

Finance and Resources Committee Annual Effectiveness Report 2023/2024



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1. Introduction from Convener

- 1.1 The Committee has overseen the approval and progression of a number of the Council's commitments set out in the Council's policy document 'Working in Partnership for Aberdeen'.
- 1.2 This has been done within an incredibly challenging economic environment with finite resources continuing to be stretched due to external factors, such as high inflation, supply chain volatility, high energy costs and issues caused by Brexit. However, the Committee has maintained effective scrutiny and monitoring of the financial performance of the Council and in doing so has ensured sound financial management, which has led to an unmodified external audit opinion on our 2023/24 Annual Accounts with Audit Scotland observing improvements in the annual governance statement and the working papers provided for audit.
- 1.3 The Committee has also received and reviewed business cases, and continued to make decisions to invest in our city where possible, as well as approving the events programme, to ensure Aberdeen continues to be an attractive place to live, work, visit and invest. We have approved capital business cases which has ensured projects move forward, including business cases as part of the School Estates Programme, the City Centre Masterplan, as well as monitoring the delivery of the wider capital programme, also including property maintenance plans and continued investment in our roads and infrastructure.
- 1.4 The Committee has approved funding awards through a range of schemes, such as the Place Based Investment Programme funded by the Scottish Government, or the UK Shared Prosperity Funding, as well as overseeing development of new funds, such as the Empty Shop Grant Scheme for Union Street, Heritage and Place Programme, and Building Repair Grants, which all remain open to businesses and have helped to leverage private investment into our city centre.
- 1.5 I would like to thank Officers and members of the Finance and Resources Committee, in particular the Vice-Convener Cllr Ian Yuill, for their contributions over the last year. I would also like to acknowledge that over 90% of business was heard in public session allowing for the public to view the business as much as possible.



Councillor Alex McLellan, Convener – Finance and Resources Committee

2. The Role of the Committee

Purpose of the Committee:-

- 2.1 To approve and monitor financial strategies, budgets and financial performance in light of available funding, including the development and delivery of the Council's capital programme as well as monitoring the development of the Local Development Plan. The Committee will also consider:
- ◆ strategies to support the city's economic growth;
 - ◆ additions to the Capital Programme; and
 - ◆ recommendations regarding the Council's property and estates portfolio.
- 2.2 The Committee monitors the delivery of all services provided by the Corporate Services Function (with the exception of those within the remit of the Staff Governance Committee) and the Families and Communities Function relating to Corporate Landlord (with the exception of those within the remit of the Communities, Housing and Public Protection Committee and the Education and Children's Services Committee). It scrutinises performance and approves options to improve services within those Functions, set budgets to ensure best value and delivery of the Council's agreed outcomes.

Remit of the Committee:-

1. BUDGETS

The Committee will:

- 1.1 approve recommendations regarding the Council's resources including finance, staffing structures and property; and monitor all Council budgets including all Useable Reserves, and in particular:
- 1.1.1 scrutinise function budget monitoring reports and make decisions to ensure that Council spending is delivered on budget;
 - 1.1.2 hold budget holders to account for the proper control of the budget for which they are responsible;
 - 1.1.3 approve changes to the budget including vire between function budgets where this is in excess of the amount delegated to officers in the Financial Regulations and Powers Delegated to Officers;
 - 1.1.4 consider and approve Outline and Full Business Cases for projects added to the Capital Programme outwith the budget process;
 - 1.1.5 approve all non-capital programme procurement activity, and capital programme procurement activity, including Procurement Business Cases submitted in accordance with the Procurement Regulations;
 - 1.1.6 approve annual procurement workplans in respect of the Capital Programme;
 - 1.1.7 approve Procurement Business Cases in respect of projects added to the Capital Programme outwith the budget process, submitted in accordance with Procurement Regulations;
 - 1.1.8 approve the allocation of additional funding to, or removal of funding from, existing projects, both capital and revenue;

- 1.1.9 approve the addition of new projects to the Capital Programme outwith the budget process;
- 1.1.10 approve use of the Council's Useable Reserves;
- 1.1.11 monitor the Code of Guidance on Funding External Bodies and Following the Public Pound and take such action as is required to ensure that the Council meets its duties;
- 1.1.12 receive formal credit rating reassessment;
- 1.1.13 approve financial guarantees, including requests received from relevant Admitted Bodies of the Pension Fund;
- 1.1.14 consider numbers and values of Council Tax, Non-Domestic Rates, Housing Benefit overpayments and Rent made unrecoverable, as required in terms of the Financial Regulations, and approve Non-Domestic Rates write-offs;
- 1.1.15 scrutinise the progress and delivery of capital projects against the approved business cases;
- 1.1.16 review progress in the delivery of the benefits of the Capital Programme, including through the receipt and scrutiny of Post Project Evaluations (PPEs) and Post Occupancy Evaluations (POEs); and
- 1.1.17 request a report to allow for the detailed consideration of any project which is of particular concern or interest.

2. SERVICE DELIVERY

- 2.1 The Committee will, for the Corporate Services Function, the Development and Regeneration Cluster, the Capital Cluster and the Corporate Landlord Cluster:-
 - 2.1.1 oversee and make decisions relating to service delivery;
 - 2.1.2 approve options to improve/transform service delivery;
 - 2.1.3 scrutinise operational performance and service standards in line with the Performance Management Framework and consider recommendations for improvements where required;
 - 2.1.4 receive the cluster risk registers relative to its remit and scrutinise to ensure assurance that efficient controls are in place;
 - 2.1.5 approve all policies and strategies relative to its remit; and
 - 2.1.6 receive reports on inspections and peer reviews in order to ensure best practice and note any actions arising from those inspections and reviews.
- 2.2 In undertaking the aspects at 2.1, the Committee will ensure that it is acting within the budget set by Council and overseen by this Committee and in accordance with best value and supporting delivery of the Council's agreed outcomes, commissioning intentions, service specifications and service standards.

3. CITY DEVELOPMENT AND REGENERATION AND STRATEGIC PLACE PLANNING

- The Committee will:
- 3.1 approve reports to support the annual re-assessment of the Council's credit rating;
- 3.2 approve the Council's actions for city growth and place planning except in relation to major infrastructural planning ;

- 3.3 oversee and approve the preparation of the Local Development Plan, subject to final approval thereon being given by Council; and
- 3.4 approve key actions required by the Council to facilitate the delivery of strategies (including partnership strategies) and the Inward Investment Plan to support city growth and place planning.

4. PROPERTY AND ESTATES

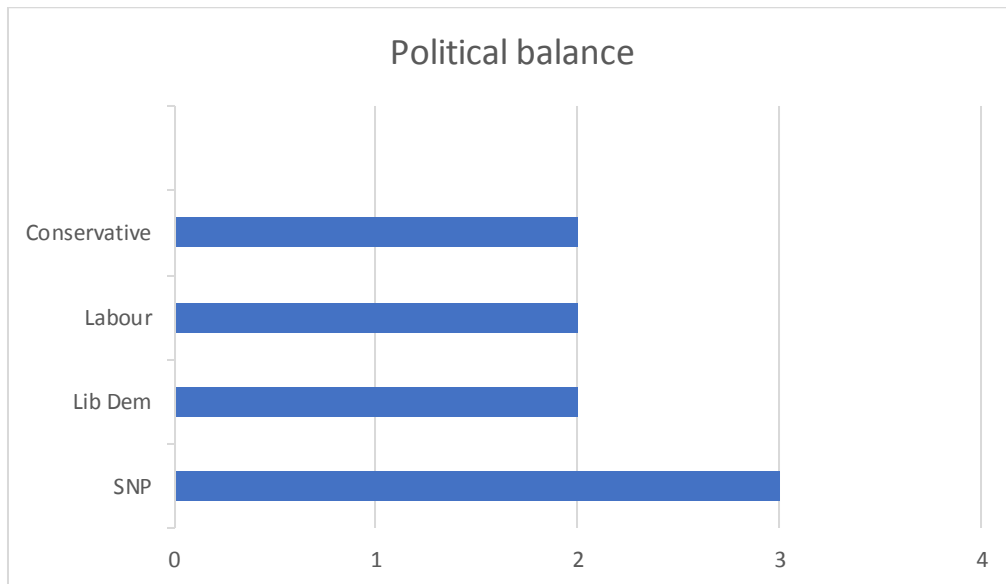
The Committee will:

- 4.1 approve recommendations regarding the Council’s assets, property and estates;
- 4.2 hear and determine requests for review under s86(10) of the Community Empowerment (Scotland) Act 2015 of decisions taken in respect of community asset transfer requests;
- 4.3 approve the procedure for the Community Asset Transfer Review Sub Committee; and
- 4.4 approve the acquisition and disposal of land and property.

3. Membership of the Committee during 2023/2024

3.1 The Finance and Resources Committee had 13 members, however in February 2024 Council agreed to reduce the number of members to 9

3.2 The current Committee composition is presented below:-



4. Membership Changes

4.1 There were no changes to the membership following the reduction of members from 13 to 9.

5. Member Attendance

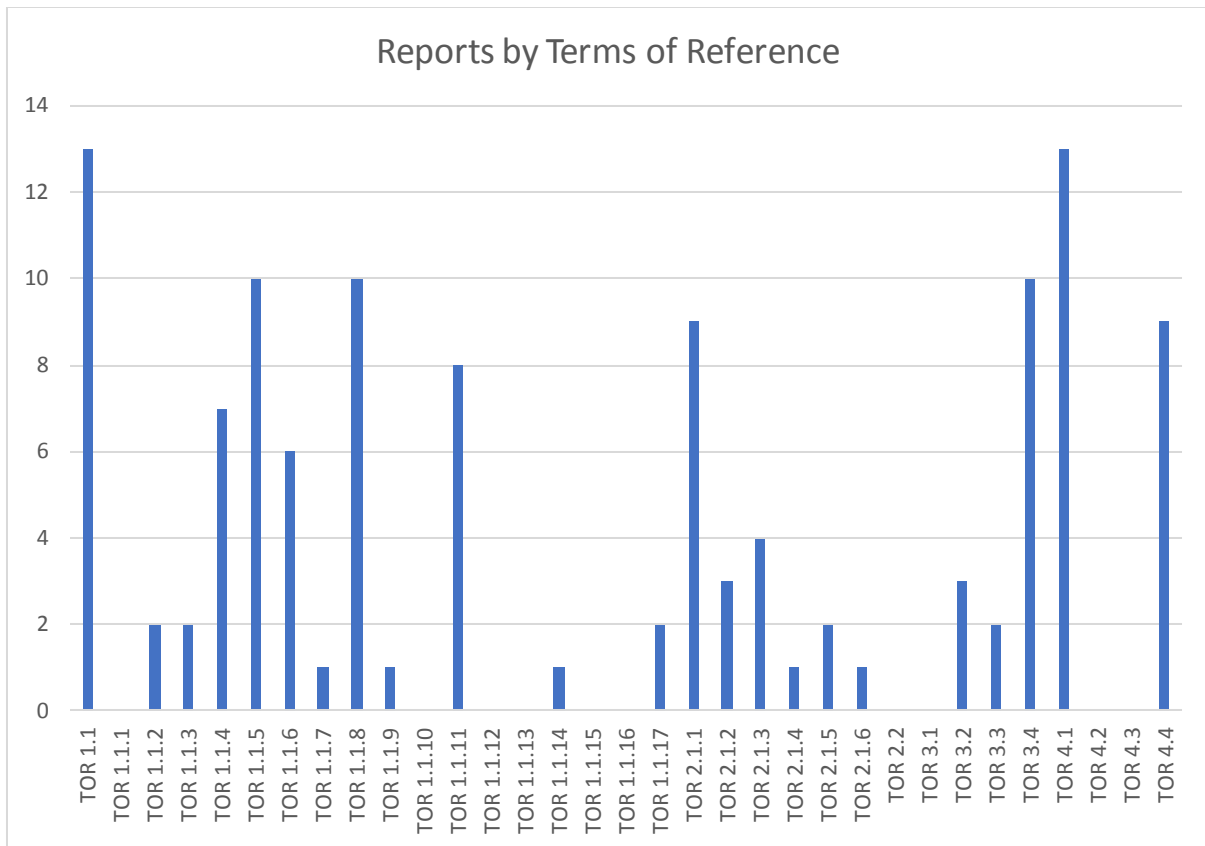
Member	Total Anticipated Attendances	Total Attendances	Substitutions
Councillor McLellan (Conv)	6	6	
Councillor Yuill (VC)	6	5	Delaney
Councillor Allard	6	5	Radley
Councillor Brooks	4	4	
Councillor Cooke	6	6	
Councillor Farquhar	6	6	
Councillor Greig	6	5	Bouse
Councillor Malik	6	4	Blake
Councillor Watson	6	6	
Previous Members			
Councillor Fairfull	1	1	
Councillor Houghton	2	2	
Councillor Hutchison	2	2	
Councillor Radley	2	1	Copland
Councillor Thomson	2	2	
Councillor van Sweeden	1	1	

6. Meeting Content

6.1 During the 2023/2024 reporting period (15 October 2023 to 15 October 2024), the Committee had 6 meetings which considered a total of 76 reports.

6.2 Terms of Reference

6.2.1 The following chart details how reports aligned to the Terms of Reference (set out at section 2 above) for the Committee.



- 6.2.2 During the course of 2023/2024 the Committee received reports under most of the main Terms of Reference which indicates that the Committee has discharged its role effectively throughout the course of the reporting period.
- 6.2.3 Very few changes to the Terms of Reference were made following the 2024 Scheme of Governance review. Any changes made were generally to provide clarity where required and ensure consistency between committees. The new Terms of Reference will continue to be monitored throughout the year, in preparation for the 2025 Scheme of Governance review.
- 6.2.4 The majority of reports fell under Terms of Reference 1.1 (approve recommendations regarding the Council’s resources including finance, staffing structures and property; and monitor all Council budgets including all Useable Reserves); and 4.1 (approve recommendations regarding the Council’s assets, property and estates).

7. Reports and Decisions

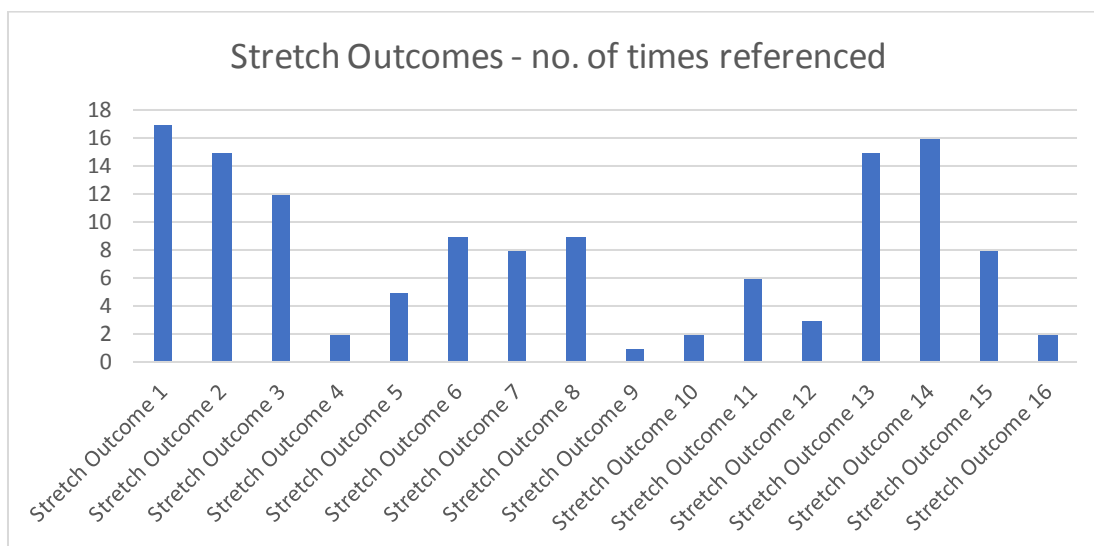
7.1 The following information relates to the committee reports and Notices of Motion presented to Committee throughout the reporting period, as well as the use of Standing Orders and engagement with members of the public.

	Total	Percentage of Total Number of Reports
Confidential Reports	0	n/a
Exempt Reports	6	7.89%
Number of reports where the Committee amended officer recommendations	2	2.63%
Number of reports approved unanimously	48	63.15%
Number of reports or service updates requested during the consideration of another report to provide additional assurance and not in business planner	4	5.26%
Number of reports delayed for further information	0	n/a
Number of times the Convener has had to remind Members about acceptable behaviour in terms of the Code of Conduct	0	n/a
Late reports received (i.e. reports not available for inspection at least 3 clear days before the meeting)	0	n/a
Number of referrals to Council under SO 34.1	3	3.94%

Notices of Motion, Suspension of Standing Orders, Interface with the Public	
Number of Notices of Motion to Committee	3 (1 of which was withdrawn)
Number of times Standing Orders suspended	0
Specific Standing Orders suspended	n/a
Number of deputations requested	1
Number of deputations heard	1
Number of petitions considered	0

8. Reports with links to the Local Outcome Improvement Plan

- 8.1 The following table details of the 76 reports how each report linked to the Local Outcome Improvement Plan (LOIP Stretch Outcomes are appended to this report for reference at Appendix 1). Stretch Outcomes were correct at the time of recording on the Committee reports, however, these were updated in April 2024 and therefore the Stretch Outcomes noted after that date refer to the new outcomes in appendix 1.



9. Training and Development

- 9.1 Training opportunities for Members during the reporting period were limited as a comprehensive training and development programme was put in place for the councillors following the May 2022 elections. This training took place through the first two to three months of the new Council term.
- 9.2 Further development opportunities will be considered for next year based on Committee business throughout the year, Executive Lead proposals and Member feedback on what may be required to assist them in performing their roles.

10. Code of Conduct Declarations and Transparency Statements

- 10.1 Two declarations of interest and twenty three transparency statements were made by Members during the reporting period. Information in respect of declarations of interest and transparency statements is collected to evidence awareness of the requirements to adhere to the Councillors' Code of Conduct and the responsibility to ensure fair decision-making.

11. Civic Engagement

- 11.1 Engagement with individual stakeholder organisations happens on a regular basis through the Council's representation on a number of external boards.

12. Executive Lead to the Committee - Commentary

- 12.1 It was a busy year for the Committee with the statistics indicating, on average, thirteen reports considered at each meeting, although this is a little understated as one of the Committee meetings was a Special meetings for the Quarterly Financial Performance reports, which means that each regular meeting of the Committee considered on average fifteen reports.
- 12.2 Committee business has been varied, covering subjects as diverse as planning for the City's Events Programme, to decisions on the future operations of the Torry Heat Network. Regular monitoring of key Council measures, including financial performance, Capital Programme progress and approval of programmes of work for fleet and property investment was all undertaken during the year. During the period the Committee approved the purchase and disposal of land and properties.
- 12.3 The Committee approved further funding awards under the Place Based Investment Programme and UK Shared Prosperity Funding. Further approval of Capital business cases ensured that projects moved forward through the business case process, with the Committee overseeing progress being made in the City Centre Masterplan, the Beach Masterplan and the Council Housing Programme.
- 12.4 The committee engaged with the public, with direct access to speak to the Committee being taken up by a deputation on the use of land at the Beach Esplanade for potential development.
- 12.5 A substantial amount of business was undertaken in public (over 92% of reports), which assists in maintaining transparency in the democratic process. Given the nature of the Committee and specifically the financial nature of some of the subjects there was a proportion of business conducted in private. Exempt and confidential reports are only used where they meet the legal definitions set out in the Local Government (Access to Information) Act 1973 (Schedule 7A). Where appropriate, reports have been split so that exempt information is considered separately from information that can be included in a public report.
- 12.6 Compliance with London Stock Exchange (LSE) reporting requirements have been maintained throughout the year, notice being given to the LSE ahead of Quarterly financial reports being published for the Committee.
- 12.7 As noted, the Scheme of Governance amended the number of Members from thirteen to nine during this period. A total of twenty different Members sat on the Committee in the year. Most attended all the meetings they were invited to attend, with fourteen out of fifteen Members missing no more than a single meeting. In each case of absence

a substitute Member was provided. This provides evidence of strong continuity in the membership of the Committee with Members rarely being absent enabling knowledge to build up over time to assist in the effective operation of the Committee.

- 12.8 In general, Committee business has resulted in decisions being agreed unanimously, 77% of reports in the period.
- 12.9 Giving due consideration and making fully informed decisions are founded upon having access to reports in line with the approved Scheme of Governance. In pursuit of this late reports are not helpful and it is welcome to see that no reports were issued without sufficient time to provide 3 clear days' notice prior to the meeting.

13. The Year Ahead

- 13.1 On 6 March 2024 the Council approved budgets for financial year 2024/25, and on 5 March 2025 will approve budgets for financial year 2025/26. In order to effectively and efficiently monitor the progress of the budget and the forecast for the year a continued emphasis will be placed on presenting comprehensive quarterly reports approx. one month after the quarter end.
- 13.2 Regular reporting on the progress of the Capital Programme is another feature of the Committee going forward, and decisions will have to be taken by the Committee as Capital project business cases are presented at the various stages of the green-book business case model.
- 13.3 The Business Planner shows a focus on Strategic Place Planning, City Development and Regeneration, Capital and Asset Management. The Committee expects to receive reports on the City Centre and Beach Masterplanning work; the condition and suitability of Council buildings/properties; Invest Aberdeen; the new fiscal power concerning the Visitor Levy; the General Fund Medium-Term Financial Strategy; and the Housing Revenue Account 30 Year Business Plan. Regular reports on performance, quarterly financial monitoring reports and an update on the Credit Rating annual review will also be prepared for the Committee.
- 13.4 Council on 21 August 2024 approved the latest Scheme of Governance, including Committee Terms of Reference and a further review will be reported to Council in 2025. Throughout the next reporting year, we will review the Terms of Reference in line with the business submitted to the Committee and reflect on whether any areas require refinement moving forward to ensure the efficient operation of the Committee.

Appendix 1 – Local Outcome Improvement Plan Stretch Outcomes

Economy	
1.	20% reduction in the percentage of people who report they have been worried they would not have enough food to eat and/ or not be able to heat their home by 2026
2.	74% employment rate for Aberdeen City by 2026
People (Children & Young People)	
3.	95% of all children will reach their expected developmental milestones by their 27-30 month review by 2026
4.	90% of children and young people report they feel listened to all of the time by 2026
5.	By meeting the health and emotional wellbeing needs of our care experienced children and young people they will have the same levels of attainment in education and positive destinations as their peers by 2026
6.	95% of children living in our priority neighbourhoods (Quintiles 1 & 2) will sustain a positive destination upon leaving school by 2026
7.	83.5% fewer young people (under 18) charged with an offence by 2026
8.	100% of our children with Additional Support Needs/disabilities will experience a positive destination
People (Adults)	
9.	10% fewer adults (over 18) charged with more than one offence by 2026
10.	Healthy life expectancy (time lived in good health) is five years longer by 2026
11.	Reduce the rate of both alcohol related deaths and drug related deaths by 10% by 2026
12.	Reduce homelessness by 10% and youth homelessness by 6% by 2026, ensuring it is rare, brief and non-recurring with a longer term ambition to end homelessness in Aberdeen City.
Place	
13.	Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate
14.	Increase sustainable travel: 38% of people walking; 5% of people cycling and wheeling as main mode of travel and a 5% reduction in car miles by 2026
15.	26% of Aberdeen's area will be protected and/or managed for nature and 60% of people report they feel that spaces and buildings are well cared for by 2026
Community Empowerment	
16.	100% increase in the proportion of citizens who feel able to participate in decisions that help change things for the better by 2026