

Aberdeen Labour Group

2. RECOMMENDATIONS

It is recommended that Council:

2.1 Balance Sheet Recommendations

2.1.1 Note the projected balance sheet position, as detailed in the report;

2.1.2 Agree that the Council needs to find recurring funding solutions to meet recurring costs while retaining prudent reserves that will be available should they be needed, particularly given the wide range of financial risks that remain outside the control of the Council; noting the Scottish government's own figures show the average net revenue expenditure per person in Scotland is £2,687 per person whilst Aberdeen City Council only receives £2,240 per person which is a whopping 16.6% below the Scottish average .

2.1.3 Note that the Council's Risk Appetite Statement reflects a cautious appetite for longer term capital and financial investment and remains averse to risks associated with impairing financial stewardship, internal controls, and financial sustainability.

2.1.4 Having given due regard to the Council's Financial Resilience Framework measures, Prudential Indicators, and Risk appetite statement approve the General Fund Capital programme as detailed in at Appendix 1;

2.1.5 Agree to limit the annual Cost of Financing Capital at 13% of projected Net Revenue.

2.1.6 Approve the Revenue and Capital Reserves Statement for 2025/26 as detailed in Appendix 6 of the report;

2.1.7 Approve the use of the Capital Fund to support any financial implications arising from Council's support to owners of properties affected by RAAC, see Section 8 of the report; and

2.1.8 Continue to retain the Service Concession Reserve to support the commitment to no compulsory redundancies, as a funding source for continued use of the voluntary severance / early retirement scheme (VSER).

2.2 Medium-Term Financial Projections

2.2.1 Note the forecast medium-term financial projection for the period ending 31 March 2030 as shown in paragraph 5.18 of the report; and

2.2.2 Instruct the Chief Officer – Finance to refresh the Medium-Term Financial Strategy and report to the Council by the end of September 2025 in line with the requirements of the budget protocol.

2.3 Risks

2.3.1 Note the Risks as set out in the Report

2.3.2 Agree the UK Government provided Scotland with a record £47.7 billion block grant settlement for the Scottish government including £3.4 billion through the Barnett formula. Noting 5.2 of the Report, welcomes the UK government increase in spending for Scotland has meant that Aberdeen has received an additional £22.7m in funding this year.

2.3.3 Notes that the SNP Scottish Government has chosen not to prioritise fully funding the JJB and National Insurance contributions despite receiving an additional £5.2billion in funding from the UK Government, which is reflected in this report.

2.3.4 Notes that, despite 2 and 3 above, Aberdeen City Council remains the second lowest funded Council in Scotland and agrees that receiving 16.6% less than the Scottish average is totally unacceptable.

2.3.5 Instruct the Chief Officer – Finance to write to the Cabinet Secretary for Finance confirming the position around the UK Government providing a record settlement to the Scottish Government and seek financial help from the Scottish government in respect of the risks as noted within the report.

2.3.6 Note the extent of contingent liabilities described in Appendix 13 of the report; and

2.3.7 Instruct the Chief Officer – Finance, to monitor the delivery of the approved budget and advise the Finance and Resources Committee of any in year changes required via the Financial Performance reports.

2.4 Annual Revenue Budget Recommendations

2.4.1 Note, 5.2 of the Report.

2.4.2 Having given due regard to the contents of the report and appendices and taken advice from the Chief Officer - Finance in relation to the use of non-recurring funding, specifically in respect of the use of Reserves; and had due regard to protected characteristics and how the authority could reduce inequalities of outcome caused by socio-economic disadvantage in terms of the Equality Act 2010, approve the use of various savings options to set at least a balanced budget for financial year 2025/26 as detailed in Appendices 3, 4, 5 and 7 of the report;

2.4.3 Note that the conditions outlined by the Scottish Government within the Local Government Finance Settlement for 2025/26 are met by the proposals set out in the report, including the requirement to maintain teacher numbers at 2023 levels.

2.4.4 Agree to a contingency fund of £1.244 million.

2.4.5 Approve the balanced budget for 2025/26 noting the savings.

2.4.6 Approve the Revenue and Capital Reserves Statement, that sets out the Council should maintain uncommitted General Fund balances of between a minimum of £12m and £34m.

2.4.7 Approve fees and charges noting Aberdeen Labour's proposals to reduce City Centre Parking charges by 20% to help stimulate the city centre economy.

2.4.8 Notes the Council's Risk Appetite Statement and Public Sector Equality Duty and the Integrated impact assessments provided.

2.4.9 Approve recommendations to award funding for the Cultural Investment Framework for 2025/26, and indicative funding for the following two years as detailed in Appendix 3.

2.4.10 Note the Commissioning Intentions and approve the Service Standards as shown in Appendix 11 of the report, subject to any amendments approved and included in 2.4.2 above, noting that the Chief Officer - Finance had confirmed, as far as possible, that the Commissioning Intentions and Service Standards being implemented were consistent with the draft budget 2025/26; and; and

2.4.11 Instruct the Chief Executive, in light of the notified retirement of the current post holder of the Chief Officer – Capital, to commence a recruitment & selection process to consider internal and external applications together, in accordance with Appendix 3 of the Standing Orders: Protocol for Appointment of Chief Officers.

2.5 Annual Revenue Budget Recommendations – Aberdeen City Council Group

2.5.1 Approve the level of funding for the Aberdeen City Health & Social Care Partnership IJB 2025/26 to meet the conditions of the Scottish Government Financial Settlement, detailed in Appendix 4, noting that the IJB will determine how it will balance its budget in March 2025.

2.5.2 Instructs Chief Officer – Finance to write to the Chair of the IJB reminding him and his Board that the Council is not a bottomless pit and that for the Council to have confidence in him and his board he must ensure that his budget for 2025/26 is robust enough to ensure the IJB does not come to either partner for any overspends.

2.5.3 Approve the fees and charges for the Aberdeen City Health & Social Care Partnership IJB, as shown in Appendix 5, subject to the IJB approving their budget in March 25.

2.5.4 Approve the level of funding for the Council's other group entities and Arm's Length External Organisations (ALEOs), in 2025/26 detailed in Appendix 4; and notes that it will be for the ALEOs themselves to determine how they will balance their budgets; and

2.5.5 Instruct the Chief Officer – Finance to give notice to the Board of Directors of NYOP Education (Aberdeen) Ltd to disburse the notified surplus of £908,991 from financial year 2023/24 to Sport Aberdeen, a nominated charity of NYOP

2.6 Taxation Recommendations

2.6.1 Approve a Band D equivalent Council Tax rate of up to £1,586.37 (6.5% increase), with effect from 1 April 2025;

2.6.2 Impose and levy Council Tax assessments for the period 1 April 2025 to 31 March 2026 on all chargeable dwellings in Aberdeen City to be paid by the persons liable therefor under the Local Government Finance Act 1992, as amended by the Local Government etc. (Scotland) Act 1994.

2.6.3 Note that the Council implements revisions to the national Non-Domestic Rates (NDR) scheme as defined by the Scottish Government within the relevant legislation and Finance Circulars, with effect from 1 April 2025.

2.6.4 Approve an Empty Property Relief Scheme for Aberdeen City with effect from 1 April 2025, as set out from in Appendix 3.

2.6.5 Impose and levy Non-Domestic Rates assessments for the period 1 April 2025 to 31 March 2026 on all occupiers in Aberdeen City to be paid by those liable; and

2.6.6 Note that the Finance and Resources Committee, 12 February 2025, approved that wider consultation would now be undertaken on the introduction of a Visitor Levy in Aberdeen. Instruct the Chief Officer – Finance to incorporate the forecast financial implications into the Medium-Term Financial Strategy as appropriate.

2.7 Integrated Impact Assessments

2.7.1 Consider the IIAs prepared by officers which reflect the findings from Phase 1 and 2 of the public engagement on the budget, including face to face and targeted sessions with individuals and those that represented people with protected characteristics, and the requirements under section 149 of the Equality Act, as set out in the Legal Implications section, which should be applied in respect of a balanced budget for the year 2025/26; and

2.7.2 Thank all the members of the public that took the time and made the effort to participate and engage in our public consultations during 2024.

2.8 Common Good Budget 2025/26

2.8.1 Approve the Common Good budget for 2025/26 as detailed in the Common Good Budget report, modified as detailed in Appendix 6.

2.8.2 Note the inclusion of the tiered trend analysis of the Common Good Budget 2025/26; and

2.8.3 Note the review of the Common Good Investment Strategy and approve the continuation of the Multi Asset Income Fund investment and planned actions to maintain oversight of the investment performance.

2.8.4 Recognise the inextricable link between the General Fund and the Common Good, and approve the inclusion of the Common Good budget, in future, as an Appendix to the General Fund budget report.

2.9 Carbon Budget 2025/26

2.9.1 Approve the Council Carbon Budget 2025/26 including carbon target for 2025/26 of 22,567 tonnes of carbon dioxide equivalent (tCO₂e) and note the provisional 5-year carbon budget forecast to 2029/30.

2.9.2 Instruct the Chief Officer - Strategic Place Planning to update the carbon budget forecast position, where required, following publication of UK Government Greenhouse Gas reporting conversion factors June 2025.

2.9.3 Note the indicative Function/ Cluster carbon budget allocation, as attached at Appendix A [of the report].

2.9.4 Instruct the Chief Officer - Strategic Place Planning to liaise with relevant Chief Officers, on any realignment of carbon budget allocations required by changes to legislation, services, operations, targets and plan-making ahead of the 2026 Council Carbon Budget.

2.9.5 Note the national policy changes emerging over this 5-year period (paragraphs 3.13 - 3.17 [of the report]) relevant to carbon budget data, methodology and achievable savings.

2.9.6 Instruct the Chief Officer – Capital, following approval of the budget in March, to ensure any new projects being put forward to the capital programme include information on the expected operational carbon impact of the development.

2.10 ADDITIONAL RECOMMENDATIONS

2.10.1 Agree that Aberdeen Labour's budget protects the Council and its citizens from the worst effects of continued SNP austerity by:

- AGREEING A 6.5% INCREASE IN COUNCIL TAX WHICH REDUCES THE PRESSURE ON HARD PRESSED COUNCIL TAXPAYERS AND THE MOST VULNERABLE IN ABERDEEN
- AVOIDING NEARLY ALL OPTIONS PRESENTED BY OFFICERS TO REDUCE COUNCIL SERVICES

SUPPORTING OUR STAFF

2.10.2 AGREE THE POSITION ADOPTED BY COUNCILLOR ALI IN HIS MOTION TO COUNCIL IN FEBRUARY REGARDING NO FIRE AND REHIRE FOR OUR EMPLOYEES BY SUPPORTING ABERDEEN LABOUR PROPOSALS TO REINSTATE THE £5M REQUIRED TO MAKE THIS HAPPEN AND AVOID Potential INDUSTRIAL ACTION BY OUR STAFF

INVESTING NEARLY £1.2MILLION TO ENCOURAGE PEOPLE BACK IN TO THE CITY CENTRE BY

2.10.3 AGREE TO A 20% REDUCTION IN PARKING CHARGES IN THE CITY CENTRE WHICH IS THE BEST WAY TO ENCOURAGE PEOPLE BACK IN TO THE CITY CENTRE FOLLOWING THE HUMILIATION OF THE COUNCIL HAVING TO DEFEND YET ANOTHER JUDICIAL REVIEW FOLLOWING THE SNP INTRANSIGENT POSITION ON BUS GATES.

2.10.4 AGREE TO FUND A WEEKEND NIGHTTIME BUS SERVICE FOR 12 MONTHS THAT SUPPORTS THE CITY CENTRE NIGHTTIME ECONOMY AND WILL ENSURE PEOPLE CAN GET HOME SAFELY FROM A NIGHT OUT IN THE TOWN.

DELIVERING FOR THE CITY CENTRE, BEACH AND GEORGE STREET MASTERPLANS

2.10.5 AGREE THAT MOST OF THE PROJECTS CURRENTLY BEING TAKEN FORWARD PRESENTLY ARE PROJECTS OPPOSED BY THE SNP WHEN IN OPPOSITION, PROJECTS STARTED BY THE PREVIOUS LABOUR LED ADMINISTRATION. NOTES THE COMPLETE SATISFACTION THAT ABERDEEN LABOUR HAS IN SEEING ITS LEGACY CONTINUE TO BE DELIVERED BUT CONDEMNS THE SNP FOR ITS BOTCHED DECISION MAKING WITH UNION STREET AND THE CITY CENTRE BUS GATES.

2.10.6 AGREE THAT THE DECISIONS THE SNP HAS TAKEN IN RELATION TO THE BEACH MASTERPLAN, HAS LEFT THE CITY WITHOUT A BEACH LEISURE CENTRE, AND THE ICONIC BEACH BALLROOM AT RISK OF BEING LEFT UNSUPPORTED AND ISOLATED.

2.10.7 AGREE THAT FOLLOWING THE COUNCIL'S SUCCESS OF WINNING UK COUNCIL OF THE YEAR IN 2020, THE COUNCIL HAS FALLEN INTO DECLINE FOLLOWING THE SNP TAKING CONTROL OF THE COUNCIL IN MAY 2022, THEREFORE AGREES TO INVEST £300M INTO THE BEACH AND GEORGE STREET MASTERPLAN, WORKING WITH ABERDEEN FOOTBALL CLUB AND ALL OTHER STAKEHOLDERS TO BRING BACK TANGIBLE FACILITIES WITHIN PITTODRIE AND GEORGE STREET AND WORLD CLASS LEISURE FACILITIES AT THE BEACH.

2.10.8 Agree that lighting up the City Centre over the winter period can act as a catalyst for enhancing footfall from a regional audience and notes Aberdeen City Centre Christmas Lights are more than 10 years old and coming to the end of their functioning life. Therefore recommend to the Finance and Resources Committee that monies provided to the Council from the UK Government Shared Prosperity Fund should be considered as a potential funding source to upgrade our Christmas Lights for 25/26 onwards.

2.10.9 Agree to recommend to the Finance and Resources Committee that monies (up to a total of £12,000) provided to the Council from the UK Government Shared Prosperity Fund be allocated to Aberdeen Inspired in order to promote the award winning and internationally renowned street art festival known as NUART.

SUPPORTING OUR COMMUNITIES

2.10.10 AGREE TO AN INCREASE OF £250,000 IN FUNDING FOR THE FAIRER ABERDEEN FUND, AN ORGANISATION STARTED BY ABERDEEN LABOUR IN ADMINISTRATION IN 2015, NOTING IT HAS JUST CELEBRATED ITS 10TH ANNIVERSARY.

2.10.11 ACKNOWLEDGE THE GOOD WORK BIG NOISE TORRY DOES IN TORRY BY PROVIDING THEM WITH A GRANT FOR £93,000

2.10.12 AGREE THAT IN RESPECT OF RAAC, SERIOUS CONSIDERATION SHOULD BE GIVEN TO THE 'TORRY COMMUNITY RAAC CAMPAIGN' PROPOSALS AND INSTRUCTS THE CHIEF OFFICER - FINANCE TO WRITE TO THE SCOTTISH GOVERNMENT REQUESTING THEY OBTAIN PERMISSION FROM THE UK GOVERNMENT AROUND FISCAL FLEXIBILITY IN ORDER THAT THE COUNCIL CAN BORROW FOR REVENUE PURPOSES GIVEN THE UNIQUE CIRCUMSTANCES AROUND RAAC.

IJB

2.10.13 AGREE THE FINANCIAL POSITION AROUND THE IJB IS NOTHING SHORT OF EMBARRASSING AND REFLECTS BADLY ON COUNCILLOR COOKE AND HIS CONVENERSHIP OF THE IJB. AGREE THAT LABOUR BE AFFORDED ANOTHER MEMBER ON THE BOARD TO HELP THE SNP BALANCE THEIR BUDGETS.