017/18	2018/19	2019/20
<b>Reference</b>		£000	£000	£000	£000	£000
<b>CORPORATE GOVERNANCE</b>						
RCG01	Staffing movements	323	597	871	1,145	1,419
RCG03	ICT Contract Reviews	158	302	363	418	443
RCG10	Replacement of Network Circuits	358	358	358	358	358
<b>Corporate Governance Total</b>		<b>839</b>	<b>1,257</b>	<b>1,592</b>	<b>1,921</b>	<b>2,220</b>
<b>SOCIAL CARE &amp; WELLBEING</b>						
RSCW01	Staffing Movements	677	1,162	1,647	2,132	2,617
RSCW09	Older People - Increase in National Care Home Rate	950	1,900	2,850	3,800	4,750
RSCW22	Children's Services - 2% year on year increase in demand for Alternative Family Services	166	332	498	664	830
RSCW31	Fund 1% inflationary increase in commissioned services across whole service	748	1,496	2,244	2,992	3,740
RSCW38	Non achievement of 15/16 element of Learning Disability restructuring saving	1,500	1,500	1,500	1,500	1,500
RSCW39	Non achievement of 15/16 element of Out of Authority Placement saving	240	240	240	240	240
RSCW40	Pressure on aligned (SC&W and EC&S) out of authority and specialist fostering budgets	2,200	2,200	2,200	2,200	2,200
RSCW43	Remove vacancy factor from home care service (now with Bon Accord Care)	347	347	347	347	347
RSCW44	Fund Bon Accord Care pay awards/increments	888	1,338	1,788	2,238	2,238
<b>Social Care &amp; Wellbeing Total</b>		<b>7,716</b>	<b>10,515</b>	<b>13,314</b>	<b>16,113</b>	<b>18,462</b>
<b>EDUCATION, CULTURE &amp; SPORT</b>						
RECS01	Staffing Movements	2,671	4,647	6,224	8,200	9,776
RECS11	Unitary Charge	185	435	685	935	1,185
RECS12	Amendments to Nursery Hours	900	900	900	900	900
RECS22	Out of Authority Placements	300	300	300	300	300
RECS24	Redesign of Art Gallery	66	66	306	456	731
RECS26	Provision of ASN school	0	660	990	990	990
RECS27	Transport for new South of the City Academy	0	0	100	160	160
RECS29	Additional running costs for new schools	0	0	100	150	200
RECS30	Rent at Catholic Primary School	500	500	500	500	500
RECS32	Head Teacher Appointment - new school	0	80	0	0	0
RECS09	Incentivisation Payments	50	60	70	80	90
RECS10	Recruitment Advertising	45	45	45	45	45
RECS33	Extension of free childcare provision	1,300	1,300	1,300	1,300	1,300
RECS34	Regradings - school admin staff	235	235	235	235	235
<b>Education, Culture &amp; Sport Total</b>		<b>6,252</b>	<b>9,228</b>	<b>11,755</b>	<b>14,251</b>	<b>16,412</b>
<b>HOUSING &amp; ENVIRONMENT</b>						
RHE-WS01	Landfill Tax Increase	(33)	154	342	529	717
RHE-WS02	Waste Services Contract RPI	358	578	804	1,037	1,276
RHE-WS03	Food Waste Collections	(259)	(259)	(259)	(259)	(259)
RHE-WS04	Growth in Household Numbers	0	0	406	274	563
RHE-WS05	Separation of Food and garden waste Collections	0	0	0	0	0
RHE-WS07	Grove Recycling Centre Management Fee	265	265	265	265	265
RHE-DIR01	Movement in H&E General Fund Staffing Budgets	127	236	345	454	563
<b>Housing &amp; Environment Total</b>		<b>458</b>	<b>975</b>	<b>1,904</b>	<b>2,301</b>	<b>3,125</b>
<b>ENTERPRISE, PLANNING &amp; INFRASTRUCTURE</b>						
REPI_AMO02	Surface Dressing	0	160	360	600	880
REPI_AMO03	Carriageway Patching for Pothole Repair Prior to Surface Dressing	0	133	300	500	733
REPI-AMO04	Lining Works for Parking Restrictions	133	293	293	293	293
REPI-AMO05	Repairs to Collapsed Gullies Pipework and Manholes	0	207	455	455	455
REPI_AMO06B	Column Corrosion Testing and Replacement	254	571	949	1,388	1,888
REPI-AMO07	Repairs & Maintenance of Public Buildings (Corporate R&M budget)	318	715	1,191	1,691	2,191
REPI-AMO36	Catering Services - Free meals for P1 to P3	1,368	1,368	1,368	1,368	1,368
REPI-AMO41	On-going maintenance costs of former trunk roads following opening of AWPR	0	0	0	0	593
RHE-DIR01	Movement in EP&I General Fund Staffing Budgets	334	507	680	853	1,026
<b>Enterprise, Planning &amp; Infrastructure Total</b>		<b>2,407</b>	<b>3,954</b>	<b>5,596</b>	<b>7,148</b>	<b>9,427</b>
<b>OFFICE OF THE CHIEF EXECUTIVE</b>						
ROCE_03	2015 UK Parliamentary Election	35	0	0	0	0
<b>Office of the Chief Executive Total</b>		<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>APPENDIX 2 (cont)</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Reference</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>MISCELLANEOUS SERVICES</b>						
RCW01	Cultural Program	310	400	315	290	290
RCW-WATER	Council Wide - Increase in Water Rates	50	80	112	144	177
RCW-WATERD	Council Wide - Loss of Discount on Water Contract	0	0	0	0	0
RCW-GAS	Council Wide - Increase in Gas Price	185	419	672	944	1,237
RCW-OIL	Council Wide - Increase in Gas Oil Heating Price	(32)	(11)	12	37	64
RCW-ELEC	Council Wide - Increase in Electricity Price	510	1,117	1,810	2,550	3,345
RCW-HEAT	Council Wide - Increase in Other Fuel and Heating Prices	47	64	82	144	166
RCW-FUEL	Council Wide - Increase in Vehicle Fuel Costs	0	30	60	90	120
RCW08	Provision for Pay Award	2,717	5,461	11,004	13,803	16,630
RCW09	Bring Contingency Levels up to Previous amount	464	464	464	464	464
RCW10	Sistema Programme	200	275	369	399	403
RCW11	"Intrinsic to the Job" Costs of Holiday Pay	900	900	900	900	900
RCW12	Insurance renewal	93	93	93	93	93
	<b>Miscellaneous Services Total</b>	<b>5,444</b>	<b>9,292</b>	<b>15,893</b>	<b>19,858</b>	<b>23,889</b>
<b>TRADING SERVICES</b>						
RHE-CWP1	Banking Charges for Parking income	60	60	60	60	60
RHE-TRA1	Movement in H&E Trading Staffing Budgets	67	127	187	247	307
REPI-AMO11	Preparation for EPC Requirement of Energy Act on Lettable property	50	50	50	50	50
REPI-TRA1	Movement in EP&I Trading Staffing Budgets	0	5	10	15	20
EPI_TRA2	Pricing Policy for Residents Parking permits	150	300	300	300	300
EPI_TRA4	Car Parking Pricing policies	614	614	614	614	614
REPI-TRA5	Impact of City Centre Regeneration on Denburn Car Park	0	0	550	550	550
	<b>Trading Services Total</b>	<b>942</b>	<b>1,156</b>	<b>1,771</b>	<b>1,836</b>	<b>1,901</b>
	<b>Grand Totals</b>	<b>24,093</b>	<b>36,377</b>	<b>51,825</b>	<b>63,428</b>	<b>75,436</b>



APPENDIX 3								
Forecast	Non-Housing Capital Programme							
Outturn			Budget	Budget	Budget	Budget	Budget	5 Year
2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	Total
£'000	NHCP No.	Continuing Projects - Extend Rolling programmes	£'000	£'000	£'000	£'000	£'000	£'000
8,000	294	Corporate Property Condition & Suitability (details will be provided in February paper)	7,000	8,000	8,000	8,000	8,000	39,000
341	551	Cycling Walking Safer Streets	338	0	0	0	0	338
1,295	765G	Nestrans Capital Grant	1,295	1,295	1,295	1,295	1,295	6,475
3,274	784	Fleet Replacement Programme	3,200	3,400	3,600	3,800	4,000	18,000
3,893	789	Planned Renewal & Replacement of Roads Infrastructure	3,362	4,000	4,000	4,000	4,000	19,362
300	789E	Street Lighting	1,300	500	500	500	1,000	3,800
680	779	Private Sector Housing Grant (PSHG)	700	700	700	700	700	3,500
<b>17,783</b>			<b>17,195</b>	<b>17,895</b>	<b>18,095</b>	<b>18,295</b>	<b>18,995</b>	<b>90,475</b>
Forecast								
Outturn			Budget	Budget	Budget	Budget	Budget	Total
2014/15			2015/16	2016/17	2017/18	2018/19	2019/20	
£'000	NHCP No.	Other Projects	£'000	£'000	£'000	£'000	£'000	£'000
0	804	Data Centre Move	2,500	500	0	0	0	3,000
1,867	805	Technology Investment Requirements	1,850	750	0	0	0	2,600
40	759	Riverbank Extension	0	0	0	0	0	0
5,625	773	New Brimmond School	3,971	333	0	0	0	4,304
1,220	776	Centre of Excellence (formerly ASN)	2,588	7,765	6,176	555	0	17,084
* 2,365	799A	Art Gallery Redevelopment - Museums Collection Centre	3,318	167	0	0	0	3,485
1,161	799B	Art Gallery Redevelopment - Main Contract (HLF)	11,832	15,000	872	496	0	28,200
334	808	New Academy to the South	9,265	16,240	10,826	1,015	0	37,346
0	809	New Milltimber Primary	0	0	0	500	11,000	11,500
0	823	Music Hall Refurbishment	1,000	0	0	0	0	1,000
0	828	Stoneywood Primary	709	8,901	3,390	0	0	13,000
30	829	Greenbrae Primary Extension and Internal Works	2,620	1,685	156	0	0	4,461
6,568	587	Access from the North / 3rd Don Crossing	9,226	2,200	0	0	0	11,426
28,921	627	Aberdeen Western Peripheral Route	10,506	6,709	4,923	500	1,500	24,138
471	663	Corporate Office Accommodation	0	0	0	0	0	0
666	791	Strategic Land Acquisition	0	0	0	0	0	0
5,920	794	Hydrogen Buses	373	0	0	0	0	373
5,945	795	Accelerate Aberdeen (City Broadband)	500	500	468	0	0	1,468
1,209	800	St Nicholas House Demolition	0	0	0	0	0	0
70	806A	CATI - South College Street	4,000	1,200	250	0	0	5,450
436	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	1,000	6,100	5,000	2,982	0	15,082
206	806C	CATI - Pedestrianise Union Street	285	255	2,240	4,170	2,000	8,950
2,819	807	A96 Park & Choose / Dyce Drive Link Road	9,831	1,750	308	0	0	11,889
100	820	Investment in Tenanted Non-Residential Property Portfolio	900	1,000	750	150	0	2,800
750	824	City Centre Regeneration	0	19,250	0	0	0	19,250
250	825	City Deal	0	0	0	0	0	0
0	826	Aberdeen City Hydrogen Energy Storage (ACHES)	1,894	0	0	0	0	1,894
1,819	797	Victoria House	0	0	0	0	0	0
* 529	810A	Ness Landfill Leachate & Gas Control Measures	969	400	0	0	0	1,369
* 2,700	810B	Energy from Waste (EfW) Procurement and Land Acq.	1,763	500	0	0	0	2,263
* 190	810E	Investment in Waste Collection	2,110	0	0	0	0	2,110
* 80	810F	Refuse Derived Fuel Plant	1,417	0	0	0	0	1,417
* 580	810G	Co-mingled MRF	19,180	800	0	0	0	19,980
* 40	810H	Investment in WTS and existing HWRCs	89	0	0	0	0	89
* 1,000	810J	Bridge of Don HWRC	1,400	0	0	0	0	1,400
100	827	SIP New Build Housing Programme	2,900	0	0	0	0	2,900
650	691	Integrated Drugs Centre	0	0	0	0	0	0
500	811	Social Care Facilities - Burnside	3,460	440	0	0	0	3,900
500	812	Social Care Facilities - Replace / Upgrade Childrens Home	850	200	0	0	0	1,050
7	813	Social Care Facilities - Quarry Centre Refurbishment	0	0	0	0	0	0
0	819	Tillydrone Community Hub	500	500	2,000	0	0	3,000
0	999	Construction Inflation Allowance for existing projects	2,500	0	0	0	0	2,500
<b>75,668</b>			<b>115,306</b>	<b>93,145</b>	<b>37,359</b>	<b>10,368</b>	<b>14,500</b>	<b>270,678</b>
<b>93,451</b>		<b>Totals - Completed and Continuing Projects</b>	<b>132,501</b>	<b>111,040</b>	<b>55,454</b>	<b>28,663</b>	<b>33,495</b>	<b>361,153</b>

APPENDIX 3 (cont)								
Forecast								
Outturn	Non-Housing Capital Programme		Budget	Budget	Budget	Budget	Budget	5 Year
2014/15	Financed By:		2015/16	2016/17	2017/18	2018/19	2019/20	Total
£'000			£'000	£'000	£'000	£'000	£'000	£'000
	<b>NHCP No. 1. Project Funding Streams</b>							
0	759	New Brimmond School	(2,518)	0	0	0	0	(2,518)
(581)	799A	Art Gallery Redevelopment - Main Contract (HLF)	(9,000)	(10,380)	0	0	0	(19,380)
0	808	New Academy to the South	0	(11,987)	(10,826)	(1,015)	0	(23,828)
0	809	Milltimber Primary (Developers Contributions)	0	0	0	0	(1,400)	(1,400)
0	823	Music Hall Refurbishment	(1,000)	0	0	0	0	(1,000)
0	828	Stoneywood Primary	0	(4,000)	0	0	0	(4,000)
0	829	Greenbrae Primary (Developers Contributions)	(750)	0	0	0	0	(750)
(333)	294	Corporate Property Condition & Suitability	0	0	0	0	0	0
(77)	784	Fleet Replacement Programme	0	0	0	0	0	0
(9)	789	Planned Renewal & Replacement of Roads Infrastructure	0	0	0	0	0	0
(1,867)	805	Technology Investment Requirements	(110)	0	0	0	0	(110)
(3,920)	794	Hydrogen Buses	(373)	0	0	0	0	(373)
(5,432)	795	Accelerate Aberdeen (City Broadband)	0	0	0	0	0	0
0	826	Aberdeen City Hydrogen Energy Storage (ACHES)	(1,894)	0	0	0	0	(1,894)
0	827	SIP New Build Housing Programme	0	(3,000)	0	0	0	(3,000)
(12,219)			(15,645)	(29,367)	(10,826)	(1,015)	(1,400)	(58,253)
	<b>2. Other Receipts</b>							
0		Receipt - Summerhill	0	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)
(10,000)		Receipt - Marischal Square	0	0	0	0	0	0
(4,000)		Receipts - General	(4,000)	(2,600)	(2,000)	(2,000)	(2,000)	(12,600)
(14,000)			(4,000)	(4,600)	(4,000)	(4,000)	(4,000)	(20,600)
(23,429)		<b>3. Capital Grant</b>	(25,839)	(25,000)	(25,000)	(25,000)	(25,000)	(125,839)
(25,803)		<b>4. Other Financing</b>	(55,208)	(24,322)	(23,027)	(20,634)	(31,030)	(154,221)
(75,451)		<b>Sub-total</b>	(100,692)	(83,289)	(62,853)	(50,649)	(61,430)	(358,913)
(18,000)		<b>Cashflow</b>	(31,809)	(27,751)	7,399	21,986	27,935	(2,240)
0		<b>Net Position</b>	0	0	0	0	0	0

The value of projects marked with \* have changed but this is still subject to Committee approval

Appendix 4 - Indicative Budget for Transfer to Adult Health & Social Care Integrated Joint Board

	Staff Costs	Premises Costs	Administration Costs	Transport Costs	Supplies & Services	Recharges To Other Heads	Transfer Payments	Commissioning Services	Customer & Client Receipts	Government Grants	Other Grant-Reimbursement	Resource transfer	Other Income	GRAND TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Criminal Justice (ring fenced budget)	3,640	288	28	63	(132)			550		(4,659)				(222)
Adult Services (Head of Service)	304	0	38		161	(621)		378	(748)				(7)	(495)
Learning Disabilities	4,616	145	26	32	483	(35)		21,285	(1,367)		(148)	(6,691)	(72)	18,274
Mental Health & Substance Misuse	3,062	107	49	41	26			7,494	(684)			(4,293)		5,802
Older People - Integrated Care At Home		3			128				(28)			(411)		(308)
Older People - Care Management	3,556	112	16	128	16		32	49,693	(7,879)			(6,040)	(27)	39,607
Older People - Rehabilitation	36							2						38
Head Of Service Direct (includes Bon Accord Care Contract)	129		8		220			25,328	(871)					24,814
Occupational Therapy And Rehabilitation					171				(123)		(39)	(82)	(279)	(352)
Older People - Resources	196	1	10	8	40				(148)				(735)	(628)
Housing Aids and Adaptations														
					1,250									1,250
					700									700
TOTALS	15,539	656	175	272	3,063	(656)	32	104,730	(11,848)	(4,659)	(187)	(17,517)	(1,120)	88,480

In addition to the above budgets, an element of management support budgets will require to be allocated to the integrated service.

<b>Appendix 5 - 10 Year Model</b>											
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Service</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Governance	29,065	28,912	29,330	29,666	29,995	30,294	30,565	30,840	31,120	31,401	31,684
Social Care and Wellbeing	123,346	127,296	130,225	133,354	135,518	137,792	141,852	146,064	150,519	155,056	159,734
Education, Culture and Sport	171,320	176,311	182,390	184,916	187,412	189,573	194,150	198,841	204,943	209,806	214,762
Housing and Environment	36,458	34,030	37,188	38,116	38,513	39,338	39,700	40,068	40,510	40,894	41,286
Enterprise, Planning and Infrastructure	40,542	42,316	43,929	45,546	47,094	49,368	50,469	51,616	53,387	54,648	55,966
Office of Chief Executive	943	861	863	1,180	829	864	874	883	1,210	868	913
Council Expenses	2,136	2,136	2,136	2,136	2,136	2,136	2,149	2,163	2,176	2,190	2,203
Miscellaneous Services	37,454	40,657	46,004	52,605	56,571	60,603	61,080	61,564	62,053	62,546	63,045
Joint Boards	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512
<b>Net Cost of Service</b>	<b>442,776</b>	<b>454,031</b>	<b>473,577</b>	<b>489,031</b>	<b>499,580</b>	<b>511,480</b>	<b>522,351</b>	<b>533,551</b>	<b>547,431</b>	<b>558,920</b>	<b>571,104</b>
<b>Funding</b>											
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Revenue Grant	(134,190)	(119,677)	(119,677)	(119,677)	(119,677)	(119,677)	(118,480)	(117,295)	(116,122)	(114,961)	(113,812)
Non Domestic Rates	(193,738)	(217,237)	(217,237)	(217,237)	(217,237)	(217,237)	(221,799)	(226,457)	(283,071)	(289,015)	(295,085)
Teachers Induction Scheme Grant	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)	(885)
Council Tax	(100,344)	(102,903)	(105,314)	(108,696)	(108,696)	(108,696)	(108,696)	(108,696)	(109,239)	(109,239)	(109,239)
Trading Services Surplus	(13,619)	(13,329)	(13,112)	(12,506)	(12,439)	(12,372)	(12,372)	(12,372)	(12,372)	(12,372)	(12,372)
<b>Funding</b>	<b>(442,776)</b>	<b>(454,031)</b>	<b>(456,225)</b>	<b>(459,001)</b>	<b>(458,934)</b>	<b>(458,867)</b>	<b>(462,232)</b>	<b>(465,705)</b>	<b>(521,690)</b>	<b>(526,473)</b>	<b>(531,393)</b>
<b>Budget (Surplus)/Deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>17,352</b>	<b>30,030</b>	<b>40,646</b>	<b>52,613</b>	<b>60,119</b>	<b>67,846</b>	<b>25,741</b>	<b>32,447</b>	<b>39,711</b>

