

ABERDEEN CITY COUNCIL

---

COMMITTEE	COUNCIL
DATE	25 February 2016
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	General Fund Revenue Budget 2016/17 and Non-Housing Capital Programme 2016/17 to 2020/21
REPORT NUMBER	CG/16/018
CHECKLIST COMPLETED	Yes

---

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Council with details of the 2016/17 General Fund Revenue budget and the Non-Housing Capital Programme 2016/17 to 2020/21.
- 1.2 This budget is based on the current settlement information from the Scottish Government (Finance Circular 7/2015 version 4) and is therefore subject to change should an updated settlement position be announced.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Council:
- a) Sets a revenue budget for 2016/17;
  - b) Notes the net movement between Appendix 1 and Appendix 2 of this report of £3.39 million;
  - c) Approves the Non-Housing Capital programme as attached at Appendix 6;
  - d) Agrees to the conditions of the Local Government Finance Settlement for 2016/17 in so far as it is within its legal powers to do so (further details are given from paragraph 5.5 of this report);
  - e) Approves the recommended use of reserves which specifically includes a Risk Fund and non-earmarked reserves;
  - f) Approves the Prudential Indicators as attached at Appendix 8 to this report;
  - g) Approves the transfer payment to Visit Aberdeenshire, being the new organisation replacing Visit Aberdeen;
  - h) Instructs the Chief Executive to prepare a report to Finance, Policy & Resources Committee on the City Region Deal outlining the financial implications for projects agreed under the Heads of Terms agreed with the United Kingdom and Scottish Parliaments; and
  - i) Approves the level of funding for 2016/17 in relation to the Integration Joint Board (IJB).

### 3. FINANCIAL IMPLICATIONS

- 3.1 The current financial year 2015/16 is the fifth year of the five year budget considered by the Council when it set its 2011/12 budget in February 2011. Over the intervening five years the number of people employed by the Council has reduced significantly (almost 400 full time equivalent posts) and a considerable level of cost reductions (in excess of £65 million) achieved.
- 3.2 The Scottish Government's Local Government Finance Settlement (Circular 7/2015 version 4) provides Local Authorities with details of their revenue and capital funding for 2016/17 only. Previous settlement details have included indicative figures for future years, but this information is unlikely to be available until the Comprehensive Spending Review is provided, probably in Autumn 2016. This report therefore contains a revenue budget for 2016/17 only. Once the indicative figures for future years become available, work will begin on producing an update on the Council's 5 year financial position.
- 3.3 The settlement details for the Council show a reduction in General Revenue Grant of £8.7 million from the 2015/16 figure. The value of the Non Domestic Rates (NDR) received from the Scottish Government is also reduced by £1.6 million bringing the total reduction in funding from the Scottish Government to just over £10.3 million. An increase in council tax income of £2.4 million, due to additional properties coming on to the charge, has been allowed for, bringing the net reduction in funding to £7.9 million.
- 3.4 In preparing an initial draft budget position for 2016/17, the Council's Corporate Management Team (CMT) began with an analysis of the 2015/16 budgetary position. This review analysed and remodelled the cost pressures which had already been identified for 2016/17, such as contractual obligations and staffing costs. The process also identified new growth which would be required during 2016/17, such as changes to National Insurance contracting out arrangements. The results of this in-depth review are shown in Appendix 1.
- 3.5 The next step was to review the pattern of spend that the Council had been incurring within the 2015/16 financial year and the two years prior to that. This highlighted budgets which could be vired and efficiencies which could be made, and is shown in Appendix 2.
- 3.6 The net movement (i.e. Appendix 1 and 2 of this report) that was identified between financial years resulted in a reduced required level of spend of £3.39 million. This was comprised of cost or contractual uplifts of £16.825 million against vired or reduced spend levels of £20.215 million. The net movement is therefore shown in the table below.

- 3.7 Combining this net movement with the reduction in funding mentioned above in paragraph 3.3, it can be seen that the identified position for 2016/17 is a shortfall, or deficit, in the budget of £2.403 million.

**General Fund Revenue Budget 2016/17  
Position**

	<b>2016/17 £'000</b>
Net Cost of Service 2015/16	457,431
Funding	<u>(457,431)</u>
	<u>0</u>
Total Net Movement by Service 2016/17 (Note 1)	(3,390)
Total Net movement in Funding 2016/17 (Note 2)	<u>7,893</u>
Projected Deficit	4,503
Less: Revised IJB Contribution (Note 3)	(2,100)
<b>FINAL DEFICIT 2016/17</b>	<b><u><u>2,403</u></u></b>

**Note 1** – This is the predicted movement in service expenditure between 15/16 and 16/17 following the budget review referred to in paragraph 3.4 above. It represents the sum of the total of Appendix 1 (review of cost pressures - £16.8 million) and Appendix 2 (Items not requiring committee approval - £20.2 million).

**Note 2** – This is the total funding notified to the Council per the current Finance Circulars available based on Non Domestic Rates (NDR) and General Revenue Grant (GRG). A review of Council Tax has also been undertaken and it is estimated that an increase in the number of Band D equivalent properties for 2016/17 can be anticipated.

**Note 3** – This is the current estimated contribution of the Council to the IJB as reflected in Appendix 9.

- 3.8 During the budget process estimations were made in November 2015 to identify the potential funding gap that the Council may have to meet. At this time the total level of funding and final cost pressures could only be estimated. As part of this process £5.9 million of possible savings were identified based on the position at that time (as per Appendix 3) and these items are for consideration for elected members to meet the £2.4 million deficit in the table above.

- 3.9 Also as part of the budget setting process, the sums to be transferred to the Integration Joint Board (IJB) of Adult Health & Social Care, and the Council's Arm's Length External Organisations, have been identified. The value of the net budget to be transferred to the IJB is approximately £87 million, and the value of the transfers to ALEOs is approximately £34 million, per the table in paragraph 5.40.
- 3.10 Finance Circular 7/2015 version 4 also allocates the Council's Capital Grant Funding for 2016/17. The total level of capital grant funding for 2016/17 is £23.209 million. However, £4.725 million of this is deferred for release within the settlement period 2017/20. This means that the Council will receive a capital grant of £18.484 million in 2016/17. This will have a small impact on the cash flow of the capital programme but no material impact on the 2016/17 revenue budget.
- 3.11 Given that Council has not received any indication on the likely level of funding beyond 2016/17 the Non-Housing Capital Programme has been held within the limits set out in 2015/16 for future years until such time as further information is available and it is felt prudent to examine the affordability of any longer term capital planning.
- 3.12 In setting the General Fund budget it is assumed that a gross funding envelope of approximately £516 million will be provided for capital investment over the life of the 5 Year Business Plan. The Council has a process for identifying and ranking projects, or bids, and the outcome of this is the production of the 5 year Non-Housing Capital Programme as shown in Appendices 5 and 6 of this report.
- 3.13 As reported and agreed at Finance, Policy & Resources Committee on 4 October 2012 the Council has continued to set aside £11.3 million as non-earmarked General Fund reserves, with the express intention of ensuring that it can deal with unexpected and unplanned expenditure should the need arise.
- 3.14 In line with this approved strategy officers continue to monitor and examine the opportunities and need for increasing the level of working balances.
- 3.15 Appendix 4 shows a table of earmarked reserves which have been reviewed as part of the budget process with several areas now highlighted as having potential for removal.
- 3.16 A number of elected member motions have been referred to the budget process. These are shown in Appendix 7 attached.

#### 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.

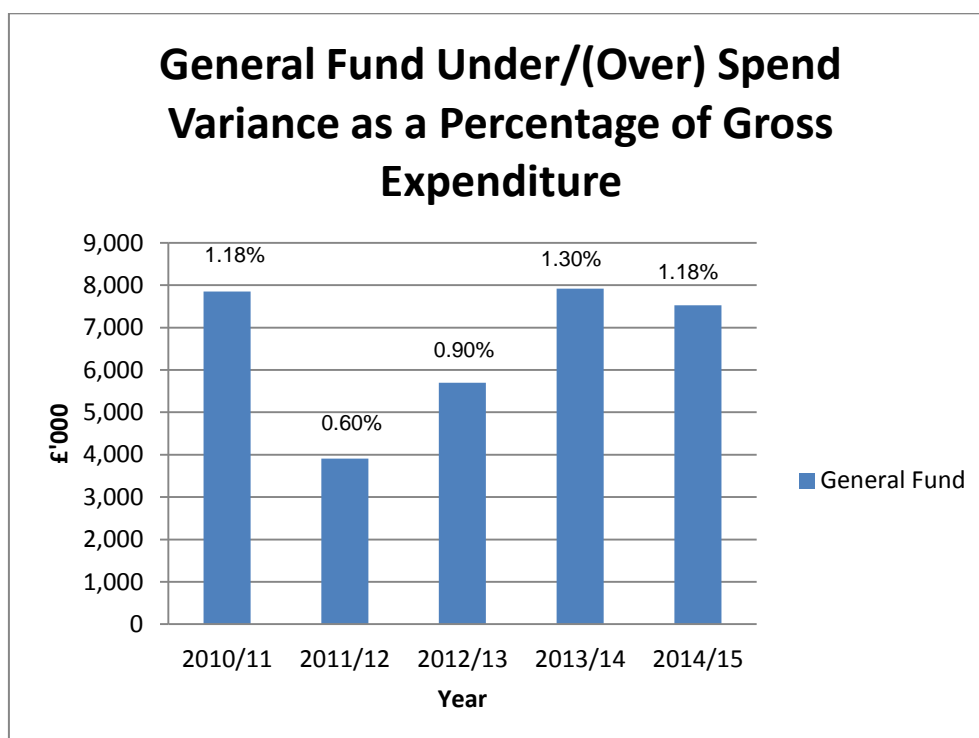
4.2 This means that projected expenditure needs to be matched by income. In the absence of a balanced budget the legislation requires that council tax will make up the difference. It would not be lawful for the Council to pass a motion that prevented, delayed or frustrated compliance with these obligations.

#### 5. BACKGROUND/MAIN ISSUES

##### 2015/16 Out-Turn Position

5.1 In looking at the position for the next financial year it is useful to put into context the financial estimates for the current financial year. More detail can be found in the report which was presented to the Finance, Policy and Resources (FP&R) Committee on 16 February 2015.

5.2 This report outlines that the Council continues to operate with a small underspend for the year, currently estimated to be around £3.2 million, which represents approximately 0.4% of the gross budget for the year. This is considerably lower than previous years but is in line with expectations as services have been absorbing cost pressures within existing budgets over recent years. The graph below shows the position for recent years.



## FUNDING

### Financial Settlement Position

- 5.3 The Council has received the Finance Circular for 2016/17 (Local Government Finance Circular no. 7/2015 version 4). The figures within this report reflect the funding position per this issued circular.
- 5.4 The circular provides details only for 2016/17, for both Revenue and Capital. There is no indication of any funding position for future years.
- 5.5 The Circular imposes the following conditions on Councils:
- £250 million will be transferred from the Health Budget to integration authorities in 2016/17, whereby £125 million is to support additional spend on expanding social care to support the objectives of integration; and £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services. This includes a requirement that all social care workers including those in the independent and third sectors are paid the Living Wage.
  - The maintenance of a pupil teacher ratio nationally at a rate of 13.7, and of probationer teacher commitments; and
  - Delivery of a council tax freeze for a ninth consecutive year.
- 5.6 Regarding the money for the Integration Joint Board, further details will be sought, particularly around the commitment for the third sector to pay the Living Wage.
- 5.7 The pupil teacher ratio in Aberdeen in 2015 was 13.6 and this is therefore the target to be achieved in 2016.
- 5.8 The detail regarding penalties indicates that as long as councils meet the national target for pupil teacher ratio, no penalties would be applied to any council. However, if the national target is not met, then penalties would be clawed back from authorities who had not met their individual target (i.e. ratio rises). There is a slight mitigation on this statement that any such penalty would be 'proportionate' and apply only to the relevant area where the target was missed, i.e. education budget/penalty.
- 5.9 In general the change from an individual Local Authority target to a combined national one could help Aberdeen, however if other Local Authorities decide to abandon an attempt to keep their teacher number ratio, then there could be an impact for Aberdeen with continuing recruitment issues. The move to a pupil: teacher ratio does help Aberdeen however, as this was the element we met this year and it was the overarching head count which created the penalty.

- 5.10 The financial implications of not maintaining these commitments are: £2.834 million for teacher pupil ratio; £3.287 million for the council tax freeze; and up to £9.5 million for the IJB conditions.

### **Council Tax Assumptions**

- 5.11 The current level of council tax band D equivalent is £1,230.39 per annum. This assumes:
- Council tax non-collection rates are maintained at 2015/16 levels; and
  - The number of Band D equivalent properties has been increasing in recent years and is reflected in the increase in projected income of £2.4 million. Therefore, the budgeted income for 2016/17 has been aligned to reflect projected actuals for 2015/16, and an additional 1,155 Band D equivalent properties, in line with the local development plan.

### **Non Domestic Rates**

- 5.12 The distributable amount of Non Domestic Rates from the Scottish Government has reduced nationally by £20 million. The reduction in Aberdeen's share is £1.651 million.
- 5.13 The 2016/17 Non Domestic Rate poundage is provisionally set at 48.4p. The large business supplement is provisionally set at 2.6p which is an increase of 100%. Both of these rates are still to be confirmed.
- 5.14 The Scottish Government plans to reform levels of empty property relief from 1 April 2016. For empty industrial property, 100% relief is proposed for the first three months, after which this will fall to 10%. For empty commercial property, 50% relief is proposed for the first three months, after which this will fall to 10%.
- 5.15 The Community Empowerment Act introduced in July 2015 provides for a new power for councils to create and fund their own localised business rates relief schemes, in addition to existing national rates relief, to better reflect local needs and support communities.

### **Business Rates Incentivisation Scheme**

- 5.16 In 2012/13 the Scottish Government introduced a Business Rates Incentivisation Scheme (BRIS). The aim of the scheme is twofold: to incentivise councils to maximise their existing business rate income; and to grow their tax base, allowing them to retain a proportion of business rates income over and above the target level of what they would otherwise be expected to raise.
- 5.17 Details of the BRIS outcome for 2014/15, revised targets for 2015/16 and provisional targets for 2016/17 are due to be confirmed shortly.

## Charging Details

- 5.18 In reviewing the detail of the 2016/17 budget proposals, officers have identified a number of areas of the Council's fees and charges policies that require to be updated and approved. These are included in Appendix 3. This will ensure that the Council acts in advance of the start of the financial year and will enable planning activity to be undertaken before changes to the charging regimes are implemented.
- 5.19 Approval is required to ensure that the Council's fees and charges are updated to reflect actual cost of service delivery, where appropriate. Appendix 3 identifies some options which involve a change to the current level of fees and charges. The Information Bulletin presented with this report provides details of current and proposed charges if these options are accepted.

## Budget Assumptions

- 5.20 A number of assumptions have been made when projecting likely spend for 2016/17. These are detailed in Appendix 1. Some of the major points are as follows:

2016/17 Pay Award – A nationally agreed pay award has been settled at a 1% increase and this has been allowed for in the 2016/17 budget (held corporately).

National Insurance Contracted Out Rate – the current system for National Insurance is that employers and employees pay a reduced rate where employees are paying into an approved pension scheme. This will be abolished in April 2016 and the employer's rate increases from 10.4% to 13.8%.

Teacher's Pension Costs – Due to the introduction of the new career average revalued earnings scheme for teachers, the employer rate has been increased from 14.9% to 17.2%, as advised by the Scottish Public Pensions Agency.

Waste – The Council's waste contract variation with SITA was signed on 19 November 2015 and commits the Council to its Zero Waste Strategy. Budgets to support the new contractual arrangements for recycling and refuse derived fuel have been included.

Utilities – Assuming no increase in price due to current price of oil. Reductions in consumption have been tabled as service options.

Council Tax Income – It has been assumed that an additional 1,255 additional houses, per the Housing Land Audit (at band C), will come onto the charge. Band C is used as the current average banding for houses.



Education Demographics (based on September 2015 census) – An extra 12 teachers in Primary Schools has been assumed based on the forecast pupil roll for 2016/17.

Integration Joint Board (IJB) – A more detailed analysis on the IJB is covered later in this report. This provides clarification on the announcement by the Scottish Government of an additional £250 million in relation to Health and Social Care.

Children's Services Demographics and Demand – There has been a small increase in the budget factored in to reflect an increase in demand for Children's Services, such as fostering. There is also an increase in investment for Reclaiming Social Work as previously agreed in the 2015/16 budget process.

## **Reserves & Risk**

- 5.21 It is vital in setting its budget that the Council has a clear reserves policy. Over the current life of the medium term financial plan this strategy was to de-risk the Council through the balance sheet and provide cash backed earmarked reserves for any known potential future liabilities.
- 5.22 Reserves can effectively be broken down into 4 categories and these are listed below:
1. Unusable reserves – These are reserves that effectively are not “real” reserves in the sense that they can be utilised by the Council. Such reserves are accounting adjustments to reflect statutory provisions to avoid costs being charged to the Council in meeting the reporting requirements as defined within International Financial reporting standards;
  2. Non-earmarked reserves – This sum is just over £11 million and is to be utilised in the event of major unforeseen incidents or emergencies. It would be the advice of the Head of Finance that this sum should not be used and should continue to remain to ensure that the Council has a prudent financial position for 2016/17;
  3. Statutory Reserves – These are reserves that the Council is allowed to hold for specific purposes. The two main funds are the Capital Fund (which can be used for repayment of principal and capital expenditure) and an Insurance Fund (which is used to mitigate the risks of insurance related payments which may arise from claims). Currently the Capital Fund is fully earmarked to finance the capital programme over the next 5 years. Any use of this fund would require additional revenue savings to be found or existing projects to be removed from the programme.

4. Earmarked Reserves – These are funds that are set aside at the end of the financial year as the Council has identified that it has ongoing financial commitments between financial years, a known liability has been entered into and will require to be settled in a future financial year or a sum has been set aside to de-risk the future financial exposure of the Council without having to make in-year savings to meet the liability.
- 5.23 In essence it can be seen, should the Council accept the professional advice above, that items 1, 2 and 3 above cannot be utilised.
- 5.24 In relation to item 4 above this can be broken down into 3 categories. Appendix 4 of this report shows a review of the reserves that has been undertaken by the Corporate Management Team. It indicates that approximately £2.8 million can be released and that this should be added into the risk fund, which is discussed below.
- 5.25 Secondly, the remainder of reserves that are held within services will continue to be held and reviewed as part of the year end process. Any release of them prior to the year-end could result in the 2015/16 final out-turn position being lower than currently reported.
- 5.26 There are, however a few exceptions. Namely the following earmarked reserves should be noted:
  1. Energy Efficiency Fund – this is a reserve that provides loans and the repayment of these loans allows the fund to be a “rolling” fund. That is, it is self-sustaining.
  2. Bus Lane Enforcement – These funds can only be used to meet projects or works as laid out in the Local Transport Strategy.
  3. Second/Long Term Empty Homes – This fund can only be used for affordable housing.
  4. DEM Balances – These funds are ring fenced in so far as they are part of the Council’s DEM scheme. To utilise these would require the Council to amend the DEM scheme and these carry forwards will generally be used for the purposes of longer term projects that schools wish to inwardly invest in.

5. Financial Risk Fund – this fund is to allow the Council to meet any unforeseen costs that may occur in-year. This fund gains in significance for 2016/17 because the Council will have to deliver a range of savings. If, for any reason, a saving cannot be achieved and subsequently absorbed within the overall General Fund budget this fund would be released to meet this. Any reduction in this fund would result in the risk profile of the 2016/17 budget being increased and therefore extreme caution should be exercised in reducing the balance of this fund. Indeed, the Corporate Management Team recommends increasing this fund for 2016/17 given the increasing financial pressure the Council is experiencing. This fund would also allow any in-year cost of emergencies (such as the recent flooding experienced within the City) to be released to meet these costs. In determining the level of cost pressure that is built into the 2016/17 budget officers will have accepted a level of risk based on the knowledge that this fund could be accessed for such pressures if required.
  6. Investment Strategy – This fund is set aside for the purposes of meeting the capital programme in future years. Therefore any reduction in this fund would require revenue savings to be found (to afford increased borrowing costs) or projects to be removed from the existing proposed programme.
- 5.27 Overall, the Council during the current life of the Medium Term Financial Plan has strengthened the position of the Balance Sheet to ensure that there is medium term financial stability within the Council.
- 5.28 The risk fund of £5.5 million 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. Key risk areas include fleet, waste, Out of Authority Placements and income streams.
- 5.29 The Council's General Fund Monitoring Report, as presented to Finance, Policy & Resources on 16<sup>th</sup> February 2016, reflects that £13.3m of earmarked reserves will be used in the current financial year. As part of the budget process, a review of earmarked reserves has been undertaken, and £2.8 million is highlighted as having potential for removal. This sum will be added to the risk fund £5.5 million above to create a new fund of £8.3 million.
- 5.30 The Scottish Government's Flood Risk Strategy imposes on local authorities the requirement for a minimum of 0.2% of reserves to be retained for flood prevention.

## BUDGET TRANSFERS

### Adult Health and Social Care Integration

- 5.31 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. During 2015/16 the TLG developed into a shadow IJB and must be formally constituted as a legal entity by April 2016, at which time services, functions and budget will be formally devolved. The Aberdeen City IJB was legally established on 6 February 2016.
- 5.32 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 Joint Operations and within the remit of the IJB, but with a “ring-fenced” budget; and
  - Housing Aids and Adaptations.
- 5.33 The principal ambitions of Health and Social Care Integration are to:
- Support the improvement of the quality and consistency of services for patients, carers, service-users and their families;
  - Provide seamless, joined-up quality health and social care services in order to care for people in their homes or a homely setting where it is safe to do so; and
  - Ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer term and often complex needs, many of whom are older.
- 5.34 The gross budget for the services to be delivered to the IJB is £105 million. This includes £18 million of services provided with funding via the current NHS Grampian Resource Transfer arrangements, giving a net contribution from the City Council of approximately £87 million.

- 5.35 The Local Government Finance Circular No. 7/2015 version 4 also announced an additional £250 million transfer from the NHS to Health and Social Care partnerships for the purposes of ensuring improved outcomes in social care. Whilst this is included within our settlement letter the funding has been provided to NHS Grampian and the Scottish Government have now indicated that this funding will be £9.5 million (split £4.75 million for additional spend and £4.75 million for the Integration Fund Contribution).
- 5.36 Appendix 9 shows the potential contribution from Aberdeen City Council to the IJB for the 16/17 budget in more detail. This appendix reflects the “spirit” of the settlement letter. It starts by illustrating the 2015/16 budget and tracks the cost pressures the IJB are forecast to have for 2016/17. It also captures the additional estimated cost of the implementation of the Living Wage which is to be met from the Integration Fund Contribution. Finally it is adjusted to reflect cashable, or realisable, savings and the £4.75 million, described as the Integration Fund Contribution in Appendix 9.
- 5.37 A risk to the Council is that from 2017/18 onwards it would be liable to share any overspend on the overall IJB budget, rather than only the element directly managed by the Council. However, it is a clear expectancy of the Integration Scheme that the Chief Officer of the IJB will deliver the agreed outcomes within the total resources delegated to the IJB, and the scheme also contains provisions for recovery plans to be agreed and for dealing with any residual overspend.
- 5.38 An internal audit report on integration referred to the requirement to identify the due diligence process on the budgets which are to be delegated by the Council and NHS Grampian. This will be presented as a separate report to Audit & Risk Committee in due course.

### **Arm’s Length External Organisations (ALEOs)**

- 5.39 The Council has established a number of Arm’s Length External Organisations (ALEOs) to provide services on its behalf. The principal ALEOs - which the Council categorises as tier 1 - are Aberdeen Exhibition and Conference Centre, Sport Aberdeen, Bon Accord Care and Aberdeen Sports Village (established jointly with the University of Aberdeen). Smaller ALEOs are identified as tier 2, and these categorisations are reviewed as the amount of funding provided by the Council changes. Whilst the ALEO takes on responsibility for service delivery, the Council remains responsible for ensuring that the ALEO uses the public funds the Council provides to the ALEO properly and can demonstrate best value. In other words, the Council remains accountable for the funds used to deliver public services, regardless of the means by which the service is delivered. In each case, the ALEO has entered into a Service Level Agreement with the Council to deliver services.

- 5.40 To monitor these ALEOs, the Council has established a governance hub which receives assurance from ALEOs on the strength (both effectiveness and adequacy) of their systems of risk management (governance) and on their operational performance, which is dependent on strong and effective governance arrangements. This in turn provides an assurance to members of the Audit, Risk and Scrutiny Committee as well as to members of the relevant service committee.

The table below represents the initial funding levels for the tier 1 ALEOs, prior to any amendments elected members may wish to make:

<b>ALEO</b>	<b>Level of Funding 2015/16</b>	<b>Initial Funding 2016/17</b>	<b>Length in Operation</b>	<b>Pay Award Given?</b>
AECC	£1.17m	£0.97m	30 years	No
Aberdeen Sports Village	£1.14m	£1.14m	6 ½ years	No
Bon Accord Care	£25.9m	£26.4m	2 ½ years	Yes
Sport Aberdeen	£5.25m	£5.25m	5½ years	No

### **Visit Aberdeenshire**

- 5.41 Visit Aberdeen is a tier 2 ALEO which receives funding from the Council. It was established in 2012 as a Destination Marketing Organisation (DMO) for Aberdeen. Total funding is £520,000 per annum. 2016/17 is year 4 of a 5 year agreement. The organisation has now been rebranded as Visit Aberdeenshire and as such the Council is required to confirm the continued transfer of resource to Visit Aberdeenshire.

## **NON-HOUSING CAPITAL PROGRAMME**

- 5.42 As indicated earlier in the report, in setting the General Fund budget resources have been allocated to fund a Non-Housing Capital Programme amounting to a gross budget of just over £0.5 billion as detailed in Appendix 6. It should be noted that this 5 year programme demonstrates the indicative pattern of spend over the period 2016/17 to 2020/21, and will vary as projects progress. Officers continue to monitor and track projects with regular dashboard reporting prepared for senior officers and elected members.
- 5.43 New projects which have been introduced to the Non-Housing Capital Plan during this budget cycle include financial profiling for the £81.58 million City Council funded elements of the new AECC. This is in support of the overall project, which is budgeted at £330 million.
- 5.44 The updated Non-Housing Capital Programme also includes financial profiling for the Council's share of the joint project with Aberdeenshire Council and The Moray Council to construct a new Energy from Waste (EfW) facility serving all three Councils. This project is a key enabler to supporting the Zero Waste strategy for the councils, and offers the future opportunity to alleviate fuel poverty within areas of Aberdeen.
- 5.45 As with the EfW project, the Procurement Achieving Commercial Excellence (PACE) programme has also generated the Street Lighting LED Lanterns project. This £7.5 million capital project will make use of the new technology available to improve the quality of street lighting across Aberdeen and also generate significant energy savings for the Council. These savings are reflected in the service option tabled by the Communities Housing & Infrastructure service in this budget cycle.
- 5.46 £5 million has been included within the Non-Housing Capital Programme to allow four new Flood Prevention schemes to progress within the city. Officers will continue to liaise with the Scottish Government to identify funding solutions for future flood prevention schemes. Any additional capital projects which come forward with full funding solutions will be reported to the Finance, Policy and Resources Committee in due course.

5.47 A significant number of projects within the Non-Housing Capital Programme are now in their construction phases, and some will enter full operational use within the next financial year. These include:

- The Museum Collection Centre, providing new display and storage areas for the Council's art collections;
- The 3<sup>rd</sup> Don Crossing, connecting Bridge of Don and Tillydrone, and creating a key piece of city transport infrastructure in support of the Aberdeen Western Peripheral Route;
- The extension and refurbishment of Greenbrae Primary for the creation of additional nursery and primary school places within the city;
- Completion of the new Rosehill House, creating a one-stop learning disability facility, and bringing together Council and health staff in support of the integrated social care agenda.

5.48 Projects which are expected to make significant progress in construction over the next financial year include:

- The Aberdeen Western Peripheral Route, and the Council's contribution towards advance works required in preparation for the new road, which is scheduled to open in winter of 2017;
- The A96 Park & Choose facility and Dyce Drive link road, in support of the new transport network created by the AWPR;
- The new Alvens East waste complex and depot, in support of the Council's Zero Waste Strategy, in preparation for the ban on sending waste to landfill in 2021;
- The redevelopment of the Art Gallery, creating additional gallery space to enhance the cultural heart of Aberdeen
- The new Centre of Excellence for provision of a single integrated "all through" school for children with severe and additional support needs.

5.49 As discussed in the report to Council of 5 February 2015 an allowance for inflation for existing projects has been included within the capital programme. The construction market in the Aberdeen area remains buoyant, with a number of active large scale developments. This high level of activity is being reflected in the tender prices being received by the Council for new contracts, and officers continue to review these trends.

5.50 A review of the cost profile for delivering the Berryden corridor has indicated that this will now be in the region of £20.175 million. The profile for the Strategic Land Acquisition budget has also been updated to reflect new information that has become available regarding the probable property and land acquisitions now required to progress the Berryden Corridor. The property market in Aberdeen has been impacted by the downturn in oil and gas, increasing demand for smaller properties. This change in demand is expected to impact on the price to be paid to acquire the necessary properties along the line of the scheme.



- 5.51 When planning the new Academy to replace Kincorth and Torry Academies, the initial spend was estimated at £32 million, using the space and cost metrics developed by the Scottish Futures Trust (SFT). In addition to this, inflationary support would be provided by SFT as their cost metric was based on Quarter 2 2011 construction indices.
- 5.52 As the project developed through the New Project Request Stage, it was agreed by Council as part of the budget process in February 2015 to allocate additional funding to the school to deal with the known ground conditions and construction inflation. At this stage the total project capital cost was estimated to be £37.828 million. During the summer of 2015 and following further ground investigations, Hub North presented the Stage 1 report which identified that costs had increased to £42.3 million. This increase represented the identification of further ground conditions which require to be remedied. The Stage 1 costs are based on a design to RIBA stage C and benchmarked prices for similar projects. At this stage there was no allowance for off-site Planning conditions as Committee had not yet determined the application.
- 5.53 The Council expects to have the Stage 2 price submitted by 29 February 2016. Verbal updates from Hub North Scotland colleagues have intimated that the costs of the school construction have increased to approximately £46.5 million, following the tendering of various work packages by Balfour Beatty (Hub North's appointed contractor). Hub North have also indicate that a provision of £3 million should be held for off-site works to address the Planning conditions which were listed in the approval for the new school. This off-site work will be excluded from the school contract and will be dealt with internally by officers.
- 5.54 It should be noted that the final cost of the project can only be confirmed when the Stage 2 report has been received from the Board of Hub North Scotland Ltd, currently forecast to take place around the end of February or early March 2016. An update on the £23.828 million funding currently modelled as to be supplied from the Scottish Futures Trust (SFT) in support of the project would also be confirmed at that point.

### **Flood Prevention**

- 5.55 As part of the Flood Risk Management Plan, the Council is required to consider how it addresses various flooding issues across the city. It will work with SEPA to determine how Flood Prevention schemes can be accelerated within the existing 2016 - 2021 programme.
- 5.56 The projects for the protection of Millside and the Paddock were already within reserve programmes of works. Due to the problems encountered in January 2016 it is proposed to accelerate these projects for delivery, and they have been included in the Non-Housing Capital Programme.

- 5.57 Inchgarth Road requires protection from the Dee in periods of high level flooding, which will require the construction of a flood retaining wall along with the management of the Cults Burn. This tends to flow onto Inchgarth Road when it cannot discharge directly into the Dee.
- 5.58 The height of the Dee along Riverside Drive has allowed the water to enter the Bridge of Dee Court sheltered housing complex, and it is proposed to construct a flood retaining structure within the low point to ensure that this does not happen again.
- 5.59 In order to support those in known flooding areas it is proposed to assist toward self-help by the allocation of a grant for the provision of flood guards which will alleviate future water ingress.

### **City Centre Masterplan**

- 5.60 The City Centre Masterplan was approved by the Council in June 2015. It provides an overall framework for the transformation of the city over the next 20 years. It focuses on the development of projects in seven intervention areas: Denburn Valley, Heart of the City, Queen's Square, Union Street West, Station Gateway, Castlegate/ Castlehill and North Dee/ Torry Waterfront. The new City Centre Director will be asked to look at the profiling of the £20 million allocated for this project, in conjunction with the development of an operational delivery plan.

### **City Region Deal**

- 5.61 A key element to deliver the Council's economic strategy is the City Region Deal. Aberdeen City Council, in partnership with Aberdeenshire Council, has been developing proposals, in conjunction with the private sector and other public sector agencies, to negotiate investment by the UK and Scottish Governments in Transport and Digital Connectivity, Innovation and Housing infrastructure.
- 5.62 A 'heads of terms' agreement has recently been signed by Aberdeen City Council, Aberdeenshire Council, the UK and Scottish Governments and Opportunity North East (ONE) for a City Region Deal. Under this, an amount of £250 million, split between the two governments, was allocated towards the overall support of projects under innovation, transport, Aberdeen Harbour Expansion and digital connectivity. At the same time, the Scottish Government announced a separate 'deal' and allocated an amount of £254 million to support additional development in transport, digital and housing.

- 5.63 The next stage is for officers to meet with the civil servants from both governments to confirm both elements of the 'deal', agree a programme of works, and from that the best resource to manage and deliver that programme. Following this it will be possible to indicate the level of commitment by the two local authorities in the respective capital plans, and it is anticipated that the £504 million committed by the two governments will need to lever in a contribution by the Councils. As soon as this is estimated, a separate report will be provided to the Council's Finance, Policy & Resources Committee.

### **Aberdeen Exhibition and Conference Centre (AECC)**

- 5.64 The development of a new exhibition and conference centre is an integral part of an ambitious programme of investment being planned for the city through the Aberdeen City Region Deal, the Council's City Centre Masterplan and its Strategic Infrastructure Plan. These investments are critical to delivering the city's economic objectives, and building Aberdeen's global reputation, as Europe's oil & gas capital. As well as the delivery of the new exhibition infrastructure itself, this £330 million project will provide a four-fold increase to the existing available exhibition space and double the seated entertainment arena to 10,000. In turn this will secure an additional 31,000 business tourists to the North East of Scotland and result in £63 million net additional Gross Value Added (GVA) and over 350 full-time equivalent (fte) jobs by year 10 of operation.
- 5.65 The capital cost to Aberdeen City Council of this project is £81 million, as shown in Appendix 6.

### **The Prudential Code**

- 5.66 With effect from 1 April 2004, Councils are required by regulation to have regard to the Prudential Code (the Code) when carrying out their duties under part 7 of the Local Government in Scotland Act 2003.
- 5.67 The Code requires the setting of a number of indicators, known as the Prudential Indicators, "for the forthcoming and following years before the beginning of the forthcoming year. They may be revised at any time and must be reviewed for the current year when they are set for the following year". In practice this means that the 2015/16 indicators must be reviewed and revised as necessary when the Prudential Indicators for 2016/17 and beyond are being set.

- 5.68 In setting or revising the prudential indicators, the Council is required to have regard to the following matters:
- Service objectives, e.g. strategic planning for the authority;
  - Stewardship of assets, e.g. asset management planning;
  - Value for money, e.g. option appraisal;
  - Prudence and sustainability, e.g. implications for external debt and whole life costing;
  - Affordability, e.g. implications for council tax; and
  - Practicality, e.g. achievability of the forward plan.
- 5.69 The focus of the Code is on:
- Affordability, e.g. implications for council tax and council housing rents; and
  - Prudence and sustainability, e.g. implications for external borrowing.
- 5.70 The Code requires integrated revenue and capital financial planning such that when considering the affordability of its capital plans, the Council should consider all of the resources currently available to it now and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years.
- 5.71 The three-year planning horizon referred to above is the minimum required by the Code. However, the Code and the recent Audit Scotland report on “Borrowing and Treasury Management in Councils” suggest that a longer planning horizon may be appropriate. With this in mind, the Prudential Indicators have been extended to a five-year planning horizon.
- 5.72 As the current financial settlement provides details for 2016/17 only, it has been necessary to make the following assumptions around future revenue and capital funding when calculating the Prudential Indicators:-
- Net Revenue Stream i.e. funding – the assumption has been made that grant reductions will be in line with the Scottish Government Departmental Expenditure Limits (DEL) 2016/17 to 2019/20 in real terms, with the reduction to 2020/21 at the same level as that for 2019/20.
  - Capital Grant – the assumption is that for 2017/18 to 2020/21 this will remain at the 2016/17 level prior to the deferred element, with the deferred element from 2016/17 being added equally to each of the following four years.
- 5.73 The Prudential Indicators are calculated using the five year Housing Revenue and Capital budgets as approved by Council on 16 December 2015, the five year Non-Housing Capital Programme as included in this report, the 2016/17 General Fund Revenue budget as included in the report and the assumptions stated at paragraph 5.72 above, and are shown in Appendix 8.

## 6. IMPACT

In developing the options brought forward here the CMT has borne in mind wherever possible that a balance must be struck between the impact each proposal has on customer experience and staff experience as well as on the Council's use of resources. As a result, options presented in the Appendices attempt to show the impact across the three dimensions.

For all options outlined, we have completed an Equality and Human Rights Impact Assessment Form. The potential impact of any of the options on the groups with protected characteristics has been taken into account in developing the budget proposals.

## 7. MANAGEMENT OF RISK

7.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by elected members. This report is part of that framework.

7.2 Risk is also being managed through the increase in the risk fund balances as detailed in 5.28 above.

## 8. BACKGROUND PAPERS

Scottish Government Finance Circulars  
Scotland's Spending Plans and Draft Budget 2016/17  
Audit Scotland 'An Overview of Local Government in Scotland 2015'  
Audit Scotland 'Major capital investment in councils'.  
CIPFA 'The Prudential Code for Capital Finance in Local Authorities'

## 9. REPORT AUTHOR DETAILS

Helen Valentine  
Finance Manager (Projects)  
☎ 01224 (52)2098  
Email [hvalentine@aberdeencity.gov.uk](mailto:hvalentine@aberdeencity.gov.uk)

Steven Whyte  
Head of Finance  
☎ 01224 (52)3566  
Email [swhyte@aberdeencity.gov.uk](mailto:swhyte@aberdeencity.gov.uk)

## Appendix 1

### Cost Pressures Identified and Reviewed for 2016/17 Budget Process

		Pressure Originally Identified for 16/17	Amendment or addition to pressure	Revised Figure Now Included in 16/17 Budget
Ref No.	Corporate Governance	£'000	£'000	£'000
1	ICT Contract Reviews	144	0	144
	<b>TOTAL CORPORATE GOVERNANCE</b>	<b>144</b>	<b>0</b>	<b>144</b>
	<b>Integrated Joint Board</b>			
2	Honour National Care Home Rate agreement	950	0	950
3	Fund 1% inflationary increase in commissioned services	628	0	628
4	Fund Bon Accord Care pay awards/increments	450	0	450
	<b>TOTAL INTEGRATED JOINT BOARD</b>	<b>2,028</b>	<b>0</b>	<b>2,028</b>
	<b>Education &amp; Children's Services</b>			
5	Additional cost of staffing due to roll related changes	1,200	(983)	217
6	Unitary Charge	250	(200)	50
7	Centre of Excellence - this facility is now not due to open until 2017.	660	(660)	0
8	New Head Teacher - (South of the City Academy). The new school will not now open until 2018 so this cost can be deferred.	80	(80)	0
9	Incentivisation payments for new teachers. This cost can be absorbed within existing budgets.	10	(10)	0
10	Children's Services Demographic Pressure - 2% on existing services	166	0	166
11	Fund 1% inflationary increase in commissioned services	120	0	120
12	Additional net costs of implementing Reclaiming Social Work	130	0	130
13	Additional budget was provided to allow for debt costs associated with the school estate which will not be required for 2016/17.	3,102	(3,102)	0
14	Teachers Pension Rates. The Scottish Government have set a higher contribution rate due to the introduction of the new career average revalued earnings scheme.	0	1,084	1,084
	<b>TOTAL EDUCATION &amp; CHILDREN'S SERVICES</b>	<b>5,718</b>	<b>(3,951)</b>	<b>1,767</b>
	<b>Communities, Housing &amp; Infrastructure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
15	Landfill Tax Increase. Part of the cost pressure built into 2016/17 is no longer required.	188	(188)	0
16	Waste: Contract RPI. Given the lower RPI for 2015/16 the increase in the waste contract will be slightly lower than previously estimated.	220	(220)	0
17	Surface Dressing: This can be postponed one year.	160	(160)	0
18	Pothole Patching: This can be postponed one year.	133	(133)	0
19	Lining Works for Parking Restrictions: this can be postponed one year.	160	(160)	0
20	Repairs to collapsed gullies: this can be postponed one year	207	(207)	0
21	Street lighting column corrosion and testing: this can be postponed one year.	317	(317)	0
22	Repair and Maintenance of public buildings: this can be postponed one year	397	(397)	0
23	Waste Services. As part of the Zero Waste Strategy and the statutory requirement to have no waste going to landfill by 2021, the Council signed a re-negotiated waste disposal contract on 19 November 2015. The cost pressure reflects the commitments made within the new contract.	0	3,965	3,965
24	Review of Waste services as above		(1,851)	(1,851)
	<b>TOTAL COMMUNITIES, HOUSING &amp; INFRASTRUCTURE</b>	<b>1,782</b>	<b>332</b>	<b>2,114</b>

## Appendix 1 (cont)

### Cost Pressures Identified and Reviewed for 2016/17 Budget Process

Ref No	Council Wide	Pressure Originally Identified for 16/17 £'000	Amendment or addition to pressure £'000	Revised Figure Now Included in 16/17 Budget £'000
25	Removal of originally modelled increase to the cost of delivering the 2017 cultural programme over and above the base budget. This can be removed with no detrimental impact on the programme delivery.	90	(90)	0
26	Utility Prices - based on current projections this cost pressure has been recalculated and can be reduced.	909	(862)	47
27	Vehicle fuel costs - given the continued low price of oil this cost is now anticipated to be lower than previously estimated.	30	(30)	0
28	Pay award is approved at 1%	2,744	0	2,744
29	Sistema Programme: Based on the full cost estimates of delivering the programme, these are the Council's current maximum revenue costs	75	0	75
30	Net Impact of Staffing Movements Council Wide	3,318	(545)	2,773
31	Increase in National Insurance Rates. From April 2016 there will no longer be a contracted out rate for employers which increases the rate from 10.4% to 13.8%.	0	3,773	3,773
	<b>TOTAL COUNCIL WIDE</b>	<b>7,166</b>	<b>2,246</b>	<b>9,412</b>
	<b>Office of Chief Executive</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
32	The Finance, Policy & Resources Committee, at its meeting on 15th September, approved posts to deliver the City Centre Masterplan.	0	298	298
	<b>TOTAL OFFICE OF CHIEF EXECUTIVE</b>	<b>0</b>	<b>298</b>	<b>298</b>
	<b>Trading</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
33	Pricing Policy for Residents Parking Permits	150		150
34	Previously approved PBB service options as originally modelled	2,708		2708
		<b>2,858</b>	<b>0</b>	<b>2,858</b>
	Total Cost Pressures	<b>19,696</b>	<b>(1,075)</b>	<b>18,621</b>
	Initiatives included in 15/16 Budget for which clarification has not been received from Scottish Government and are therefore not included in 16/17 Budget			<b>(1,796)</b>
	Net Cost Pressures Included in 2016/17 Budget			<b>16,825</b>

## Appendix 2

### Adjustments not requiring Committee Approval

These are budget adjustments which can be made under the Council's Scheme of Delegation

	Decision Title	Financial Impact 2016/17	Impact on Staff	Impact on Customer
Ref No	Communities, Housing & Infrastructure	£000	High/Medium/Low	High/Medium/Low
1	Legislation requires crematoria to remove mercury from cremations. This is an industry wide requirement and because Aberdeen abates 100% of mercury emissions it receives additional income from the Crematorium Abatement of Mercury Emissions Organisation (CAMEO) scheme.	(20)	Low	Low
2	The Government have reformed the death certification process and only the "medical examiner" will be allowed to fill out cremation forms thereby reducing the cost to the Council as no additional payment is required to General Practitioners.	(41)	Low	Low
3	There has been an increase in the demand within the Bon Accord Care Building Cleaning Contracts and the level of income has therefore increased.	(33)	Low	Low
4	An uplift has been applied to external Building Cleaning Contracts to reflect increased staffing costs.	(1)	Low	Low
5	This additional income reflects the additional staffing costs being passed on for Housing Building Cleaning Contracts	(21)	Low	Low
6	The income for the Housing Voids Cleaning Contract income (contract won 2015/16) has been increased to reflect the out-turn position for 2015/16 which is expected to continue into future years.	(40)	Low	Low
7	Review of ad hoc Building Cleaning Requests (Deep Cleans etc.) shows that income levels in the current financial year are better than anticipated.	(20)	Low	Low
8	Review Staff Catering Services (Town House, Marischal College & Kittybrewster) to ensure that they break even and will be achieved through initiatives to encourage staff to further utilise the facilities.	(12)	Low	Medium
9	The Council can raise additional income through charging commercially comparable Estates Team Enquiry fees from £150 to £250 per enquiry.	(3)	Low	Medium
10	Bus Lane Enforcement Surplus assigned to Roads Maintenance can be increased to reflect the works currently being budgeted for within the roads maintenance budget as laid out in the Local transport Strategy.	(500)	Low	Low
11	Contained within the Winter Maintenance budget is a contingency for particularly bad winters. A reserve will therefore be created for future years to cover the potential costs of an adverse winter.	(250)	Low	Low
12	The Council will vacate Crown House by April 2016 as its lease expires and therefore operating budgets will no longer be required.	(162)	Low	Low
13	The council will set Energy Efficiency Targets across the Public Building Estate - generate 10% reduction in its energy bills and thereby improving its CO2 emissions.	(232)	Low	Low
14	The council will explore commercial opportunities in relation to Bird Control in commercial premises and thereby generating additional income. A small target has therefore been budgeted for in 2016/17.	(3)	Low	Medium



<b>Appendix 2 (cont)</b>				
<b>Adjustments not requiring Committee Approval</b>				
	<b>Decision Title</b>	<b>Financial Impact 2016/17</b>	<b>Impact on Staff</b>	<b>Impact on Customer</b>
<b>Ref No</b>	<b>Communities, Housing &amp; Infrastructure</b>	<b>£000</b>	<b>High/Medium/Low</b>	<b>High/Medium/Low</b>
15	The council will explore commercial opportunities in relation to cleaning and bird proofing in commercial premises and thereby generating additional income. A small target has therefore been budgeted for in 2016/17.	(6)	Low	Medium
16	The council will accelerate the implementation of E-Building Standards and review the long term efficiencies generated across the service.	(11)	Low	Low
17	Given the level of vacancies that the service is currently running with an increase in the vacancy factors can be increased up to 8% to more accurately reflect the turnover of posts.	(800)	Low	Low
18	Previously no vacancy factor was provided for within Environmental Services so a vacancy factor has been applied (up to 8% as appropriate).	(420)	Low	Low
19	Previously no vacancy factor was provided for within Waste Services so a vacancy factor has been applied (up to 8% as appropriate).	(360)	Low	Low
20	The spend in relation to the Resettlement Team Support Costs indicates that the level of spend can be reduced to more accurately reflect the level of spend the service has been running at in recent years with no operational impact.	(44)	Low	Low
21	Service improvements within Housing Support (Supporting People & Homelessness) which will lead to a reduced requirement for Spot Purchases.	(150)	Low	Medium
22	The current cost for Software Support within the Supporting People budget has been reduced to bring the budget in line with actual costs in recent years.	(25)	Low	Low
23	The budget for Housing Support Furniture has been reduced to reflect the actual costs that have been incurred in recent years.	(25)	Low	Low
24	A review of the Homeless Team Support Costs indicate that actual costs have been lower than budget in recent years and the budget has therefore been reduced to reflect this.	(56)	Low	Low
25	Through actively managing the use of Bed & Breakfast Facilities within the Homeless Section it is anticipated that costs can be further reduced.	(200)	Low	Medium
26	Additional planning fees expected from scrutiny of future large developments within Aberdeen City.	(15)	Low	Low
27	Included within the capital programme is a project to replace existing street lighting units with LED Lanterns. This will reduce the utility costs for the Council as well as improving the overall street lighting infrastructure.	(400)	Low	Medium
28	Contract Procurement: Review of contracts, rationalisation of suppliers and extension of procurement frameworks to achieve efficient delivery of front line services.	(250)	Low	Low
29	A review of Administration Budgets has been done across the service and this reduction reflects the actual spend in recent years with no impact on service delivery.	(68)	Low	Low
30	The permanent deployment of a new bus lane camera at the existing enforcement point on North Donside Road and further use of the mobile camera to bus lanes with no fixed camera point will improve compliance and result in increased income.	(15)	Low	Medium
	<b>TOTAL COMMUNITIES, HOUSING AND INFRASTRUCTURE</b>	<b>(4,183)</b>		

## Appendix 2 (cont)

### Adjustments not requiring Committee Approval

	Decision Title	Financial Impact 2016/17	Impact on Staff	Impact on Customer
Ref No	Corporate Governance	£000	High/Medium/Low	High/Medium/Low
31	An analysis of the actual costs passed onto the Housing revenue Account in recent years is higher than budgeted. This has been amended to more accurately reflect the position.	(242)	Low	Low
32	Within each of the Heads of Service budgets there was a budget provision for courses and training. By amalgamating these into a single budget an overall reduction can be made which more accurately reflects actual costs and allow for economies of scale.	(30)	Medium	Low
33	A renegotiation of the data centre contract and putting in place a new operational model will result in lower costs.	(350)	Low	Low
34	Review of transport budget for the children's panel to reflect the reduced number of families covered by the Children (Scotland) Act 1995.	(13)	Low	Low
35	Shared Service with Aberdeenshire - Financial Services Team & also Contracts & Commissioning Team will mean that efficiencies will be achieved and 4 vacant posts will no longer be required.	(80)	Low	Low
36	As Goods and Services budgets have generally been lower than budget in recent year's budgets can be reduced to reflect this.	(70)	Low	Low
37	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service.	(362)	Low	Low
38	At present where an individual is working, say, 30 hours a week but the budget allows for a 37 hour week these unfilled hours have been removed where they are no longer required.	(133)	Low	Low
39	A review of non-contractual overtime shows a reduction in the budget can be accommodated.	(22)	Low	Low
40	Across the service a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.	(200)	Low	Low
	<b>TOTAL CORPORATE GOVERNANCE</b>	<b>(1,502)</b>		

## Appendix 2 (cont)

### Adjustments not requiring Committee Approval

	Decision Title	Financial Impact 2016/17	Impact on Staff	Impact on Customer
<b>Ref No</b>	<b>Council Wide</b>	<b>£000</b>		
41	A review of contracts across the council will allow costs, not service, to be reduced.	(700)	Low	Low
42	A review of the fixed line contract for telephone calls and rental to reduce costs.	(80)	Low	Low
43	Review of interview expenses budget to reflect actual costs and pre-interview telephone interviews.	(10)	Low	Low
44	Use of alternative technology such as Lync means that travel budgets can be reduced.	(162)	Medium	Low
45	Across all services, including schools, the level of vacancies and staff turnover means the vacancy factor can be further increased. This will be held corporately so that no post needs to be unfilled if it can be successfully recruited to.	(8,000)	Low	Low
46	Review of work contracted out through legal services will be retained in-house.	(50)	Medium	Low
	<b>TOTAL COUNCIL WIDE</b>	<b>(9,002)</b>		

<b>Appendix 2 (cont)</b>				
<b>Adjustments not requiring Committee Approval</b>				
	<b>Decision Title</b>	<b>Financial Impact 2016/17</b>	<b>Impact on Staff</b>	<b>Impact on Customer</b>
<b>Ref No</b>	<b>Education &amp; Children's Services</b>	<b>£000</b>	<b>High/Medium/Low</b>	<b>High/Medium/Low</b>
47	Harlaw Academy currently provides transport for children to the sports fields. In 2016 school children will use Harlaw Road and Rubislaw Playing fields and will therefore be able to walk reducing the need for bus costs.	(50)	Medium	Medium
48	Implementation of New Library Management System will reduce costs.	(40)	Low	Low
49	Administration, goods and services budgets have been reduced to reflect the level of actual spend in all council service areas (excluding schools).	(280)	Low	Low
50	This aims to reduce the number of children who are educated in residential schools outside the City.	(300)	Medium	Medium
51	A review of the sports grant budgets shows a small reduction is possible and will be monitored during the year.	(20)	Low	Medium
52	Through improving education in energy management, with support from the Energy Management Unit, a 10% reduction in consumption is anticipated across the service.	(500)	Low	Low
53	A review of the vacant properties budget within Children's Services shows the budget is higher than actuals. The budget has therefore been reduced to reflect this.	(90)	Low	Low
54	The library service has been redesigned to alter opening hours and change staffing levels. This review will lead to savings in the staffing budget.	(200)	Medium	Low
55	A review of the Curriculum Support budget shows that this can be reduced based on service delivery for 2016/17.	(200)	Low	Low
56	A review has been undertaken against the budget for PIPS testing (Performance Indicators in Primary Schools) and a small saving can be achieved.	(40)	Low	Low
57	The staffing structure within the Pupil Support Service is currently being reviewed, to achieve greater efficiency and synergy in service delivery.	(43)	Medium	Low
58	A review has been undertaken of the central budget for the subsidy of probationer teachers, and this can be reduced in line with previous years actuals.	(100)	Low	Low
59	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service (non-schools only).	(280)	Low	Low
60	No vacancy factor for Community Learning is currently budgeted for. Creating this adjustment more accurately reflects the turnover of posts.	(40)	Low	Low
61	A review of the culture staffing budget indicates that 2 vacant posts could be removed from within the structure.	(100)	Low	Low

## Appendix 2 (cont)

### Adjustments not requiring Committee Approval

	Decision Title	Financial Impact 2016/17	Impact on Staff	Impact on Customer
Ref No	Education & Children's Services	£000	High/Medium/Low	High/Medium/Low
62	A budget for a vacant Domestic Assistant Posts at Cordyce is no longer required as this is covered through CH&I budgets.	(50)	Low	Low
63	A review of the provision of Long Term Absence Cover within Educational Psychology Team is no longer required.	(50)	Low	Low
64	No vacancy factor for Educational Psychology Team is currently budgeted for. Creating this adjustment more accurately reflects the turnover of posts.	(50)	Low	Low
65	A long term vacant post of Executive Manager is no longer required within the current structure.	(60)	Low	Low
66	The Business Support team within Education and Children's Services carries a variety of vacant posts. A review of this service will allow for support structures to be aligned where common areas of support functions have been identified	(200)	Low	Low
67	There is no requirement to fill non-essential posts within Museums and Galleries while the Art Gallery is closed and therefore the budget is not required.	(80)	Low	Low
68	There is no longer a requirement to budget for growth in salary regrading's which had previously been budgeted for.	(200)	Low	Low
69	The lifeguard service in schools is now provided for by Sport Aberdeen and is therefore no longer required.	(112)	Low	Low
70	This represents a 10% reduction in non-contractual overtime and is applied across the council for 2016/17.	(15)	Low	Low
71	At present where an individual is working, say, 30 hours a week but the budget allows for a 37 hour week these unfilled hours have been removed where they are no longer required.	(70)	Low	Low
72	Across the services a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.	(17)	Low	Low
	<b>TOTAL EDUCATION AND CHILDREN'S SERVICES</b>	<b>(3,187)</b>		

## Appendix 2 (cont)

### Adjustments not requiring Committee Approval

	Decision Title	2016/17	Impact on Staff	Impact on Customer
Ref No	Integrated Joint Board	£000	High/Medium/Low	High/Medium/Low
73	The aim is to make sure that costs for out of authority service users accommodated within the City are met by their home authority.	(150)	Low	Low
74	Moving to a spot purchase model rather than a block funded system particularly for providers where services are offered to non-Aberdeen city residents.	(150)	Low	Low
75	Rationalise bespoke funding in learning disability services and self directed support into a single more cost effective system	(168)	Low	Low
76	By ensuring that we recover fees owed to the council from providers and faster processing of applications means waived charges will be reduced.	(300)	Low	Low
77	This represents a 10% reduction in non-contractual overtime and is applied across the council for 2016/17.	(8)	Low	Low
78	Through improving education in energy management, with support from the Energy Management Unit, a 10% reduction in consumption is anticipated across the service.	(6)	Low	Low
79	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service.	(177)	Low	Low
80	A review of adult social care contracts will allow costs, not services, to be reduced.	(750)	Low	Low
81	Rationalisation and review of admin and supplies and services budgets.	(62)	Low	Low
82	Across the services a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.	(75)	Low	Low
83	Investigate opportunities to commission external care services/rationalise external care home commissioning (Head of Joint Operations is keen to explore this option but as not yet scoped, no savings are anticipated in year 1)	0	Low	Medium
	<b>TOTAL INTEGRATED JOINT BOARD</b>	<b>(1,846)</b>		

## Appendix 2 (cont)

### Adjustments not requiring Committee Approval

		2016/17	Impact on Staff	Impact on Customer
Ref No	Decision Title	£000	High/Medium/Low	High/Medium/Low
84	As Goods and Services budgets have generally been lower than budget in recent year's budgets can be reduced to reflect this.	(50)	Low	Low
85	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service.	(42)	Low	Low
86	This represents a 10% reduction in non-contractual overtime and is applied across the council for 2016/17.	(3)	Low	Low
87	Across the services a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.	(32)	Low	Low
	<b>TOTAL OFFICE OF THE CHIEF EXECUTIVE</b>	<b>(127)</b>		
	<b>Trading</b>			
88	The legal agreement sharing the income raised from the Golden Square Car Park ends and will therefore increase the income to the Council.	(23)	Low	Low
89	Agreement has been reached that will ensure the Council will receive a funding contribution to support the Garthdee CPZ.	(25)	Low	Low
90	Further initiatives will be implemented to encourage payment for car parking fees through non-cash transactions reducing the overall cash handling charge.	(10)	Low	Low
91	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service.	(300)	Low	Low
92	Advertising and promotion of Marischal College car park (Thursday evenings & weekends) will generate additional car parking income.	(10)	Low	Low
	<b>TOTAL TRADING</b>	<b>(368)</b>		
	<b>TOTAL ALL SERVICES</b>	<b>(20,215)</b>		

## Appendix 3

### Adjustments Requiring Committee Approval

These are budget adjustments which cannot be implemented without Committee Approval

	Decision Title	Financial Impact 2016/17	Impact of Staff	Impact on Customer
Ref No	Communities, Housing & Infrastructure	£000	High/Medium/Low	High/Medium/Low
1	Increase Cremation Fees annually over the next 5 years by 5.5% per annum.	(89)	Low	Medium
2	Increase Burial Fees annually over the next 5 years by 8.5% per annum.	(33)	Low	Medium
3	In 2013/14 £141,000 budget allocation was made to increase the grounds maintenance in cemeteries. This would mean that the allowance was removed resulting in a return to the previous level of service provision.	(91)	Medium	Medium
4	In 2013/14 an additional budget allocation was made to grass cutting to increase the number of grass cuts as appropriate across the city. This option would see the number of cuts reduced.	(250)	Medium	Medium
5	Across the city wherever possible sponsorship is sought to pay for summer planting. This reduction would see aspects such as the Town House window boxes etc. being reduced.	(10)	Medium	Medium
6	Pets Corner will receive capital investment to improve the facilities provided and with a new educational space becoming available an income target would be set to generate additional funds.	(2)	Low	Low
7	Extend Pilot Stay On Site Approach to S1 Lunches at two of the council's Academies and encourage healthy eating.	(50)	Medium	Medium
8	FM Contract Management Fees for NHS Grampian & NHS Highland could be increased.	(3)	Low	Low
9	Review Street Occupation Charges with a view to increasing the charges to utility companies.	(100)	Low	Medium
10	Review Street Cleaning Services (Chewing Gum Removal) with a view to reducing the number of street washing and deep clean work that would impact on the appearance of the City Centre.	(30)	Low	Medium
11	As the council is currently negotiating a City Region Deal it would be possible to reduce the funding to Opportunities North East (ONE) by 50% through reviewing and re-evaluating strategies and funding levels	(70)	Low	Medium
12	By undertaking a review of transport demands from Social Care & Education facilities it would be possible for the expansion of the in-house fleet to replace the contracts currently delivered by external providers.	(25)	Low	Low
13	Review All Environmental Health & Trading Standards Charges and to increase them broadly in line with inflation each year where the charges are not set by statute.	(5)	Low	Medium
	<b>Total for Communities, Housing &amp; Infrastructure</b>	<b>(758)</b>		
	<b>Corporate Governance</b>			
14	The council has a duct infrastructure which runs CCTV and intelligent transport links. Spare capacity can therefore be sold to the private sector.	(72)	Low	Low
15	Registrars; review of service offerings & joint promotion with Aberdeenshire as well as an anticipated increase in the National Wedding Fee and individual citizenship ceremony fee will result in higher income.	(35)	Medium	Medium
	<b>Total for Corporate Governance</b>	<b>(107)</b>		



<b>Appendix 3 (cont)</b>				
<b>Adjustments Requiring Committee Approval</b>				
		<b>Financial Impact 2016/17</b>	<b>Impact of Staff</b>	<b>Impact on Customer</b>
		<b>£000</b>	<b>High/Medium /Low</b>	<b>High/Medium /Low</b>
<b>Ref No</b>	<b>Decision Title</b>			
<b>Council Wide</b>				
16	At present the council receives an additional £3.2 million of funding if it does not increase the level of council tax from the previous year. If this condition continues to apply in 2016/17 then a 4% increase would result in a GROSS increase in income of £4.2 million.	(953)	Low	Medium
	<b>Total for Council Wide</b>	<b>(953)</b>		
<b>Education &amp; Children's Services</b>				
17	This option is a reduction in funding to Sport Aberdeen. The council would work with Sport Aberdeen to determine the proposals to manage this reduction.	(405)	Low	Medium
18	This option is a reduction of 2% funding to Aberdeen Sports Village (ASV). The council would work with ASV to determine the proposals to manage this reduction.	(20)	Low	Medium
19	A review of the cultural programme is proposed in order to identify opportunities to reduce costs and/or bring about greater efficiencies in the services provided to third parties.	(640)	Low	Medium
20	A review of the Service Level Agreement with NHS Grampian regarding the provision of Speech & Language Therapy services would allow a reduction in costs depending on the level of service being purchased.	(100)	Low	Low
21	This option extends the review of Admin and Supplies Budgets to Schools and would result in a small reduction in the level of DEM budget available for schools in 2016/17.	(280)	Low	Low
22	The council could introduce Parking Charges at Harlaw Academy (Evenings & Weekends) as the facilities are used by the general public at present. This would be cost neutral in year 1 because of the capital investment required but would then generate £25,000 per annum.	0	Medium	Medium
23	A review of the branch libraries would allow certain branch libraries to be closed permanently. This could lead to reduced access for the public.	(500)	Medium	Medium
24	Arising from the implementation of the inclusion review, pupils with Additional Support Needs will be educated at their local schools. This will reduce the number of children requiring transport and therefore the number of escorts required over a 5 year period.	(20)	Medium	Medium
25	The secondary teaching staffing formulae is weighted to allow for S1 and S2 classes in Maths and English to be set at a maximum of 20. Since 2010/11 schools were no longer required to do this and are therefore free to divert these resources to other areas.	(440)	Medium	Medium
26	At present children with additional support needs are currently transported to school by taxi. This proposal would be to encourage parents to take the child to school, which provides the child with a familiar environment during the journey, and to pay parents a mileage allowance.	(5)	Low	Medium
	<b>TOTAL FOR EDUCATION &amp; CHILDREN'S SERVICES</b>	<b>(2,410)</b>		

<b>Appendix 3 (cont)</b>				
<b>Adjustments Requiring Committee Approval</b>				
		<b>Financial Impact 2016/17</b>	<b>Impact of Staff</b>	<b>Impact on Customer</b>
	<b>Decision Title</b>	<b>£000</b>	<b>High/Medium /Low</b>	<b>High/Medium /Low</b>
<b>Ref No</b>	<b>Integrated Joint Board</b>			
27	Saving on management and infrastructure costs of Bon Accord Care in line with those applied to other services for 2016/17 e.g. vacancy factor increase, reduction in energy consumption, overtime budget reduction etc.	(250)	Low	Low
28	Comprehensive review of the current service delivery model through Bon Accord Care. The council would work with Bon Accord Care to determine the proposals to manage this reduction.	(450)	Low	Low
	<b>TOTAL FOR INTEGRATED JOINT BOARD</b>	<b>(700)</b>		
	<b>Trading</b>			
29	Review of apprenticeship scheme within Building Services to improve quality of training and maximise and secure future supply of 'home grown' trade qualified staff.	(400)	Medium	Low
30	Review of Parking Permit Charges (Business Permits) - raise by £50 each year (to £550 in Year 1) to increase income from commercial users.	(10)	Low	Medium
31	Review of Parking Permit Charges (Contractor Permits) - raise by £55 each year (to £605 in Year 1) to increase income from commercial users.	(32)	Low	Medium
32	Review of Parking Permit Charges (Monthly Permits) - raise by £20 each year (to £230 in Year 1) to generate more income from commercial users.	(75)	Low	Medium
33	Review of Parking Permit Charges (Residents Second Permits) - raise by £5 each year (to £125 in Year 1) for increased income for the Council .	(5)	Low	Medium
34	Review of Parking Charges in City Centre Parking Zones A, B, C, E, F & G (£2 up to 30 mins, £4 up to 1 hr, £6 up to 2 hrs - discounted to £5 for 6-8pm) to improve turnover of parking and increase income.	(150)	Low	Medium
35	Review of Parking Charges in Chapel Street and Denburn Multi Story Car Parks (Raise all tariffs by £1) and West North Street Multi Story Car Park (Reduce all tariffs by 50p) for improved commercial use of Council assets.	(250)	Low	Medium
36	Review of Parking Charges in Summer Street and Greyfriars Surface Car Parks (Raise to £2.50 for 2 hrs, £3.50 for 3 hrs, £4.50 for 4 hrs) for improved commercial use of Council assets.	(30)	Low	Medium
37	Convert Free Car Park (Crombie Road, Torry) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(28)	Low	Medium
38	Convert Free Car Park (Dunmail Avenue, Cults) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(9)	Low	Medium
39	Convert Free Car Park (Station Road, Bucksburn) to £1 for 2 hour max stay chargeable car park and introduce commercial use of Council asset.	(3)	Low	Medium
40	Convert Frederick Street Car Park to long stay and introduce permits for improved commercial use of Council asset.	0	Low	Medium
	<b>TOTAL TRADING</b>	<b>(992)</b>		
	<b>TOTAL ALL SERVICES</b>	<b>(5,920)</b>		

<b>Appendix 4</b>					
<b>Earmarked Reserves</b>					
<b>Communities, Housing &amp; Infrastructure As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Income Derived Projects:</i>					
Energy Efficiency Fund	1,184	0	1,184	0	
Bus Lane Enforcement	1,265	214	1,140	125	
Second/Long Term Empty Homes	5,370	0	969	4,401	
<i>Other Projects:</i>					
DEM Carry Forward Balances (Community Education)	1,105	235	235	870	
Roads Repairs/Projects	162	0	162	0	
'The Green' Townscape Project	50	0	50	0	(50)
South of the City Regeneration	1,337	0	1,337	0	
Windfarm Start-Up	93	0	93	0	(93)
Business Plan Service Options	763	3	763	0	
Strategic Infrastructure Plan (City Dev)	161	137	161	0	
City Deal	300	0	300	0	
Property Transfer	155	0	155	0	
Zero Waste Funding	350	0	350	0	(350)
Mobile Working	97	0	97	0	(97)
Strategic Infrastructure Plan (Housing)	120	117	120	0	
Shopmobility	91	0	91	0	(91)
Fairer Aberdeen	36	0	36	0	
Park Improvement Schemes	173	9	173	0	
Men's Shed Dyce	10	0	10	0	
Balnagask Community Centre	7	5	7	0	
Hazlehead Pets Corner Renovation and Expansion	100	0	0	100	
Duthie Park, Winter Gardens Education Room	40	0	40	0	
<i>Revenue Grants:</i>					
DWP Flexi grant	18	4	18	0	(9)
Commercial- Dev Grant	30	0	30	0	
Flood Risk Management	30	0	30	0	
Masterplanning And Design	65	0	65	0	(65)
Duthie Park Bequest	128	0	128	0	
Private Sector Housing Grant	1,065	0	0	1,065	
Victoria House Hostel	530	134	250	0	(280)
Welfare Rights / SLAB 1	11	11	11	0	
Welfare Rights / SLAB 2	7	0	7	0	
Welfare Rights/NHS Grant	15	0	15	0	
Welfare Resilience Fund	38	32	32	0	(6)
<b>Total</b>	<b>14,906</b>	<b>901</b>	<b>8,059</b>	<b>6,561</b>	<b>(1,041)</b>
<b>Communities, Housing &amp; Infrastructure - Trading</b>					
<b>As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Projects:</i>					
Business Plan Service Options	493	0	0	0	(493)
Replacement of Handheld Devices	148	148	148	0	
<b>Total</b>	<b>641</b>	<b>148</b>	<b>148</b>	<b>0</b>	<b>(493)</b>
<b>Corporate Governance</b>					
<b>As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Projects:</i>					
Strategic Infrastructure Plan	76	63	76	0	
ICT Projects	606	118	495	111	
ICT Rolling Programme	777	0	777	0	(527)
New Microphones	165	118	165	0	
Star Awards Sponsorship	25	0	25	0	
Business Plan Service Options	637	179	637	0	
Employee Benefit Scheme	113	0	80	0	(33)
<i>Revenue Grants:</i>					
2005-06 Rederminations-Mgf3-Crm	29	0	29	0	(29)
2005-06 Rederminations-Mgf3-Acco	54	11	54	0	(43)
2005-06-Redermions-Mgf3-Gazete	6	0	6	0	(6)
<b>Total</b>	<b>2,488</b>	<b>489</b>	<b>2,344</b>	<b>111</b>	<b>(638)</b>

<b>Appendix 4 (cont)</b>					
<b>Earmarked Reserves</b>					
<b>Education &amp; Children's Services As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Projects:</i>					
DEM Carry Forward Balances (Schools)	2,752		0	2,752	
Schools ICT Fund	701	37	46	655	
City of Culture Bid	592	0	0	0	(592)
Business Plan Service Options	239	150	239	0	
Music Hall Redevelopment	1,000	0	1,000	0	
Hilton Outdoor Centre	25	0	25	0	
Youth Work and Under 12's Clubs	100	0	100	0	
Sea Cadets	10	10	10	0	
Transition Extreme	100	100	100	0	
Reclaiming Social Work - Implementation	337	0	111	226	
Reclaiming Social Work - Staffing Restructure	2,930	0	966	1,964	
<i>Revenue Grants:</i>					
2007-08 Redermin Corporate Parenting	21	0	21	0	(21)
Aberdeen City Alc & Drugs Part	10	1	10	0	(9)
<b>Total</b>	<b>8,817</b>	<b>298</b>	<b>2,628</b>	<b>5,597</b>	<b>(622)</b>
<b>Adult Social Services</b>					
<b>As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Projects:</i>					
Business Plan Service Options	53	36	53	0	
<i>Revenue Grants:</i>					
Local Autism Action Plan	28	18	28	0	
See Hear Strategic Framework	79	79	79	0	
<b>Total</b>	<b>160</b>	<b>133</b>	<b>160</b>	<b>0</b>	<b>0</b>
<b>Corporate</b>					
<b>As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Projects:</i>					
Scottish Welfare Fund	40		0	40	
De-risk the Council	2,872		0	2,872	
Welfare Reform	2,000		0	2,000	
Financial Risk Fund	5,541		0	5,541	
Business Plan Service Options	90		0	90	
Investment Strategy	15,982		0	15,982	
<b>Total</b>	<b>26,525</b>	<b>0</b>	<b>0</b>	<b>26,525</b>	<b>0</b>
<b>Total</b>					
<b>As at Period 9 2015/16</b>	<b>Balance b/f 1 April 2015</b>	<b>Actual Spend to Period 9</b>	<b>Forecast for Year</b>	<b>Projected c/f 31 March 2016</b>	<b>Proposed for Removal</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Services:</i>					
Communities, Housing & Infrastructure	14,906	901	8,059	6,847	(1,041)
Communities, Housing & Infrastructure - Trading	641	148	148	493	(493)
Corporate Governance	2,488	489	2,344	144	(638)
Education & Children's Services	8,817	298	2,628	6,189	(622)
Adult Social Services	160	133	160	0	0
Corporate	26,525	0	0	26,525	0
<b>Total</b>	<b>53,537</b>	<b>1,969</b>	<b>13,339</b>	<b>40,198</b>	<b>(2,794)</b>
<b>Uncommitted General Fund Balance</b>	<b>11,291</b>				
<b>Total General Fund Balance</b>	<b>64,828</b>				
<b>Statutory Funds</b>					
Capital Fund	50,388				
Insurance Fund	1,907				
City Improvement Fund	344				
Lord Byron Fund	5				
<b>Total</b>	<b>52,644</b>				

## DRAFT NON-HOUSING CAPITAL PLAN - BUDGETS FOR 2016/17 INCLUDING PROJECT SPECIFIC FUNDING

2015/16			2016/17		
Gross Forecast	Gross Funding	Net Forecast	Non-Housing Capital Programme		
Outturn	Outturn	Outturn	Gross Budget	Gross Funding	Net Budget
£'000	£'000	£'000	£'000	£'000	£'000
7,655	(285)	7,370	294	Corporate Property Condition & Suitability	
338	(338)	0	551	Cycling Walking Safer Streets	
1,505	0	1,505	765G	Nestrans Capital Grant	
700	0	700	779	Private Sector Housing Grant (PSHG)	
3,496	(110)	3,386	784	Fleet & Waste Replacement Programme	
4,180	(45)	4,135	789	Planned Renewal & Replacement of Roads Infrastructure	
1,317	0	1,317	789E	Street Lighting	
<b>19,191</b>	<b>(778)</b>	<b>18,413</b>		<b>20,719</b>	<b>(251)</b>
					<b>20,468</b>
2015/16			2016/17		
Gross Forecast	Gross Funding	Net Forecast	City Centre Masterplan & Associated Projects		
Outturn	Expected	Outturn	Gross Budget	Gross Funding	Net Budget
£'000	£'000	£'000	£'000	£'000	£'000
300	0	300	824	City Centre Regeneration	
60	0	60	806A	CATI - South College Street	
<b>360</b>	<b>0</b>	<b>360</b>		<b>4,100</b>	<b>0</b>
					<b>4,100</b>
2015/16			2016/17		
Gross Forecast	Gross Funding	Net Forecast	Other Projects		
Outturn	Expected	Outturn	Gross Budget	Gross Funding	Net Budget
£'000	£'000	£'000	£'000	£'000	£'000
455	(455)	0	244	Duthie Park HLF	
10,866	0	10,866	587	Access from the North / 3rd Don Crossing	
13,839	0	13,839	627	Aberdeen Western Peripheral Route	
216	0	216	663	Corporate Office Accommodation	
0	0	0	791	Strategic Land Acquisition	
223	(356)	(133)	794	Hydrogen Buses	
3,726	(2,960)	766	795	Accelerate Aberdeen (City Broadband)	
260	0	260	797	Victoria House	
487	0	487	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	
6,326	0	6,326	807	A96 Park & Choose / Dyce Drive Link Road	
2	0	2	810A	Ness Landfill Leachate & Gas Control Measures	
212	0	212	810C	Energy from Waste (EfW) Procurement and Land Acq.	
200	0	200	810E	Investment in Waste Collection	
12	0	12	810F	Refuse Derived Fuel Plant	
8,372	0	8,372	810G	Co-mingled MRF & Depot	
0	0	0	810H	Investment in WTS and existing HWRCs	
0	0	0	810J	Bridge of Don HWRC	
0	0	0	810K	Energy from Waste (EfW) Construction	
0	0	0	819	Tillydrone Community Hub	
150	0	150	820	Investment in Tenanted Non-Residential Property Portfolio	
0	0	0	821	New Aberdeen Exhibition & Conference Centre	
100	0	100	825	City Deal	
1,937	(1,990)	(53)	826	Aberdeen City Hydrogen Energy Storage (ACHES)	
851	0	851	827	SIP New Build Housing Programme	
626	(630)	(4)	829	Middlefield Project Relocation (Henry Rae CC)	
0	0	0	835	Street Lighting LED Lanterns (PACE 5 Year programme)	
1,045	0	1,045	804	Data Centre Transition & Infrastructure Transformation	
484	(484)	0	805	Technology Investment Requirements & Digital Strategy	
4,413	(2,518)	1,895	773	New Brimmond School	
2,789	0	2,789	776	Centre of Excellence (formerly ASN)	
4,500	0	4,500	799A	Art Gallery Redevelopment - Museums Collection Centre	
5,857	(2,012)	3,845	799B	Art Gallery Redevelopment - Main Contract (HLF)	
1,180	0	1,180	808	New Academy to the South	
0	0	0	809	New Milltimber Primary	
5	0	5	812	Kingsfield Childrens Home	
200	(200)	0	823	Music Hall Refurbishment	
935	0	935	828	Greenbrae Primary Extension and Internal Works	
657	0	657	831	Stoneywood Primary	
300	(300)	0	832	Dyce 3G Pitch	
tbc	0	0	833	St Joseph's Primary Acquisition	
150	(750)	(600)	834	Refurbish Throughcare Facility - 311 Clifton Road	
850	0	850	811	Social Care Facilities - Burnside	
0	0	0	836	Flood Prevention Measures: Flood Guards Grant Scheme	
0	0	0		Flood Prevention Measures: Riverside Drive at Bridge of Dee	
0	0	0	837	Court	
0	0	0	838	Flood Prevention Measures: Millside & Paddock Peterculter	
0	0	0	839	Flood Prevention Measures: Inchgarth Road	
0	0	0	999	Construction Inflation Allowance for existing projects	
<b>72,225</b>	<b>(12,655)</b>	<b>59,570</b>		<b>132,639</b>	<b>(38,940)</b>
					<b>93,699</b>
<b>91,776</b>	<b>(13,433)</b>	<b>78,343</b>	<b>Totals</b>	<b>157,458</b>	<b>(39,191)</b>
					<b>118,267</b>

## DRAFT NON-HOUSING CAPITAL PLAN - BUDGETS FOR 2016/17 INCLUDING PROJECT SPECIFIC FUNDING

2015/16			2016/17			
Gross Forecast Outturn	Gross Funding Expected	Net Forecast Outturn	Non-Housing Capital Programme Financed By:	Gross Forecast Outturn	Gross Funding Expected	Net Forecast Outturn
£'000	£'000	£'000		£'000	£'000	£'000
0	0	0	<b>1. Project Funding Streams</b>	0	0	0
			<b>2. Other Receipts</b>			
0	0	0	Receipt - Summerhill	0	(2,000)	(2,000)
0	0	0	Receipt - Marischal Square	0	0	0
0	(820)	(820)	Receipts - General	0	(5,117)	(5,117)
0	(820)	(820)		0	(7,117)	(7,117)
0	(26,518)	(26,518)	<b>3. Capital Grant</b>	0	(18,103)	(18,103)
0	(44,160)	(44,160)	<b>4. Other Financing</b>	0	(56,377)	(56,377)
0	(71,498)	(71,498)	<b>Sub-total</b>	0	(81,597)	(81,597)
0	(6,845)	(6,845)	<b>Cashflow</b>	0	(36,670)	(36,670)
0	(91,776)	0	<b>Net Position</b>	0	(118,267)	(118,267)

## DRAFT NON-HOUSING CAPITAL PLAN - BUDGETS FOR 2016/17 TO 2020/21

Forecast		Non-Housing Capital Programme					Total	
Outturn			Budget	Budget	Budget	Budget	Budget	
2015/16			2016/17	2017/18	2018/19	2019/20	2020/21	
£'000	NHCP No.	Continuing Projects - Extend Rolling programmes	£'000	£'000	£'000	£'000	£'000	
7,655	294	Corporate Property Condition & Suitability	9,743	9,000	8,000	8,000	8,000	42,743
338	551	Cycling Walking Safer Streets	251	0	0	0	0	251
1,505	765G	Nestrans Capital Grant	1,000	1,100	1,580	1,500	1,295	6,475
700	779	Private Sector Housing Grant (PSHG)	700	700	700	700	700	3,500
		Fleet Replacement Programme						
3,496	784	(including Zero Waste Strategy Fleet)	4,410	3,500	3,700	3,900	4,100	19,610
4,180	789	Planned Renewal & Replacement of Roads Infrastructure	4,115	4,000	4,000	4,000	4,000	20,115
1,317	789E	Street Lighting	500	500	500	1,000	1,000	3,500
<b>19,191</b>			<b>20,719</b>	<b>18,800</b>	<b>18,480</b>	<b>19,100</b>	<b>19,095</b>	<b>96,194</b>
Forecast			Budget	Budget	Budget	Budget	Budget	Total
Outturn			2016/17	2017/18	2018/19	2019/20	2020/21	
2015/16			£'000	£'000	£'000	£'000	£'000	£'000
£'000	NHCP No.	City Centre Masterplan & Associated Projects	£'000	£'000	£'000	£'000	£'000	£'000
300	824	City Centre Regeneration	4,000	18,124	4,170	2,236	0	28,530
60	806A	CATI - South College Street	100	300	4,840	170	0	5,410
<b>360</b>			<b>4,100</b>	<b>18,424</b>	<b>9,010</b>	<b>2,406</b>	<b>0</b>	<b>33,940</b>
Forecast			Budget	Budget	Budget	Budget	Budget	Total
Outturn			2016/17	2017/18	2018/19	2019/20	2020/21	
2015/16			£'000	£'000	£'000	£'000	£'000	£'000
£'000	NHCP No.	Other Projects	£'000	£'000	£'000	£'000	£'000	£'000
455	244	Duthie Park HLF	0	0	0	0	0	0
10,866	587	Access from the North / 3rd Don Crossing	4,383	887	0	0	0	5,270
13,839	627	Aberdeen Western Peripheral Route	13,740	8,493	3,713	0	0	25,946
216	663	Corporate Office Accommodation	0	0	0	0	0	0
0	791	Strategic Land Acquisition	1,000	500	2,125	3,025	0	6,650
223	794	Hydrogen Buses	0	0	0	0	0	0
3,726	795	Accelerate Aberdeen (City Broadband)	360	0	0	0	0	360
260	797	Victoria House	7	0	0	0	0	7
487	806B	CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	1,250	3,250	10,300	3,875	625	19,300
6,326	807	A96 Park & Choose / Dyce Drive Link Road	7,152	800	0	0	0	7,952
2	810A	Ness Landfill Leachate & Gas Control Measures	0	0	0	0	0	0
212	810C	Energy from Waste (EFW) Procurement and Land Acq.	2,567	300	300	0	0	3,167
200	810E	Investment in Waste Collection	2,200	900	0	0	0	3,100
12	810F	Refuse Derived Fuel Plant	1,485	0	0	0	0	1,485
8,372	810G	Co-mingled MRF & Depot	16,405	0	0	0	0	16,405
0	810H	Investment in WTS and existing HWRCs	94	0	0	0	0	94
0	810J	Bridge of Don HWRC	0	0	100	500	800	1,400
0	810K	Energy from Waste (EFW) Construction	0	0	0	20,000	41,000	61,000
0	819	Tillydrone Community Hub	600	2,400	500	0	0	3,500
150	820	Investment in Tenanted Non-Residential Property Portfolio	1,547	1,050	150	0	0	2,747
0	821	New Aberdeen Exhibition & Conference Centre	15,000	50,000	16,580	0	0	81,580
100	825	City Deal	92	0	0	0	0	92
1,937	826	Aberdeen City Hydrogen Energy Storage (ACHES)	53	0	0	0	0	53
851	827	SIP New Build Housing Programme	2,000	0	0	0	0	2,000
626	829	Middlefield Project Relocation (Henry Rae CC)	1,000	0	0	0	0	1,000
0	835	Street Lighting LED Lanterns (PACE 5 Year programme)	1,500	1,500	1,500	1,500	1,500	7,500
1,045	804	Data Centre Transition & Infrastructure Transformation	1,955	0	0	0	0	1,955
484	805	Technology Investment Requirements & Digital Strategy	800	1,100	1,050	695	855	4,500
4,413	773	New Brimmond School	0	0	0	0	0	0
2,789	776	Centre of Excellence (formerly ASN)	7,765	7,731	0	0	0	15,496
4,500	799A	Art Gallery Redevelopment - Museums Collection Centre	773	0	0	0	0	773
5,857	799B	Art Gallery Redevelopment - Main Contract (HLF)	18,410	3,944	508	0	0	22,862
1,180	808	New Academy to the South	13,000	33,202	2,000	0	0	48,202
0	809	New Milltimber Primary	0	0	500	11,000	1,500	13,000
5	812	Kingsfield Childrens Home	1,000	545	0	0	0	1,545
200	823	Music Hall Refurbishment	800	0	0	0	0	800
935	828	Greenbrae Primary Extension and Internal Works	3,469	0	0	0	0	3,469
657	831	Stoneywood Primary	5,953	6,390	0	0	0	12,343
300	832	Dyce 3G Pitch	448	0	0	0	0	448
0	833	St Josephs Primary Acquisition	0	0	0	0	0	0
175	834	Refurbish Throughcare Facility - 311 Clifton Road	600	0	0	0	0	600
850	811	Social Care Facilities - Burnside	3,331	57	0	0	0	3,388
0	836	Flood Prevention Measures: Flood Guards Grant Scheme	100	100	100	100	100	500
		Flood Prevention Measures: Riverside Drive at Bridge of Dee						
0	837	Court	0	500	0	0	0	500
0	838	Flood Prevention Measures: Millside & Paddock Peterculter	0	1,000	2,000	0	0	3,000
0	839	Flood Prevention Measures: Inchgarth Road	0	0	1,000	0	0	1,000
0	999	Construction Inflation Allowance for existing projects	1,800	0	0	0	0	1,800
<b>72,250</b>			<b>132,639</b>	<b>124,649</b>	<b>42,426</b>	<b>40,695</b>	<b>46,380</b>	<b>386,789</b>
<b>91,801</b>		<b>Totals</b>	<b>157,458</b>	<b>161,873</b>	<b>69,916</b>	<b>62,201</b>	<b>65,475</b>	<b>516,923</b>

## DRAFT NON-HOUSING CAPITAL PLAN - BUDGETS FOR 2016/17 TO 2020/21

Forecast									
Outturn		Non-Housing Capital Programme	Budget	Budget	Budget	Budget	Budget		Total
2015/16		Financed By:	2016/17	2017/18	2018/19	2019/20	2020/21		
£'000			£'000	£'000	£'000	£'000	£'000		£'000
		<b>NHCP No. 1. Project Funding Streams</b>							
(455)	244	Duthie Park HLF	0	0	0	0	0		0
(285)	294	Corporate Property Condition & Suitability	0	0	0	0	0		0
(338)	551	Cycling Walking Safer Streets	(251)	0	0	0	0		(251)
		Fleet Replacement Programme							
(110)	784	(including Zero Waste Strategy Fleet)	0	0	0	0	0		0
(45)	789	Planned Renewal & Replacement of Roads Infrastructure	0	0	0	0	0		0
(356)	794	Hydrogen Buses	0	0	0	0	0		0
(2,960)	795	Accelerate Aberdeen (City Broadband)	0	0	0	0	0		0
(1,990)	826	Aberdeen City Hydrogen Energy Storage (ACHES)	0	0	0	0	0		0
0	827	SIP New Build Housing Programme	(3,000)	0	0	0	0		(3,000)
(630)	829	Middlefield Project Relocation (Henry Rae CC)	(1,000)	0	0	0	0		(1,000)
(484)	805	Technology Investment Requirements & Digital Strategy	(800)	(550)	0	0	0		(1,350)
(2,518)	773	New Brimmond School	0	0	0	0	0		0
(2,012)	799A	Art Gallery Redevelopment - Main Contract (HLF)	(16,755)	(1,000)	0	0	0		(17,755)
0	808	New Academy to the South	(11,987)	(10,826)	(2,015)	0	0		(24,828)
0	809	New Milltimber Primary	0	0	0	(2,421)	0		(2,421)
(200)	823	Music Hall Refurbishment	(800)	0	0	0	0		(800)
0	828	Greenbrae Primary Extension and Internal Works	(750)	0	0	0	0		(750)
0	831	Stoneywood Primary	(3,400)	0	0	0	0		(3,400)
(300)	832	Dyce 3G Pitch	(448)	0	0	0	0		(448)
(775)	834	Refurbish Throughcare Facility - 311 Clifton Road	0	0	0	0	0		0
0	836	Flood Prevention Measures: Flood Guards Grant Scheme	0	(80)	(80)	(80)	(80)		(320)
0	837	Flood Prevention Measures: Riverside Drive at Bridge of Dee Court	0	0	(400)	0	0		(400)
0	838	Flood Prevention Measures: Millside & Paddock Peterculter	0	0	0	(2,400)	0		(2,400)
0	839	Flood Prevention Measures: Inchgarth Road	0	0	0	(800)	0		(800)
(13,458)			(39,191)	(12,456)	(2,495)	(5,701)	(80)		(59,923)
		<b>2. Other Receipts</b>							
0		Receipt - Summerhill	(2,000)	(2,000)	(2,000)	(2,000)	0		(8,000)
0		Receipt - Marischal Square	0	(9,000)	0	0	0		(9,000)
(820)		Receipts - General	(5,117)	(2,000)	(2,000)	(2,000)	(2,000)		(13,117)
(820)			(7,117)	(13,000)	(4,000)	(4,000)	(2,000)		(30,117)
(26,518)		<b>3. Capital Grant</b>	(18,103)	(25,000)	(25,000)	(25,000)	(25,000)		(118,103)
(44,160)		<b>4. Other Financing</b>	(56,377)	(73,705)	(38,331)	(20,180)	(20,250)		(208,843)
(84,956)		<b>Sub-total</b>	(120,788)	(124,161)	(69,826)	(54,881)	(47,330)		(416,986)
(6,845)		<b>Cashflow</b>	(36,670)	(37,712)	(90)	(7,320)	(18,145)		(99,937)
0		<b>Net Position</b>	0	0	0	0	0		0



## Appendix 7

### Motions Referred to the Budget Process

#### From Council, 8th October 2015

Motion by Cllr Yuill:

That this Council:

1. Notes the impact the branches of mature trees growing on Council property can have on neighbouring properties.
2. Notes that the Council accepts no responsibility for pruning such overhanging branches even when they are causing a loss of amenity to others.
3. Instructs officers to report on the feasibility and implications of amending the Council's policy so that the Council would accept responsibility for pruning Council-owned trees whose branches are overhanging neighbouring properties.

**Response:** Officers have considered this and costed the additional duties at £312,000 in 16/17.

Motion by Cllr Yuill:

That, noting the increasing concerns about the possible effects on public health of the use of glyphosate for controlling weeds, this Council instructs officers to report to the appropriate committee on:

1. The latest information on the health and environmental risks associated with the use of glyphosate and the mitigation measures put in place by this Council to address these risks in its use of glyphosate.
2. The options for, and feasibility and implications of, switching to a non-chemical method of weed control on Council property.

**Response:** Officers have considered this and calculated the additional cost at £1,000,000 in 16/17.

## Appendix 8

### ABERDEEN CITY COUNCIL 2015/16 to 2020/21

#### THE PRUDENTIAL CODE For Capital Finance in Local Authorities

From 1 April 2004, Councils are required by Regulation to have regard to the Prudential Code (the Code) when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

In setting the revenue and capital budgets, members will be aware that under the Prudential Code, the level of capital investment is determined locally. Therefore, these indicators will be reviewed on an ongoing basis to ensure that the Council does not breach the indicators it sets.

The key objectives of the Code are to ensure:-

- The Council's capital programmes are affordable, prudent and sustainable.
- Treasury management decisions are taken in accordance with good professional practice.

The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

In setting the indicators, cognisance should be paid to the level of capital investment looking ahead for a three year period, for both the housing and non-housing capital programmes that the Council wishes to embark upon. The Code also requires that the underlying requirement to finance PPP projects and finance leases be included when setting the indicators.

The Code requires the following Prudential Indicators are set for the Council:-

	<b>Capital Expenditure</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>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Non HRA	57,923	91,776	156,958	161,873	69,916	62,201	65,475
HRA	39,295	55,329	48,084	58,077	59,358	60,269	61,141

## Appendix 8 (cont)

	Ratio of Financing Costs to Net Revenue Stream						
	2014/15 £'000 Actual	2015/16 £'000 Estimate	2016/17 £'000 Estimate	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate
Non HRA	6.3%	6.3%	6.9%	7.2%	7.7%	8.1%	8.3%
HRA	15.7%	15.5%	16.8%	17.6%	18.5%	18.1%	17.5%

	Capital Financing Requirement						
	2014/15 £'000 Actual	2015/16 £'000 Estimate	2016/17 £'000 Estimate	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate	2020/21 £'000 Estimate
Non HRA	486,619	497,292	516,578	570,115	587,002	584,493	582,965
HRA	228,997	254,703	272,714	299,451	325,760	350,796	374,372
<b>Total</b>	<b>715,616</b>	<b>751,995</b>	<b>789,292</b>	<b>869,566</b>	<b>912,762</b>	<b>935,289</b>	<b>957,337</b>

The Prudential Code states:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

The Head of Finance reports that the Council can meet this requirement in 2015/16, and it is expected to do so for the future years, as outlined, taking into account current commitments, existing plans, and the assumptions in this report.

	Authorised Limit for External Debt					
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Operational Boundary	770,154	807,451	887,725	930,921	953,448	975,496
10% Margin	77,015	80,745	88,772	93,092	95,345	97,550
<b>Total</b>	<b>847,169</b>	<b>888,196</b>	<b>976,497</b>	<b>1,024,013</b>	<b>1,048,793</b>	<b>1,073,046</b>

	Operational Boundary for External Debt					
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	664,091	703,866	786,751	833,169	858,693	882,535
Other Long Term Liabilities	106,063	103,585	100,974	97,752	94,755	92,961
<b>Total</b>	<b>770,154</b>	<b>807,451</b>	<b>887,725</b>	<b>930,921</b>	<b>953,448</b>	<b>975,496</b>

## Appendix 8 (cont)

Estimate of the incremental impact of capital investment decisions proposed in this report, over and above capital investment decisions that have previously been taken by the Council are:

(a) for Band D Council Tax

<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
£0	£0	£0	£0	£0

Whilst there would be an incremental impact on Council Tax, this is shown above as nil on the basis that Council Tax will not be increased.

(b) for average weekly housing rents (assuming that increased capital investment is financed by way of cfr and borrowing)

<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
£1.01	£1.35	£0.15	£0	£0

<b>Appendix 9</b>				
<b>Integration Joint Board - Calculation Of Aberdeen City Council Contribution</b>				
			<b>£000</b>	<b>£000</b>
	<b>2015/16 REVENUE BUDGET</b>			88,195
ADD:	<b>GROWTH</b>			
	Staffing increments etc		378	
	National Care Home Rate increase(NCHR) (3%)		950	
	BAC pay award+increments		450	
	1% uplift on commissioned services		628	2,406
ADD:	<b>NEW GROWTH (Growth identified due to settlement)</b>			
	Additional funding re NCHR (6.25%)		1,000	
	Rolling out of living wage to external care providers		1,600	2,600
	REVISED 2016/17 POSITION			<b>93,201</b>
LESS:	<b>SERVICE OPTIONS/CASHABLE SAVINGS</b>			(1,846)
	REVISED 2016/17 POSITION			91,355
LESS:	Integration Fund Contribution			(4,750)
	ACC CONTRIBUTION TO IJB			<b>86,605</b>
	Originally Modelled Contribution			88,705
	Budget Adjustment			<b>2,100</b>
	<b>For Information:</b>			
	<u>Analysis of settlement letter</u>			
	Total Funding for Scotland	£250 million		
	Aberdeen City/NHS Grampian share	£9.5 million		
	Represented By:			
Note 1	Additionality	£4.75 million		
Note 2	Integration Fund Contribution	£4.75 million		
	Note 1: This money is to fund additional capacity within Health & Social Care Partnerships that does not currently exist			
	Note 2: Relates to resources for other Local Authority budget pressures for social care services such as pay, National Insurance and living wage.			